

MINUTES OF THE APRIL 11, 2024
MEETING OF THE
INTERIM FINANCE COMMITTEE

Chair Daniele Monroe-Moreno called a regular meeting of the Interim Finance Committee (IFC) to order at 10:23 a.m. on April 11, 2024, in Room 4401 of the Grant Sawyer State 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 Dallas Harris
Senator Dina Neal
Senator Rochelle Nguyen
Senator Jeff Stone for Senator Heidi Seevers Gansert
Senator Robin Titus
Assemblywoman Natha Anderson
Assemblywoman Shea Backus
Assemblywoman Tracy Brown-May
Assemblywoman Jill Dickman
Assemblywoman Michelle Gorelow
Assemblyman Gregory Hafen II
Assemblywoman Sandra Jauregui
Assemblywoman Erica Mosca
Assemblyman Philip P.K. O'Neill
Assemblywoman Shondra Summers-Armstrong for Assemblywoman Sarah Peters
Assemblyman Howard Watts
Assemblyman Steve Yeager

COMMITTEE MEMBERS EXCUSED:

Senator Heidi Seevers Gansert
Assemblywoman Heidi Kasama
Assemblywoman Sarah Peters

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Brenda Erdoes, Director
Sarah Coffman, Assembly Fiscal Analyst, Fiscal Analysis Division
Wayne Thorley, Senate Fiscal Analyst, Fiscal Analysis Division
Brody Leiser, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division
Cathy Crocket, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division
Karen Hoppe, Principal Deputy Fiscal Analyst, Fiscal Analysis Division
Julie Waller, Principal Deputy Fiscal Analyst, Fiscal Analysis Division

Asher Killian, Legislative Counsel, Legal Division
Eileen O'Grady, Chief Deputy Legislative Counsel, Legal Division
Jessica Dummer, Deputy Legislative Counsel, Legal Division
Melissa Garvin, Committee Secretary, Fiscal Analysis Division
Tom Weber, Committee Secretary, Fiscal Analysis Division

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:](#) Meeting Packet – Volume VI
- [Exhibit G-1:](#) Public Comment – Myles Etcheberry
- [Exhibit G-2:](#) Public Comment – Paul Lunkwitz
- [Exhibit G-3:](#) Public Comment – Michael Thompson
- [Exhibit G-4:](#) Public Comment – Taylor Paryga
- [Exhibit G-5:](#) Public Comment – Denise Bolanos
- [Exhibit G-6:](#) Public Comment – Nancy Farrey
- [Exhibit G-7:](#) Public Comment – Sherri Martin, National Director of Wellness Services, Fraternal Order of Police
- [Exhibit G-8:](#) Public Comment – Eric Romero, Senior Correctional Officer, NDOC
- [Exhibit G-9:](#) Public Comment – Charles H. Odgers, Esq., Carson City Public Defender
- [Exhibit G-10:](#) Public Comment – Jonathan R. Allen-Ricksecker, Fraternal Order of Police, Nevada C.O. Lodge 21
- [Exhibit G-11:](#) Public Comment – Jennifer Ward, CADC, CH, Fraternal Order of Police, Illinois Corrections Lodge 263
- [Exhibit G-12:](#) Public Comment – Nicholas Baker, Correctional Officer, NDOC
- [Exhibit G-13:](#) Public Comment – Don Hicks, Second Vice President, Fraternal Order of Police, Lodge 21
- [Exhibit G-14:](#) Public Comment – Dshamba Prater, Secretary, Fraternal Order of Police, Nevada C.O. Lodge 21
- [Exhibit G-15:](#) Public Comment – Sergeant Mark Kester, Detention Services, Washoe County Sheriff's Office
- [Exhibit G-16:](#) Public Comment – Lori Bagwell, Mayor, Carson City
- [Exhibit G-17:](#) Public Comment – Shannon McGee, Program Officer, NDOC
- [Exhibit G-18:](#) Public Comment – Sharon Chamberlain, CEO, Northern Nevada HOPES
- [Exhibit G-19:](#) Public Comment – Brian Dawe, National Director, One Voice United
- [Exhibit G-20:](#) Public Comment – Sergeant Allison Flanagan, Eureka County Sheriff's Office
- [Exhibit G-21:](#) Public Comment – Ed Lawson, Mayor, City of Sparks
- [Exhibit G-22:](#) Public Comment – Nicholas Karim
- [Exhibit G-23:](#) Public Comment – Evelyn Grosenick, Washoe County Public Defender
- [Exhibit G-24:](#) Public Comment – Holly Crosby, Senior Psychiatrist, NDOC, High Desert State Prison
- [Exhibit G-25:](#) Public Comment – Hillary L. Schieve, Mayor, City of Reno

- [Exhibit G-26:](#) Public Comment – Shaun Griffin, Turning Point, Inc.
- [Exhibit G-27:](#) Public Comment – Jodi Hocking, Founder and Executive Director, Return Strong!
- [Exhibit G-28:](#) Public Comment – Justin McRoberts, Charge Nurse, NDOC
- [Exhibit G-29:](#) Public Comment – Brian K. Schaefer, Jr.
- [Exhibit G-30:](#) Public Comment – Major General Ondra Berry, Adjutant General, Nevada National Guard
- [Exhibit G-31:](#) Public Comment – Tom Greenhaigh, Executive Director, National Public Safety Solutions
- [Exhibit G-32:](#) Public Comment – Sarah Paryga
- [Exhibit G-33:](#) Public Comment – Susan Nicholas
- [Exhibit G-34:](#) Public Comment – Yvonne Efverlund
- [Exhibit G-35:](#) Public Comment – James Palombo, Nevada Prison Education Project
- [Exhibit G-36:](#) Public Comment – Rita Dixit Kubiak
- [Exhibit G-37:](#) Public Comment – Elise Clark
- [Exhibit G-38:](#) Public Comment – Christopher Garcia
- [Exhibit G-39:](#) Public Comment – Toni Martin
- [Exhibit G-40:](#) Public Comment – Stephanie Smith
- [Exhibit G-41:](#) Public Comment – Tracy Garcia
- [Exhibit G-42:](#) Public Comment – Karla Dunn
- [Exhibit G-43:](#) Public Comment – Margoth Tello
- [Exhibit G-44:](#) Public Comment – Food Bank of Northern Nevada and Three Square
- [Exhibit H:](#) Agenda Item J.1 – ARPA CSFRF Funding Obligations
- [Exhibit I:](#) Agenda Item J.2 – ARPA Table from GFO
- [Exhibit J:](#) Agenda Item J.2 – ARPA Report from the GFO

A. ROLL CALL.

MELISSA GARVIN (Secretary, Fiscal Analysis Division, Legislative Counsel Bureau [LCB]), called the roll. All members were present except Senator Seevers Gansert, Assemblywoman Kasama, and Assemblywoman Peters, who were excused.

B. PUBLIC COMMENT.

JILL TOLLES (Former Nevada Assemblywoman [2017-2021], and Executive Director, Kenny C. Guinn Center for Policy Priorities):

I wanted to provide a brief update of the Kenny C. Guinn Center for Policy Priorities for those who are not familiar with the Guinn Center. The Guinn Center was founded by a bipartisan group of Nevadans in 2013 that sought to advance new policy choices based on sound research, sensible and pragmatic thinking, and bold ideas. The Guinn Center affiliated with the University of Nevada, Reno in 2021 and have partnerships with the Nevada System of Higher Education (NSHE) across the state. Currently, the Guinn Center has a team of nine employees, including Research Director, Michael Stewart, who was previously the Research Director for LCB; Assistant Director, Kristine Brown Caliger; and Policy Directors—Meredith Levin, Director of Economic

Policy, who has been with the Guinn Center for 7.5 years; and Anna Colquitt, Ph.D., Director of Education Policy. On Monday, the Guinn Center will be announcing its new Director of Health and Social Policy. Also, the Guinn Center partners with NSHE faculty, graduate students, interns, two William S. Boyd School of Law externs and subject matter experts, and a diverse advisory council to peer review the Guinn Center's work.

The Guinn Center is not here to take sides, but to lay out all the relevant facts and present the best non-partisan, data-driven, and evidence-based research to better inform the public and policy decisions in the state. The entire Guinn Center team is dedicated to this mission and grateful to be a resource to the Legislature on behalf of its work for all Nevadans.

ALLISON GENCO (Nevada Director of Government Relations, Dignity Health – St. Rose Dominican Hospitals):

I am here today to testify in support of Agenda Items L.42 through L.49 related to funds to support transforming children's behavioral health care in Nevada. Several of the work programs include allocations for children's behavioral health from the hospital provider tax program, which was the intent of Senate Bill (S.B.) 435 from the 82nd (2023) Legislative Session. Dignity Health is pleased to see this program begin to move forward.

Dignity Health is thankful to the Governor and the Division of Health Care Financing and Policy for their efforts on this work, and Dignity Health looks forward to seeing its approval.

BLAYNE OSBORN (President, Nevada Rural Hospital Partners):

First, I want to echo Ms. Genco's comments on those items from Medicaid. I really appreciate the support of Medicaid Administrator, Stacie Weeks, and her team as well as the Governor's Office in working together to put these items up for consideration. I would also like to thank all of the private hospitals in the state for voting to support the private hospital provider fee program, and for the Committee for supporting S.B. 435, allowing the use of these dollars to support these critical mental health, behavioral health services.

Secondly, I want to take a moment to express my appreciation for Agenda Items K.1, K.2, and K.3. I would appreciate the Committee's continued support for the nursing apprenticeship program in the State of Nevada. Since the program's inception, Nevada Rural Hospital Partners has administered the nursing apprenticeship program and has trained more than 670 nursing students in the state. This has contributed to the direct hiring of more than 165 new nurses in Nevada.

KAREN GEDNEY:

I am in support of Agenda Item O, Nevada Department of Corrections. I was the physician for the prison system for 30 years. I want to share what I learned about the positive impact of health and wellness programs for the incarcerated. I could go into depth about specific programs that I saw during my 30 years, but many of those programs no longer exist.

What I want to share today is what impact it had on the incarcerated and for those who were responsible for them (i.e., custody officers). Prisons that are only interested in security, keeping costs low, and punishment to control human behavior should realize that not only do these things not work, but they make everything worse and more costly for individuals on both sides of the fence line. Giving prisoners more expensive medications to affect their health and behavior is not the answer—the answer is to address what makes them sick and miserable. Humans need the basics: decent nutrition and living conditions, good social connections, purpose, hope, work, activities, and programs where they can learn to deal with their anger, stress, depression, addictions, relationship issues, etc.

Prisoners also need the opportunity to give back. I saw some of the most amazing positive transformations when the incarcerated were able to become involved in programs and had agency in helping and mentoring others. I also saw the impact on staff when they became involved in programs where they saw less violence, better behavior, and positive interactions with those for which they were responsible. It instilled in staff that their purpose was greater than just security and punishment. I know for myself that if I just treated medical problems and had not become involved in supporting, developing, and teaching in programs as a volunteer, I never would have lasted 30 years.

JAKE MATTHEWS (Government Affairs Manager, Children’s Advocacy Alliance of Nevada):

The Children’s Advocacy Alliance of Nevada is a non-partisan, independent, nonprofit organization. The organization aims to cultivate public policy that allows every child in Nevada to thrive. Currently, Nevada’s youth are experiencing some of the highest rates of mental illness in the country yet have the lowest rates of access to care. It is imperative that Nevada address these disparities facing children and families in the state.

The Children’s Advocacy Alliance has significant concerns about the deobligation of over \$8.0 million in American Rescue Plan Act (ARPA) funds for children’s mental health, especially because this was due largely to the inability to recruit and retain positions. While the Children’s Advocacy Alliance recognizes that this was necessary given that the funds needed to be utilized within a certain timeframe, this further reinforces the need to better invest in mental health infrastructure and workforce in the state.

The Children’s Advocacy Alliance is in strong support of the new \$200.0 million investment of Medicaid funding to expand children’s behavioral health made possible by S.B. 435. The expansion of these programs will help to ensure that children and families are able to access much needed community-based mental health resources.

In addition, the Children’s Advocacy Alliance is supportive of Agenda Item L.60 to provide free and reduced-price meals to eligible children during the months they are not in school. The summer meals program is one of the most successful nutrition programs in the state. With one in six Nevada children residing in a food insecure household, families who depend on free and reduced-price school meals need the assurance that their child has

access to food during the summer months. The Children's Advocacy Alliance urges the continued funding of this program to provide support to over 350,000 eligible children and families.

The Children's Advocacy Alliance is grateful to the IFC for considering these important program expansions and funding. While these investments will go a long way in addressing the needs of the children in the state, the Children's Advocacy Alliance recognizes there is more work to be done to ensure that all Nevada children and families have an opportunity to thrive. The Children's Advocacy Alliance looks forward to continuing to engage with its coalition partners and policymakers.

CHAD VENTERS (Employee Development Manager, Nevada Department of Corrections [NDOC]):

I am here today to speak on behalf of the NDOC Peer Support and Wellness Program for staff. In Employee Development, the NDOC helps prepare cadets for the future that they have as public servants. When they are faced with the realities that the average life expectancy of a correctional officer is 59 years old as a national average and that they will face post-traumatic stress disorder and suicidal ideation comparable to that of combat veterans, the NDOC has very few resources to provide these employees to learn how to cope with the realities of working inside a prison. The Peer Support and Wellness Program is a remarkable tool to combat this, particularly because NDOC staff need people who have a cultural competency of what goes on behind the walls of a prison. This is something that most people have no clue about when it comes to the general public. With this suffering that NDOC staff face, the NDOC has an opportunity for healing and hope for these brave public servants. I ask the Committee to support the mental peer support wellness programs that are vital for offering a healing and bright future for NDOC staff.

LISA FOLEY:

I too am here to speak in favor of Agenda Item O. I am a retired college faculty member who is also a member of the Nevada Prison Education Project. The reason I am here is to explain as an educator that you cannot teach and communicate with someone, whether that is a kindergartner, high school student, staff member, or an incarcerated person, unless the person has basic wellness in terms of physical health, mental health, and behavioral health. They need to be able to cooperate and be socially at ease.

I know someone who is incarcerated at Florence McClure Women's Correctional Center. She has been there seven years for a violent offense. About five years ago, she attended an anger management program that was transformative for her. However, since then she has not been provided any additional programs despite her desire for additional programs. Consequently, she has declined tremendously.

JOAQUIN WEBB:

I am here in support of Agenda Item O. I was formerly incarcerated and spent 20 years within the NDOC system. During my first ten years, many programs were offered. There were many opportunities for offenders to better themselves and truly change their hearts and minds. However, I also witnessed the decline of all the programs, which leaves offenders with idle minds. Programs are a very important part of rehabilitation as well as helping to reduce the recidivism rate.

I can also speak to the staffing, many of whom were encouraging, custody and non-custody staff alike. That is imperative during incarceration to ensure that offenders return to society with a positive outlook.

MYLES ETCHEBERRY (Senior Correctional Officer, NDOC) provided public comment for the record ([Exhibit G-1](#)).

PAUL LUNKWITZ (President, Fraternal Order of Police Nevada C.O., Lodge 21):

I humbly come before the Committee today not to be the voice of police officers, but to amplify their voices. Police officers are not okay, both those who are here with us today and those who cannot speak from the grave. We have suffered in silence with no one to turn to. My brothers and sisters have given into depression, substance abuse, and ultimately suicide. Imagine working in a career with daily unspeakable atrocities. Imagine eventually accepting this as normal, dealing with human beings inflicting physical and mental carnage upon other human beings, taking lives, torturing others with rape, or attacking officers with weapons. Now, imagine leaving that workplace and trying to unsee those horrors. Who would you talk to about that? Would you explain these things to your children? Would you walk through the graphic details with your spouse or church friends? They would not understand. You would not inflict those traumas that you have endured on others, you would shield them from these horrific incidents and carry that baggage around inside your brain.

On this psychological battleground, there are no allies. We often turn to self-medication or other self-destructive behaviors. We do not have to be this way. Peer support and crisis response are the most effective programs that officers have in the United States today. We desperately need a safe place where trust is not an issue. Where we know the person we are talking to has experienced similar traumas. Please vote to support Agenda Item O. It could be the difference between officers choosing life or death.

Mr. Lunkwitz provided public comment for the record ([Exhibit G-2](#)).

DAVID MOODY (Police President, Las Vegas Lodge 1, Fraternal Order of Police, and State President and National Trustee, Nevada State Lodge, National Fraternal Order of Police):

I am here representing over 473,000 law enforcement officers across the country. The Fraternal Order of Police supports Agenda Item O for the same reasons that have already been mentioned. Much of the community cannot deal with the things that law enforcement and correctional officers witness on a daily basis. They do not understand it and law enforcement and correctional officers need people that can hear what they are going through, because the best way to get through a situation is to be able to talk to someone who understands.

I worked in law enforcement over 33 years. I have seen things that the community should never have to see. It is a tragedy. Law enforcement and correctional officers need people they can discuss these things with to get that off their chest so that they can cooperate and be able to take care of the people they oversee such as prisoners in the detention centers as well as their family. It is tough to cope with these things if there is not a way to lighten that burden.

TROYCE KRUMME (Chair, Las Vegas Police Managers and Supervisors Association):

I am here to support Agenda Item O. With the heightened awareness of the importance of taking care of mental health, particularly in the law enforcement community, our brothers and sisters in the state corrections system deserve a peer support program. The data shows, and I can show you from local experience here at Metro, that these programs help. Establishing this program will be a step in the right direction. For this reason, the Las Vegas Police Managers and Supervisors Association supports this measure.

JOANNA JACOB (Government Affairs Manager, Clark County):

I am in support of Agenda Items L.42 through L.50. I would like to thank the Governor's Office; Richard Whitley, Director, Department of Health and Human Services (DHHS); and Medicaid Administrator, Stacie Weeks, for working with Clark County. This has been a longstanding collaborative effort to invest in children's behavioral health. The services that will be funded today are key preventative services that Clark County has supported.

Clark County came before the IFC during the 2021-22 Interim when the Committee made an historic investment using ARPA funding. I would note that many of the services that are before the Committee in the Medicaid package will sustain the funding and continue those services.

Clark County is also in support of the use of some of this funding for the staffing that the state needs to implement this type of policy change. There are many more items that are going to come to this Committee in the months ahead. I know this is the first step in an historic investment. Clark County sees it as a benefit, it will help children in foster care and the children served by the county who have serious emotional disturbances. Clark County encourages the Committee's support.

SARAH ADLER (Principal, Silver State Government Relations):

I am excited to be here today on behalf of Agenda Item K.21. I am a long-time consultant to Vitality Unlimited, which is a Nevada nonprofit organization that has been serving rural and Northern Nevada for its mental health and substance use disorder treatment needs for more than 50 years.

Vitality Unlimited greatly appreciates Senator Goicoechea and Governor Lombardo, who has recommended a \$3 million award of ARPA funds to enable Vitality Unlimited to establish a permanent campus to provide treatment for substance use disorder and mental health care. As the genesis of this request, Vitality Unlimited has been operating very successfully within Carson City's Health and Human Services building since 2012 at the request of Carson City; however, the city now requires the use of that space. To continue to serve Carson City, the sheriff's office, alternative sentencing, the mental health courts in Carson City and Washoe County, Vitality Unlimited needs a new permanent location.

I have previously provided the Committee with information on the range of clientele that Vitality Unlimited serves. Approximately 35% of the clients are justice-involved. Vitality Unlimited takes the responsibility to get those people enrolled in Medicaid so that the costs are moved from courts and jail systems to Medicaid. I will be the project manager for this project, and I assure the Committee that Vitality Unlimited is acutely aware of the obligation and expenditure rules and timeframes; therefore, Vitality Unlimited will not miss the mark.

I would greatly appreciate the Committee's support and best wishes on a very important day from all the things before the Committee.

JONATHAN NORMAN (Policy Director, Nevada Coalition of Legal Service Providers):

Between Northern Nevada Legal Aid and Legal Aid Center of Southern Nevada, we represent about 3,600 youth in foster care, many of them having the most acute mental health needs of children in the community. The Nevada Coalition of Legal Service Providers is excited to support the agenda items related to the DHHS Division of Health Care Financing and Policy. I think this is a continuation of some of the investments made in the past by the Legislature.

I also wanted to mention Agenda Item L.60, which ensures that children who are food insecure, which is one in six kids in Nevada, are able to get food during the summer. The Nevada Coalition of Legal Service Providers is in support of that item as well.

JEANETTE SIVON-FORE (Psychiatric Nurse, State of Nevada):

There are many topics that are important for me here today, but I am here specifically to speak for Agenda Item O for the NDOC. I have a loved one who has been incarcerated for 30 years in Lovelock. There was a lot of programming that was involved to keep the offenders out of trouble. The old saying, "idle hands do the devil's work." There has not been very much programming for five years. Thus, increasing funding for the NDOC is very important to me because I have a loved one, and I also have friends that have worked for the NDOC. Working in mental health and seeing all that they go through on both sides it is very important to increase the funding. It will keep staff strong and keep loved ones safe. Because if staff can be supported, including their mental health, it will keep all of our incarcerated people also healthy and mentally fit. It is very important that the state bring back the funding to provide the necessary tools for workers to be safe and provide programming for offenders who are currently incarcerated.

ANDY BISCHER (Chief Executive Officer [CEO], Boys and Girls Club of Southern Nevada):

I am testifying in support Agenda Item K.20. Joining me today are Mike Wurm, President and CEO, Truckee Meadows Boys and Girls Club; Autumn Boyle-Robinson, CEO, Boys and Girls Club of the Colorado River; Noelle Hardt, Vice President of Government Affairs, Nevada Alliance of Boys and Girls Clubs; and Rusty Barr, Boys and Girls Club of Elko.

During and post-pandemic, Boys and Girls Clubs throughout Nevada have consistently supported hardworking Nevadans and specifically address the pressing child care needs by establishing 22 facilities now serving more than 26,000 youth at 78 sites statewide, expanding hours for transportation, homework literacy programs, and children's mental health services.

Boys and Girls Clubs are first responders as communities recover. For example, my organization created a mental health department in partnership with the DHHS Division of Public and Behavioral Health and the University of Nevada, Las Vegas to respond to youth in crisis. Today, six staff members support an average of 100 youth per week. Despite the market growth and impact, more work remains as Nevada's economy and population surges. The Boys and Girls Clubs propose to expand quality and affordable child care in the growing workforce with an ARPA capital investment. The funding will double the number of centers from 9 to 19, providing 1,036 children with quality day care, physical and mental health enrichment and kindergarten readiness activities. In Southern Nevada, the investment will mean substantial impact for East Las Vegas and Laughlin families. Of the proposed funds, 24% will stay in this region to create new facilities for infant, toddler, and preschool youth care.

MIKE WURM (President and CEO, Truckee Meadows Boys and Girls Club):

I am testifying in support of Agenda Item K.20. Joining me virtually in the Carson City meeting room are my colleagues Travis Crowder, CEO, Boys and Girls Clubs of Mason Valley; Brett Zunino, CEO, Boys and Girls Clubs of Western Nevada; and Mindy Turner-Carbajal, CEO, Boys and Girls Club of North Lake Tahoe.

As noted by Mr. Bischel, the Boys and Girls Clubs statewide provide support for Nevada's workforce by filling a portion of the child care gap. Currently, the Boys and Girls Clubs early learning centers are at capacity. Many have stopped maintaining waitlists as the wait time would be unrealistic for most families. At my organization, the seven sites are at 450 children and a waitlist would easily reach hundreds of children if the organization continued to maintain a waitlist. Our centers are in demand because the Boys and Girls Clubs are more than a safe space, they provide literacy, social/emotional learning opportunities, healthy food, and family benefit enrollment.

ARPA funding will provide the critical capital needed to bring 14 projects to fruition quickly. These projects are shovel-ready, and many are highly anticipated by sectors such as mining, charter schools, trade schools, and local government. By December 2024, 8 sites will be completed and 6 construction contracts underway. Together these locations will provide 1,036 new child care seats, which is a game changing economic driver for working parents. The additional child care seats also mean more kindergarten-ready youth.

Currently, the Boys and Girls Clubs are the recipient of a multi-year state literacy grant. As more sites open, literacy programming will expand alongside the enrichment programs. I appreciate your time and thoughtful consideration of this request and its far-reaching impact for Nevada families.

DAMON SCHILLING (Director of Government Relations, Intermountain Health):

Intermountain Health is in support of Agenda Items L.42 through L.49. These funds will go toward much needed programs in Nevada. Intermountain Health is excited to see how it can participate and how it can help Nevada's youth improve in their mental health.

As a side note, as a first responder of this community for 22 years, I am also here to support Agenda Item O. I have experienced many traumas in my life, and I know that these people will improve their mental health by having peer support groups as well as any other resources that are made available.

MICHAEL THOMPSON (Correctional Officer, NDOC, and Vice President, Fraternal Order of Police Nevada C.O., Lodge 21) provided public comment for the record ([Exhibit G-3](#)).

ROBERT ASHCRAFT (Correctional Sergeant, NDOC):

I am a sergeant with the NDOC at High Desert State Prison, and Co-Creator and former Vice President of Fraternal Order of Police Nevada C.O., Lodge 21. I have been with the NDOC for 25 years. I have been representing officers for over 16 years and have built up a trust with these officers. I have had hundreds of officers come to me with many different issues. I have been a part of, watched, and assisted officers who have been involved in use-of-force with death and witnessing anxiety, fear and injustice that was done against them. I have assisted them in the struggle of not only that someone has died but the possibility of going to prison. I have assisted officers that were assaulted by offenders and then have the challenge of dealing with the experience and returning to a hostile work environment.

There are many other things I could discuss, but I understand there is limited time. Within the corrections system and any form of law enforcement, there is discussion about post-traumatic stress disorder as well as the high rates of divorce and suicide, but nothing is done to assist the officers that protect the community day in and day out. I understand there are other programs out there, but nobody understands what we face every day and what we take home. I can personally say with firsthand experience that this is and has been needed badly and no one can possibly know what we go through or have been going through. This is necessary training. It is time to start protecting those of us who protect the community every day.

TAYLOR PARYGA (Correctional Officer, NDOC) provided public comment for the record ([Exhibit G-4](#)).

MICHAEL ADAMS (Senior Correctional Officer, NDOC, and Fraternal Order of Police Steward):

I have been with the NDOC for approximately 15 years. I have seen a lot of good officers pass away from health issues caused by stress from the environment of corrections. I live in Ely, Nevada, a very isolated rural town. We find it extremely difficult to meet the psychological needs of officers. The lack of providers, the pressure of the rural town such as being strong on one's own, and finding healthy positive outlets are some of the issues we face living in a rural community. There is the Employee Assistance Program, but it does not meet the needs that a peer support program can offer. Trust is a very key component in seeking and getting valuable help.

With a peer support program, officers can rely on their peers to trust and understand the difficulties that officers face within the correctional environment. As correctional officers, we are faced with threats of violence and acts of violence almost daily. Not too long ago, there was a two-on-one assault in which a death occurred. The victim was stabbed violently multiple times. Officers were utilizing their less than lethal tools to stop the attack. Those officers had feelings of guilt because they felt helpless in protecting the victim from death. Witnessing a violent act in which a death occurs is not a normal action that is seen every day; yet for correctional officers, that is something that cannot be avoided or

unseen. We act to preserve life in a place that can easily take lives. We need a healthy outlet to alleviate the stress and emotional trauma that is endured. Creating and supporting a peer support program will not only benefit the NDOC, but it will also benefit officers and their families to have a better professional and personal life. Please give us an opportunity to have a safe place to obtain support and give support.

NATHAN ECHEVERRIA (Correctional Officer, NDOC, and Trustee, Fraternal Order of Police):

I have worked for the NDOC for 18 years. Many officers come to the Fraternal Order of Police regularly asking for help and who they can contact about concerns. These are officers who are scared to come back to work. Something that does not get mentioned often is that officers take these issues home. There are high rates of divorce because officers take these issues home to people who do not understand the things they witness at work. Officers do not want to scare their loved ones, so they often keep it to themselves. Many officers have attempted suicide, some were successful, and the ones who were not successful tragically lost their career. They cannot work in that career anymore and are maimed for life. They are still seeking help after a secondary tragedy because they could not get the help from the first tragedy. This is not just about trying to prevent people from harming themselves or others, but also helping them make it through. It affects many people in many ways.

ANA BINDER:

I want to thank the Committee for prioritizing educators and staff raises during the 82nd (2023) Legislative Session. I look forward to those continued conversations. I also appreciate the Committee's unwavering willingness to feed Nevada's children. Lastly, I am thankful to the Legislature for its efforts to bring visibility and humanity to all Nevadans, especially as it relates to behavioral mental health issues.

I am here today though, as the wife of a member of Fraternal Order of Police Nevada C.O., Lodge 21. My husband is on his 14th year with the NDOC. He is at High Desert State Prison. What you are hearing today from the union president and fellow employees, and all of the camaraderie here today is very moving. I am someone who deals with this every day when my husband comes home from work. When there is a news release about a staff assault, I am the person that everyone contacts to see if it was their partner or spouse. With the help of the union, we are some of the frontline people that bear the weight of that emotional support for employees and their families. Unfortunately, as you have heard here today, one suicide is too many, but multiple suicides means there is a need for a peer support program and a need to close the gap between service providers and children, employees, regular community members, and educators. The need is there, which is something the pandemic made very visible. I am here today to support that allocation.

KELLY QUINN (Correctional Sergeant, NDOC):

I have worked at High Desert State Prison for 17 years. Prior to that I had a 14-year career in the Emergency Medical Services (EMS). In the EMS environment, there was a peer support group in Northern and Southern Nevada, and it worked very well. This is lacking in the prison system and in law enforcement in general. I am here in support of the peer support group.

Many of the items discussed already and in the meeting packet talk about suicide rates, turnover rates, and the stigma of having to reach out for help. Even me, I am not going to reach out because of the stigma because there are other things that go along with that down the road, such as having to claim mental health issues. It is very difficult for officers to reach out for help; however, we can reach out to each other though. That is where this program comes into play.

I also wanted to talk about the turnover rates and the associated cost savings. Historically at High Desert State Prison, there has been a 48% turnover rate of first-year officers. That alone is a huge cost. Beyond the one-year point, the turnover rate is approximately 27%, which is still a significant cost savings if those officers can be retained. I have personally seen officers respond to an offender and that is their last day of working because they are exposed to that kind of trauma. If the program can retain some of those officers, it will significantly impact the cost savings.

Those are some of the benefits of a peer support group. I am in strong support of this program.

LESLIE QUINN:

I am here to support Agenda Item O, the Peer Support program. As the wife of a correctional sergeant at High Desert State Prison, I can only imagine what the officers and staff go through daily working with the incarcerated population. When my husband leaves for work, we pray for his protection and safe return home and all the staff at High Desert State Prison. These officers work to keep everyone safe, and they could definitely use help keeping themselves whole. Please support Agenda Item O.

PATRICK KELLY (President and CEO, Nevada Hospital Association):

I want to thank Stacie Weeks, the Nevada Medicaid Administrator, and her fantastic team for their great work in developing and administering the private hospital Medicaid provider fee program. The program was designed in part to help fund behavioral health programs in the state. The Nevada Hospital Association is happy to see on today's agenda one of the first steps in that direction. Nevada hospitals recognize the need for more behavioral health services in the state and are happy to be part of the solution.

DENISE BOLANOS provided public comment for the record ([Exhibit G-5](#)).

SAVANNAH CORTEZ:

I am calling in reference to Agenda Item O. Although I would love to be there in person on behalf of my husband who is incarcerated at Ely State Prison, I cannot because I currently live in Australia. Malcolm X said, "Education is the passport to the future, for tomorrow belongs to those who prepare for it today." Do I believe that possibly one of the most important things that incarcerated individuals can do is programming? Most definitely. I want to see change in my husband, I want him to have the greater purpose behind those walls. I do not want boredom to consume him; with boredom comes trouble and problems. How can we expect to put these individuals, some who have gotten into trouble and mischief their whole lives, all together in a bubble with nothing to do and expect them to leave better? If anything, they are learning to be better criminals and that benefits no one—not them or their families, and definitely not the people in this community when they one day get released. This is my husband's second time being incarcerated in the same prison with the same programs, or lack thereof. I do believe the chances of him returning would be significantly less if he had the help needed and the tools to create the change that is needed within himself. There is only so much my husband will get from educating himself with the books I buy. What about individuals who do not have access to these resources or whose families cannot afford it? Is it fair that they are denied that opportunity? Why should someone's accessibility to education, programming, and vocations be diminished due to lack of funding? Can you really put a price on what these programs are going to do and the potential difference they can make? Ask yourself, do you want to see change? If the answer is yes, then we need to start preparing them today for a better tomorrow. This is why I am in support of Agenda Item O.

DOUG UNGER (Chapter President, University of Nevada, Las Vegas, Nevada Faculty Alliance, and Member, Nevada Prison Education Program):

I would like to express strong support for Agenda Item O as well as the exemption to establish reserve authority to receive funds awarded under the state Criminal Alien Assistance Program grant to expand programming, especially the peer support program.

NICOLE WILLIAMS:

I am an activist and board member with Return Strong. I also have an incarcerated loved one. I am calling in support of Agenda Item O. I am here today advocating for the expansion of programming for all the men and women that are currently housed in the NDOC. Part of the work I do with Return Strong is scanning all the incoming mail and hundreds of letters that are received monthly regarding the lack of programming, especially for mental health and addiction. People are pleading and begging for help and the NDOC has little to no rehabilitation or mental health programs. I am going to share with you pieces of some of the letters that have been received. "Enclosed, you will notice 11 kites between myself and your staff regarding my need for help with the disease of addiction and mental health issues. Please take note of the dates and responses. They

span an almost four-year period, and all of the responses reveal that this administration is failing in the care of its offenders. I suffer from post-traumatic stress disorder and have a traumatic brain injury. Not once have my issues been addressed only by way of psychiatric medication for sleeping. So, I self-medicate to cope. Your institution staff have the manpower to discipline and punish but no manpower to help those of us that need help. I have 11 notices of charges regarding conspiracy for drugs, but no help. I am at a breaking point, and it should not be this way. For individuals like me who have the unfortunate burden of dealing with the disease of addiction, there is no help. I am at a point in my life where I do want to change, but I can honestly say I need help. I as well as others will tell you, they would rather go home a better man than when they came to prison. A change has to be made. These unethical practices are creating a dangerous environment for not just those of us with mental health or addiction issues, but also for your staff that have a right to expect to do their jobs and return home safely.”

Once again, I am in support of Agenda Item O.

ESTER QUILICI (CEO, Vitality Unlimited):

Vitality Unlimited has been a Nevada nonprofit organization working in addiction and mental health treatment for over 53 years. We are honored that Governor Lombardo has put forward to you Agenda Item K.21. Vitality Unlimited wants to express its deep appreciation to Senator Goicoechea for his support of this request.

Vitality Unlimited has been operating in an American Society for Addiction Medicine (ASAM) Level 3.5 cooccurring residential treatment center within Carson City's Health and Human Services building since 2012; however, the city has asked Vitality Unlimited to relocate as it needs the space. Vitality Unlimited also greatly appreciates Carson City's commitment of \$500,000 of its American Rescue Plan Act funds to assist Vitality Unlimited in establishing a new location. Vitality Unlimited is prepared to incur additional debt to complete the project. Vitality Unlimited takes great pride in the work that it does at treatment centers and certified community behavioral health centers. Vitality Unlimited takes great pride in its partnership with Carson City, with Carson City Sheriff's Office and court system, and with the Washoe County Sheriff's Office and court system. Vitality Unlimited feels very strongly that an important aspect of its work as addiction treatment and mental health clinicians is returning challenged individuals to their families and the workforce.

Vitality Unlimited respectfully requests and deeply appreciates the Committee's support of this project.

NANCY FARREY provided public comment for the record ([Exhibit G-6](#)).

SHERRI MARTIN (National Director of Wellness Services, Fraternal Order of Police) provided public comment for the record ([Exhibit G-7](#)).

ERIC ROMERO (Senior Correctional Officer, NDOC) provided public comment for the record ([Exhibit G-8](#)).

CHARLES H. ODGERS ESQ. (Carson City Public Defender) provided public comment for the record ([Exhibit G-9](#)).

JONATHAN R. ALLEN-RICKSECKER (Fraternal Order of Police, Nevada C.O. Lodge 21) provided public comment for the record ([Exhibit G-10](#)).

JENNIFER WARD, CADC, CH (Fraternal Order of Police, Illinois Corrections Lodge 263) provided public comment for the record ([Exhibit G-11](#)).

NICHOLAS BAKER (Correctional Officer, NDOC) provided public comment for the record ([Exhibit G-12](#)).

DON HICKS (Second Vice President, Fraternal Order of Police, Lodge 21) provided public comment for the record ([Exhibit G-13](#)).

DSHAMBA PRATER (Secretary, Fraternal Order of Police, Nevada C.O. Lodge 21) provided public comment for the record ([Exhibit G-14](#)).

SERGEANT MARK KESTER (Detention Services, Washoe County Sheriff's Office) provided public comment for the record ([Exhibit G-15](#)).

LORI BAGWELL (Mayor, Carson City) provided public comment for the record ([Exhibit G-16](#)).

SHANNON MCGEE (Program Officer, NDOC) provided public comment for the record ([Exhibit G-17](#)).

SHARON CHAMBERLAIN (CEO, Northern Nevada HOPES) provided public comment for the record ([Exhibit G-18](#)).

BRIAN DAWE (National Director, One Voice United) provided public comment for the record ([Exhibit G-19](#)).

SERGEANT ALLISON FLANAGAN (Eureka County Sheriff's Office) provided public comment for the record ([Exhibit G-20](#)).

ED LAWSON (Mayor, City of Sparks) provided public comment for the record ([Exhibit G-21](#)).

NICHOLAS KARIM provided public comment for the record ([Exhibit G-22](#)).

EVELYN GROSENICK (Washoe County Public Defender) provided public comment for the record ([Exhibit G-23](#)).

HOLLY CROSBY (Senior Psychiatrist, NDOC, High Desert State Prison) provided public comment for the record ([Exhibit G-24](#)).

HILLARY L. SCHIEVE (Mayor, City of Reno) provided public comment for the record ([Exhibit G-25](#)).

SHAUN GRIFFIN (Turning Point, Inc.) provided public comment for the record ([Exhibit G-26](#)).

JODI HOCKING (Founder and Executive Director, Return Strong!) provided public comment for the record ([Exhibit G-27](#)).

JUSTIN McROBERTS (Charge Nurse, NDOC) provided public comment for the record ([Exhibit G-28](#)).

BRIAN K. SCHAEFER, JR. provided public comment for the record ([Exhibit G-29](#)).

MAJOR GENERAL ONDRA BERRY (Adjutant General, Nevada National Guard) provided public comment for the record ([Exhibit G-30](#)).

TOM GREENHAIGH (Executive Director, National Public Safety Solutions) provided public comment for the record ([Exhibit G-31](#)).

SARAH PARYGA provided public comment for the record ([Exhibit G-32](#)).

SUSAN NICHOLAS provided public comment for the record ([Exhibit G-33](#)).

YVONNE EFVERLUND provided public comment for the record ([Exhibit G-34](#)).

JAMES PALOMBO (Nevada Prison Education Project) provided public comment for the record ([Exhibit G-35](#)).

RITA DIXIT KUBIAK provided public comment for the record ([Exhibit G-36](#)).

ELISE CLARK provided public comment for the record ([Exhibit G-37](#)).

CHRISTOPHER GARCIA provided public comment for the record ([Exhibit G-38](#)).

TONI MARTIN provided public comment for the record ([Exhibit G-39](#)).

STEPHANIE SMITH provided public comment for the record ([Exhibit G-40](#)).

TRACY GARCIA provided public comment for the record ([Exhibit G-41](#)).

KARLA DUNN provided public comment for the record ([Exhibit G-42](#)).

MARGOTH TELLO provided public comment for the record ([Exhibit G-43](#)).

FOOD BANK OF NORTHERN NEVADA AND THREE SQUARE provided public comment for the record ([Exhibit G-44](#)).

C. APPROVAL OF MINUTES OF THE AUGUST 9, 2023, MEETING.

SENATOR DONDERO LOOP MOVED TO APPROVE THE MINUTES OF THE AUGUST 9, 2023, MEETING.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

D. APPROVAL OF MINUTES OF THE SEPTEMBER 28, 2023, MEETING.

SENATOR DONDERO LOOP MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 28, 2023, MEETING.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

E. STATEMENT OF IFC CONTINGENCY ACCOUNT BALANCE.

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

The Statement of Contingency Account Balance is in Volume I of the meeting packet on page 171 ([Exhibit A](#)). There is currently a total of \$393.1 million in the Contingency Account, of which \$23.7 million is in the unrestricted General Fund, \$1.2 million is in the unrestricted Highway Fund, and \$368.2 million is in the restricted General Fund and Highway Fund. The pending requests for today's meeting total \$181.9 million, of which \$7.4 million is from the unrestricted General Fund and \$174.5 million is from the restricted General Fund. If all the requests are approved, there would be a total of \$211.3 million in the Contingency Account, of which \$16.3 million would be unrestricted General Fund appropriations, \$1.2 million would be unrestricted Highway Fund appropriations, and \$193.8 million would be restricted General Fund and Highway Fund appropriations.

ASSEMBLYMAN YEAGER:

As I understand, the beginning balance for the Contingency Account unrestricted General Fund was approximately \$25.0 million on July 1, 2023.

There was no further discussion on this item.

F. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SECTION 1 OF SENATE BILL 231 OF THE 82ND (2023) LEGISLATIVE SESSION (Note: IFC may approve a different amount for an allocation than the amount requested).

1. CLARK COUNTY SCHOOL DISTRICT - Request for an allocation of \$173,805,891 to support salary increases and benefit costs for certain district staff.

BRENDA LARSON MITCHELL (Interim Superintendent, Clark County School District [CCSD]):

I have served in the district for 30 years. I entered the district in 1994 serving as a special education teacher at John C. Fremont Middle School. I have also served as a school-based administrator, principal supervisor, central office administrator and deputy superintendent. As Interim Superintendent, my priorities are improving student outcomes, building relationships, championing the district's educators and fostering trust across the community. I am committed to fostering these connections, relationships, and partnerships.

The CCSD is requesting funds made possible by S.B. 231 (82nd [2023] Legislative Session), enabling further significant investment in the dedicated and very deserving employees of the CCSD. The district extends its continued appreciation to the Legislature and the Governor for the historic increase in public education funding during the 82nd (2023) Legislative Session. The CCSD is also grateful to its bargaining partners: the Education Support Employees Association (ESEA), Clark County Education Association (CCEA), and CCSD Police Officers Association (POA) for their collaborated efforts throughout negotiations, including the supplemental memorandums of agreement on the allocation of available S.B. 231 funds.

Before outlining the details of the district's S.B. 231 request, it is important to note that employees in each bargaining unit will receive base pay increases this biennium. Separate from S.B. 231, pay enhancements include the following: ESEA members will receive an 8.65% pay increase in year one and a 4.0% increase in year two; CCEA members will receive a 10.0% pay increase in year one and an 8.0% increase in year two; and CCSD POA members negotiated an adjustment to their pay scale for a combined increase in cost to the district of approximately 17.0% in year one and 3.0% in year two.

To supplement these negotiated increases, the CCSD is requesting \$173,805,891 of S.B. 231 funds, the maximum award amount available to the CCSD, per the guidance indicated by the LCB. Of this total request, 33.4%, or an estimated \$58,051,168, will be allocated to support professionals. This will include a retroactive pay increase of 3.0% effective January 1, 2024, through June 30, 2025, and differentiated pay of \$4,250 for mutually agreed upon

hard-to-fill positions effective for the 2024-2025 contract year. The \$4,250 is not a one-time payment, but an increase in the Public Employees' Retirement System (PERS) eligible pay that will be paid over the employees' contracts for the 2024-2025 contract year.

Of the district's request, 66.0%, or an estimated \$114,711,888, will be allocated to licensed educators. This will include a retroactive pay increase of 1.875% effective February 1, 2024, or March 1, 2024, through June 30, 2025, and differentiated pay of \$5,000 for mutually agreed upon hard-to-fill and special education positions effective for the 2024-2025 contract year. The \$5,000 is not a one-time payment, but an increase in PERS eligible pay that will be paid over the employees' contracts for the 2024-2025 contract year.

Finally, 0.6% of the total request, or an estimated \$1,042,835, will be allocated to the CCSD POA members representing an estimated 4.12% salary increase for the 2024-2025 contract year.

CHAIR MONROE-MORENO:

It is very important to this Committee that all school district employees are taken care of. That is why decisions were made at previous IFC meetings to ensure everyone was included in a fair manner.

SENATOR CANNIZZARO:

As was designed with S.B. 231, part of this plan was to implement raises on the part of the school district and then additional monies from S.B. 231 funds. Please discuss those baseline numbers in terms of percentage increases for support staff, teachers, and CCSD police officers.

JASON GOUDIE (Chief Financial Officer [CFO], CCSD):

I will begin with the first piece, which is the initial pay increases prior to the implementation of S.B. 231 funds. Support professionals received an 8.65% pay increase, inclusive of the 1.875% in the PERS component for the employee portion in year one, and a 4.0% increase in year two. There are also other components such as step increases, which are normal scale progressions, and increases to medical benefit contributions.

The CCEA employees, which are licensed personnel, received a 10.0% increase in year one with an additional 8.0% increase in year two. The pay scale for the CCSD police officers was revised overall so there was not a set percentage increase. There were changes in how the CCSD applied the scale, making those positions more competitive with other law enforcement agencies throughout Clark County. That pay scale revision resulted in an approximate 17.0% increase in year one, with a set increase of 3.0% in year two.

SENATOR CANNIZZARO:

I am aware these pay increases are retroactive as it pertains to S.B. 231 funds, correct?

MR. GOUDIE:

For the ESEA (support professionals) and the CCEA (licensed professionals), there are two components. The first component is an increase in pay as a percentage, 3.0% of which would be for the district's support professionals, retroactive to January 1, 2024. The district's licensed professionals will receive 1.875% retroactive to February or March 2024. There are two dates because licensed professionals start on different dates, either August or September. The district booked that halfway through the year, so those two pieces will be retroactively paid back through those dates.

The other components relate to differentiated pay for hard-to-fill and special education positions for licensed professionals and hard-to-fill positions for support professionals. Those pay increases will be effective for the 2024-2025 contract year so those increases would not need to be retroactive, subject to approval by the IFC.

SENATOR CANNIZZARO:

The increases for the licensed professionals are not retroactive to the beginning of the school year because there were no contracts at that time, correct?

MR. GOUDIE:

The district negotiated based on the amount of money that was available for that component. The negotiation was for halfway through the school year, which is February or March.

SENATOR CANNIZZARO:

The information in the materials provided to the Committee sounds like a one-time payment. It is my understanding that those are not one-time payments; those funds are PERS-eligible and would be paid through the course of the contract year, correct?

MR. GOUDIE:

That is correct. Those funds will essentially be added to the employees' pay and divided among the number of pay periods during the 2024-2025 period. Those funds will also be reported to PERS.

SENATOR CANNIZZARO:

There have been discussions in this Committee that the intent is to build into salaries across the board for support staff and licensed professionals. The idea is to build the funds into those salaries so that the salaries are competitive and help to recruit and retain educational staff.

I am grateful that the CCSD is before the Committee today to discuss these funds and contract negotiations. It is very difficult to be in a position where half of the school year has gone by without contracts for teachers and support staff. As a product of the CCSD, I think the CCSD teachers and staff deserve better. I am hopeful that productive conversations about ongoing funding for educators and staff can continue in the future. This will allow the state to continue focusing on future initiatives in education and less about whether the salaries are competitive enough. That should be the bare minimum for the state and the school districts.

Pay increases were key to passing S.B. 231 and investing time, on behalf of this Committee, to pass an education budget overall that is substantial. I would note that it is disappointing it has taken so long for the CCSD to present a complete plan to the Committee.

Refer to motion under Agenda Item F.2.

2. ESMERALDA COUNTY SCHOOL DISTRICT - Request for an allocation of \$155,573 to support salary increases and benefit costs for certain district staff.

JAMES FOSSETT (Superintendent, Esmeralda County School District [EsCSD]):

Some EsCSD employees have expressed their concerns to me about not having enough money to pay their bills. I reassured them the district would do as much as possible with the S.B. 231 funds. The Legislature urged the school districts to give more and do more for staff. As such, I encouraged the district's CFO and Business Manager to get everything they could for the EsCSD employees because they cannot afford health care and groceries. With the work of lawyers and the leverage of the other district superintendents that came before me, it is not accidental that I came here because I am watching to see what the other districts have decided upon, because I do not have the staff size as other school districts.

Assemblywoman Mosca visited the EsCSD and was surprised with how much the district was accomplishing with so little. The district has a small group of 80 to 90 students and 7 educators spread out over a very large district. It used to be the most populous area in Nevada. The EsCSD is doing wonderful things that are underfunded, and the Legislature has helped to change that situation.

The EsCSD covered all the things that were required in S.B. 231 by agreeing to pay 4% in the 2024-2025 school year to every employee who qualified under the S.B. 231 umbrella. Employees received a 4% increase from the EsCSD and will also receive a 4% increase from the S.B. 231 funds, for a total of 8% in year one. In year two, the district will provide employees a 3% increase with an additional 3% from the S.B. 231 funds. The increases are retroactive to the beginning of the 2023-2024 school year.

This 15% pay raise represents a great deal more than what the EsCSD could have hoped for without this Committee's help. It has been met with a lot of excitement. I have been able to hire individuals from Eastern Wyoming and Southern California with this funding. Last week, the district interviewed and hired individuals from western Wyoming. I was able to inform them what they would make if the district's plan were approved today. The EsCSD is going to be fully staffed with highly qualified individuals, and I could not have told this Committee that this time last year, so thank you, it has made a difference.

SENATOR CANNIZARO:

I remember all the detailed stories during the EsCSD's presentation during the 82nd (2023) Legislative Session. The discussion centered around the challenges faced by the school districts. I appreciate the difficulty of educating children in a wide-spread rural area. I understand the challenge in determining how to increase salaries within the district's budget. That issue was discussed during the interim and during the legislative session.

I am pleased to hear employees will receive a 15% increase. I am hopeful that indicates that the EsCSD will continue at full staffing with great educators. I believe that is exactly the intention of S.B. 231. I want to commend the district for its efforts.

MR. FOSSETT:

It is great to be able to work with this Committee to do great things. One of those teachers I mentioned hiring, which is one-seventh of Esmeralda County's population, had the greatest growth on the Measures of Academic Progress test scores and great improvement in other areas. This is due to direct input in the classroom. The Legislature's efforts are having a significant impact on students.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA
ITEMS F.1 AND F.2.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

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

1. OFFICE OF THE GOVERNOR - Office of Federal Assistance - Request for an allocation of \$2,245 to cover a shortfall for the remainder of the fiscal year. **WITHDRAWN 3-20-24.**

2. NEVADA DEPARTMENT OF EDUCATION

a) Request for an allocation of \$38,729 in FY 2024 to fund one new classified Education Programs Supervisor position for the Office of Teaching and Learning.

Agenda Items G.2a and G.2b were discussed jointly. Refer to discussion and motion for denial under Agenda Item G.2b.

b) Request for an allocation of \$120,126 in FY 2025 to fund one new classified Education Programs Supervisor position for the Office of Teaching and Learning.

Agenda Items G.2a and G.2b were discussed jointly.

MEGAN PETERSON (Deputy Superintendent for Student Achievement, Nevada Department of Education [NDE]):

The NDE requests funding for an Education Programs Supervisor position within the Student Achievement Division. This request is for partial funding for Fiscal Year (FY) 2024 of approximately \$38,729 and \$120,126 for FY 2025. As the department has grown, and based on positions that were approved during the 82nd (2023) Legislative Session, it has become apparent that additional support in the form of a supervisor is needed for the Office of Teaching and Learning.

SENATOR DONDERO LOOP:

The Education Programs Supervisor position was sought in the agency request budget but not included in The Executive Budget recommended by the Governor during the 82nd (2023) Legislative Session. Please discuss what factors are now contributing to the department requesting IFC Contingency Account funds to fund this new position.

MS. PETERSON:

During the development of the NDE's budget two years ago, the position was prioritized based on the need and growing requests from constituents to provide additional support through the Education Programs Professionals

that were put forward, focusing on specific curriculum areas that previously did not have support. Due to the increase in workload and capacity, the current Director, who supervises 20 positions, has reached capacity. The learning curve for the new Director has necessitated additional support for supervision.

JHONE EBERT (Superintendent of Public Instruction, NDE):

This Committee has made a wonderful commitment and historic investment in education. The education landscape is changing.

This unit focuses on all core content areas: literacy, mathematics, science, and fine and performing arts. The Committee approved \$500,000 for the NDE to review the literacy plan. In addition, the department is moving forward with Read by Grade Three work and the Portrait of a Nevada Learner. All those pieces are in a massive shift moving forward.

Also, when the NDE is assessing content areas and standards, there is a need to reiterate those things much faster than the existing cycle. Nevada has typically been on a seven-year cycle to review mathematics, literacy, etc. With the changing environment, that cycle needs to be more frequent.

SENATOR DONDERO LOOP:

Is there another funding source that could be utilized to support this position over the 2023-25 Biennium?

MS. PETERSON:

The NDE evaluated other opportunities for funding, including ARPA Elementary and Secondary School Emergency Relief (ESSER) funding. However, the scope of work was outside the department's plan that was presented as part of the approval to receive that funding, making this request a non-eligible use of funds. Additionally, because the period of performance is ending September 30, 2024, the NDE is requesting General Funds to ensure there is consistency in funding for this position.

SENATOR DONDERO LOOP:

Please indicate why this request for a new Education Programs Supervisor position should not be deferred for consideration by the 83rd (2025) Legislature.

MS. PETERSON:

Given the rate at which the work has expanded and grown and with the retirement of the previous individual, the additional support for the supervision of the 20 employees that are now in this area is desperately needed. The NDE is requesting the funding today in hopes of hiring within the next two months.

SENATOR NEAL:

It is my understanding that the former Director retired, and a new Director was hired; however, it sounds like this individual does not have the skills to supervise 20 staff. Is there an option to have the former Director come back to mentor the new Director to reduce the costs associated with adding a new position?

MS. EBERT:

The new Director currently has a mentor. The new Director was an employee within that unit prior to their promotion and therefore, has an understanding of the department. The NDE has also hired additional retired individuals to support the entire department.

The requested position was previously on a list for enhancements. If this position is not approved today, it will be included on the list of enhancements for the 83rd (2025) Legislative Session.

It is a multi-layered situation. Not only had the former Director held that position for more than ten years, there was also growth in the unit at the same time the new Director came on board. The NDE was allocated three additional staff members for this unit to better support K-5 mathematics, literacy at the secondary level, and a technology component. It was not any one piece contributing to the need for this position, but multiple pieces happening at once. These issues are causing a weakness in the NDE, which is why the department is requesting this position.

SENATOR NEAL:

What are the department's current inefficiencies and the associated cost with each?

Ann Marie Dickson (Deputy Superintendent for Student Achievement, NDE):

There are several initiatives that are currently in effect that had not been in place previously. The NDE is currently working on the state literacy plan, which has not been updated for almost ten years. In addition, the department is currently assessing textbook adoptions. The department is aware it needs more efficiencies and to ensure it is mindful of the changes within education. The department is also rolling out a science and reading initiative across the state. In addition, the NDE is working on Read by Grade Three initiatives. Because of additional funding, the NDE is required to have better structures in place to ensure the needs of the local education agencies are being met.

Concerning the artificial intelligence (AI) initiative, educators need to be supported in that area, which was not in place previously. Lastly, the roll out of the state standards needs to be addressed. The NDE should be on a seven-year cycle; however, it is currently on an eight-year cycle due to current staffing levels. The department needs to provide more guidance and standards-based structures for the local education agencies. That is also part of the reason for the new position.

MS. PETERSON:

I would clarify that the person in the Director role is very capable of performing their job. Regarding the learning curve, I was referring to learning the position of being a Director and the associated responsibilities.

Speaking more to the monetary piece, the NDE is requesting \$38,729 in FY 2024 for a supervisor to assist with the day-to-day activities of managing 20 employees who are under the Director. Currently, there is a ratio of 20:1 of the Director supervising 20 other employees in core content areas. When asked about the root cause and cost, it is the cost associated with a supervisor to assist with managing those day-to-day activities to meet the needs of public schools, school districts, and charter schools.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

As I understand it, the previous Director was in the position for ten years. That individual handled some of the NDE's programs, such as the Read by Grade Three initiative and reviewing curriculum. Had those tasks been neglected? If so, and knowing that the previous Director, who was more experienced, has retired, how will the NDE ensure that the additional funds will ensure the tasks are completed, and how will this be quantified or reported? I am concerned if the NDE has not kept the Read by Grade Three initiative and the curriculum updated for ten years. How many other tasks had not been done under the previous Director?

MS. EBERT:

Transparency is very important. The work was being completed by the previous Director as expected until the COVID-19 pandemic. During the pandemic, the work shifted to health and safety and support, creating a backlog in other tasks.

Also, there is currently a seven-year cycle for the adoption of textbooks and standards; however, because of the pandemic, the NDE is behind in that timeframe. With the shift in technology in AI, the work as a state with the Portrait of a Nevada Learner, and the integration of this across all content areas, that body of work is in addition to updating each of the content areas individually. Moving forward, the NDE would like to consider integration of the department's competency-based work across all content areas.

If the NDE wants to keep everything the same, the department would need to work on the backlog created due to the pandemic and not continue with additional supports in education. Integrating AI into education was not a discussion for anyone 18 months ago. The NDE would like to make sure that the proper standards and supports for students are put in place to help launch this new opportunity properly instead of falling behind the curve.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

The COVID-19 pandemic was four years ago. If the state is four years behind, it might be more important to address the core issues that have been overlooked rather than taking on a new area. The development of AI will be ongoing, and it will require significant time to keep up with the changes. If standards are not in place for textbooks and education, that puts the state further behind.

MS. EBERT:

I would not frame it as chasing a new area. After the pandemic, the department assessed the future of classroom instruction. The NDE is not moving away from mathematics, the Read by Grade Three program, etc.; instead, the department is doubling down in those areas and making sure the state is moving forward with an opportunity. The department is going to expand the system so students are prepared for the workforce, which will be much different than the current workforce. Preparing students for the workforce begins with educators, standards, and the resources that are provided in the classrooms.

ASSEMBLYWOMAN ANDERSON:

I recognize that supervising 20 individuals is difficult; however, I would point to the principals in many of the schools and teachers with the highest class-size ratios, and comparatively, supervising 20 people is a dream. Too many principals are being asked to evaluate 40 to 50 staff. It is important to be more aware of what is happening in Nevada schools, not just within the NDE. Some of my peers who are teachers are being asked to evaluate students when there can be up to 43 students in a class. I recognize the 20:1 ratio is not normal across the nation, but if Nevada is trying to ensure schools are functioning well then that should be the priority.

Another area of concern is included in the background information provided by the department (page 12, [Exhibit B](#)), which discusses collecting and examining data. One thing that stands out are the many new programs. Later in the documentation, the department states that the position would lead special projects as assigned by the Director (page 13, [Exhibit B](#)). Has the department considered all these new programs, and the staffing required to ensure these programs are successful? Additionally, the backup documentation indicates that the position will determine areas of focus and oversee multiple grants. Is there a question around staffing and management of that staff?

MS. EBERT:

The component with the grants and the other pieces is the NDE's opportunity as a department to share with the Committee the work handled by each of the Directors. The department's Grants Management Unit manages over 1,300 grants with various recipients. Each of the NDE's content area staff work with multiple entities to ensure implementation of those funds are done based on expectations and that individuals are held accountable.

If the department does not move forward with incorporating AI and considering the future state of education, Nevada would continue to have what is currently in place. I do not think that is what Nevada wants for its students.

ASSEMBLYWOMAN ANDERSON:

I agree about the AI piece, especially as an individual who is trying to get my students to write creatively. I would note there is nothing in the background information that mentions AI apart from the Canvas oversee information. Is there an expectation for new staff to handle the increasing changes in education related to AI? If so, how would that be explained to everybody that is in education? I am speaking from a level of frustration that this is a new education world, and AI will really change education. How will the NDE explain to individuals in the classroom, schools, and the county that there is a new staff member doing work with AI?

MS. EBERT:

The department was able to receive funds from philanthropy. The NDE began that work before coming before the Committee. The department has partnered with a philanthropy group to begin traveling around the state. Sessions were held in Clark County, and sessions are scheduled for Washoe County as well as virtual sessions for anyone in the state. The department is trying to proceed with that work with funds that have been provided to the NDE. With the approval of this position, the work will be sustained and taken beyond the donation into systemically providing for the state.

ASSEMBLYWOMAN ANDERSON:

Will the NDE be providing that information to the Committee? Also, will the funding requested by the department be used as matching funds for the donation from the philanthropy group?

MS. EBERT:

No, it was a one-time donation without a match requirement. I will provide the information about the donation to the Committee.

CHAIR MONROE-MORENO:

During the 82nd (2023) Legislative Session, the Legislature approved three full-time positions for the Education Programs Professional position, correct?

Ms. EBERT:

That is correct.

CHAIR MONROE-MORENO:

This position the NDE is requesting today is not a new idea. It was part of the agency request budget that was submitted to the Governor, but was not included in the Governor's recommended budget that was presented to the Legislature for consideration, correct?

Ms. EBERT:

That is correct.

CHAIR MONROE-MORENO:

I would like a representative from the GFO to come to the table. Since this was an issue prior to today's meeting, and the Contingency Account is an emergency fund, please explain why the Education Programs Supervisor position was not included in The Executive Budget.

AMY STEPHENSON (Director, GFO):

It was not included in the Governor's recommended budget due to how it was prioritized. Enhancements were already prioritized when the agency budgets are submitted to the GFO.

CHAIR MONROE-MORENO:

As the state moves forward to the 83rd (2025) Legislative Session, this position could be prioritized in the department's agency request, correct?

Ms. STEPHENSON:

That is correct.

ASSEMBLYMAN YEAGER:

I have some global comments to add. It does not pertain to this discussion, but it is important to keep in mind. Every ARPA dollar that can be spent on something, should be spent so the funds are not reverted to the federal government. I understand this may not be applicable to this item, but it is applicable to other items on the agenda. My concern is exactly what was stated, the IFC Contingency Account is an emergency fund. This position was part of the budget process but did not make it into the Governor's recommended budget. I understand there is a need for the position, but I do not think there is a need for the position right now.

I was surprised to read an article in the *Nevada Independent* where the Governor said there will be a need for a special session to replenish the IFC Contingency Account. The state began the 2023-24 Interim with \$477 million in the Contingency Account. Some of those funds are restricted and a lot of the funds are Highway Funds; however, there was nearly \$25 million in unrestricted General Funds, which is intended for emergencies. I do not see any need for the Legislature to go into a special session to replenish those funds; there is adequate funding to handle any emergency that may occur.

The Nevada Constitution states that the Legislature has the power of the purse and the power to allocate and approve monies. In addition, the Nevada Constitution limits the Legislature to meeting every other year. I understand there are things that come up, there are wish lists during the interim, but the Legislature's hands are tied by the Constitution.

I believe this request is one of those issues that arise during the interim; however, I believe it would be unwise for this Committee to start approving these types of requests through the Contingency Account, especially an item that went through the budgeting process and was prioritized. Although the request is not large, I do not see this as an emergency and the Committee does not want to set that precedent. It would be a disservice to the citizens of Nevada for the Legislature to go into an expensive and time-consuming special session to replenish the IFC Contingency Account when there are plenty of funds to address emergencies.

CHAIR MONROE-MORENO:

I agree with Assemblyman Yeager's comment. Although this is a small dollar amount, it is the principle of the matter and the integrity of the IFC to address emergencies in the state.

SENATOR CANNIZZARO MOVED TO DENY AGENDA ITEMS G.2a AND G.2b.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

3. DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION - Request for an allocation of \$492,216 to address a projected shortfall in the Client Services category and to provide a state match to fully utilize federal State Vocational Rehabilitation Services grant funds.

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

DETR is seeking an allocation of \$492,216 in IFC Contingency Account funds to address projected shortfalls in the Client Services category, which would also unlock an additional \$1.8 million in federal Vocational Rehabilitation grant funds.

The Rehabilitation Division assists individuals with disabilities in obtaining and maintaining employment. Currently, the division provides essential services necessary to assist individuals with disabilities to work in competitive, integrated employment and achieve self-sufficiency.

The shortfall is driven in major part by the increased demand for services, increasingly complex cases, and significant inflationary pressures on the cost of the goods and services. The division believes this increased demand is also a direct result of the agency's robust outreach efforts over the past two years, as well as significant improvement and efficiency of the agency's processes and improved customer service.

In 2021, the Rehabilitation Division simplified the application process—where it used to be three or four pages with many complex questions, it has been pared down to a single page with just a few questions. This makes it easier for individuals to apply for services. In 2022, the division launched a new, fully accessible website that provides more explanations about the services that are offered, and how clients can access them.

As the division was coming out of the COVID-19 pandemic, there were slight increases in clients seeking services; however, that pace has drastically increased in the last six quarters. In 2022, which somewhat reflects the division's pre-pandemic numbers, the number of applications received each month were approximately 160 to 280. Currently, the division receives 300 to 400 applications per month.

Additionally, improved customer service has added to the increased demand for services. In the most recent survey: 80% of clients have stated that staff has been helpful and assisted them in achieving their goals; 91% of clients have stated that staff has treated them with dignity and respect; and 77% of clients stated that staff has helped them become financially independent regardless of whether the client had achieved employment at the end of the case as a direct result of services that were provided.

ASSEMBLYWOMAN BACKUS:

Please indicate why state matching funds were not identified by DETR as part of prior work programs processed this fiscal year which increased federal funding authority for the Vocational Rehabilitation grant without the necessary match.

MR. ELEZ:

The way the grant is provided to the division is there must be a state match; 21.3% of funds must be matched with non-federal funds, the division can then draw down 78.7% of the federal funds. About one-third of the funding match comes from other sources of match. When the initial request was made in October 2023, the division was using a different source of funds to match the grant amount.

Also, there was a technical solution to recommendations from the LCB audit as the LCB Audit Division looked at how the division was spending funds. Of the 78.7% federal portion of funding, 15.0% of those funds must be reserved for providing pre-employment transition services, which are the earliest set of vocational services the agency can provide to students between the ages of 14 and 22. The division uses a different match source to expend those funds.

Also, it was very early in the process for the Rehabilitation Division to predict how much funding would be needed at the end of the year. In the previous two years, the division has sought additional funding from the Contingency Account near the end of the fiscal year when the agency has a better understanding of needs through the end of the year based on the number of clients.

ASSEMBLYWOMAN BACKUS:

I understand the first amount approved by this Committee; state matching funds would have been sufficient to draw down up to \$17.0 million in federal funds. Of that amount, how much of those funds have been expended?

BRETT MARTINEZ (Deputy Administrator of Operations, Rehabilitation Division, DETR):

Are you asking how much federal funding has been drawn down, or how much of the state funds have been spent?

ASSEMBLYWOMAN BACKUS:

The federal draw has gone up to \$19.0 million, and this request for \$492,216 would close the gap for the required state match. Has the \$17.1 million in federal funding and previous match already been exhausted?

MR. MARTINEZ:

I do not have exact figures, but I can provide that information to the Committee. I know the division has not reached \$17.1 million yet. The federal draw is between \$15.0 million and \$16.0 million. The state matching funds were down to approximately \$200,000. The agency projects it will deplete the matching funds by the end of May 2024. Without the state match, the division will not be able to draw down the federal funding.

ASSEMBLYWOMAN BACKUS:

Please explain what would happen if the matching funds were exhausted.

MR. ELEZ:

If there are no funds available in the Client Services category, all services would be paused until the beginning of the next state fiscal year, which means clients may not be able to take advantage of some of the employment opportunities. Additionally, clients who are enrolled in universities and other vocational trainings may have to delay that training.

ASSEMBLYWOMAN BACKUS:

That would just be for the month of June, because the new fiscal year begins July 1, 2024.

MR. ELEZ:

That is partially correct, but there may not be sufficient funds to pay for other expenses such as salaries, because that work program will be done at the end of the fiscal year.

MR. MARTINEZ:

Yes, that is correct. The match covers all categories in the budget, not just the Client Services category. The federal funding is used for salaries, operations, travel, IT services, etc.

ASSEMBLYWOMAN BACKUS:

Does DETR anticipate requesting an allocation from the Contingency Account in FY 2025 to match additional federal funding authority for the Vocational Rehabilitation grant?

MR. ELEZ:

With the current influx of new cases and clients seeking services, as well as the increased costs of the services themselves, the division will probably have to come back before this body for another allocation of funds; however, the agency will ensure all other possible options are exhausted such as additional programming. Another source of match utilized by the division is a soft match, which would not be represented in the Rehabilitation Division's budget account; instead, the match would occur in Budget Account 3253, which is the Blind Business Enterprise Program. Some activities of that program can also be used as a match. The division would also work with that program to see if there are additional projects that could be implemented to find that additional match. Ultimately, seeking General Funds is always a last resort.

ASSEMBLYWOMAN BROWN-MAY:

You noted that pre-employment transition services are for students ages 14 to 22, and 15% of the reserve budget must be reserved for that purpose. Why is this not funded by the Nevada Department of Education (NDE)? The Rehabilitation Services Administration (RSA) federally funds pre-employment transition supports. Why does this come out of DETR's budget, as opposed to the NDE's budget?

MR. ELEZ:

On a federal level, the RSA is the oversight agency, and essentially provides the Vocational Rehabilitation grant. The RSA is situated within the U.S. Department of Education (DOE). On a state level, vocational rehabilitation is within a state's Department of Labor. Although the grant comes from the DOE, on the state level, it goes through DETR, which is equivalent to a state's Department of Labor. The division is partnering with the NDE on many of the projects to implement pre-employment transition services.

ASSEMBLYWOMAN BROWN-MAY:

To clarify, the match funds that come to the State of Nevada from the federal government are coming out of the DOE and going into match dollars at DETR.

MR. ELEZ:

Yes, that is correct.

ASSEMBLYWOMAN BACKUS:

One of the agenda items today is money DETR is offering to grant through the Career Enhancement Program, and those funds could be used for vocational training and job skills training. I understand there are millions of dollars in that account. In addition, DETR was going to provide another division over \$465,000 out of that budget account. Could money be utilized from the Career Enhancement Program to serve as state matching dollars?

MR. ELEZ:

I am not an expert on some of the Employment Security Division's (ESD) programs; however, the Rehabilitation Division has discussed with the ESD which types of activities could use those funds, or if there is a crossover in services provided by both divisions to be able to use those funds as a match. Unfortunately, that is not a workable solution in this instance; however, the division will continue to explore those avenues to reduce the need for IFC Contingency Account funds.

CHAIR MONROE-MORENO:

If this funding is not approved, then the programming would stop after May 2024 until the next fiscal year begins. Under those circumstances, would the division have a waitlist for services?

MR. ELEZ:

Not a waitlist per se. The division would not be able to schedule any potential services, pay for any trainings, or provide supports such as assisted technology for that two-month period until July 1, 2024.

SENATOR HARRIS:

Please provide the status of overpayment waivers as well as the status of the appeals backlog. Does the department anticipate when that might be completed?

MR. ELEZ:

I am not an expert on situations in the ESD. I am briefed at some of the joint meetings, but I would not see myself as competent in answering that question. I will reach out to the ESD Administrator and DETR Director Chris Sewell to provide the Committee with that information.

CHAIR MONROE-MORENO:

Considering these dollars would be a match, bring in programming for individuals, and training and rehabilitation services would not have a stopgap, I would entertain a motion to approve.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM G.3.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

4. STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

a) Division of Forestry

- 1) Request for an allocation of \$114,156 to fund an increase in maintenance, communications, and utilities expenditures.

Agenda Items G.4a(1), G.4a(2), and L.84 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.84.

- 2) Request for an allocation of \$6,404,612 to fund an increase in fire suppression costs. **RELATES TO ITEM L.84.**

Agenda Items G.4a(1), G.4a(2), and L.84 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.84.

- b) Division of Water Resources - Request for an allocation of \$250,000 to restore funds in the Account for the Channel Clearance, Maintenance, Restoration, Surveying and Monumenting Program.

KELLY MCGOWAN (Deputy Administrator, Division of Water Resources, DCNR):

I am here today under the authority of NRS 532.230, subsection 3 that states if the balance of the Account for Channel Clearance, Maintenance, Restoration, Survey and Monumenting Program is below \$250,000, the division must request an allocation to replenish that fund. In March 2024, the fund was drawn down to almost zero.

In 2023, there was very heavy precipitation across Nevada, and so far in 2024, every part of Nevada has experienced above mean average precipitation; therefore, high flows are expected again throughout the summer months. In many cases, several things need to occur for entities to use these funds. Entities must obtain matching funds, and in most cases, proper permitting is required, which can also take months before entities can utilize the funds.

SENATOR TITUS:

I recognize the need to replenish this fund. In the future, I think there should be a discussion about ensuring there is adequate funding throughout the interim.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE
AGENDA ITEM G.4b.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE
MEMBERS PRESENT.

- H. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SECTIONS 2 AND 3 OF SENATE BILL 342 OF THE 82nd (2023) LEGISLATIVE SESSION (Note: IFC may approve a different amount for an allocation than the amount requested) - NEVADA SYSTEM OF HIGHER EDUCATION - Western Interstate Commission on Higher Education - Request for an allocation of \$8,008,993 to enter into a contract with Utah State University for a program in veterinary medicine, and personnel related costs. **WITHDRAWN 3-26-24.****

- I. **REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SECTION 1 OF ASSEMBLY BILL 525 OF THE 82nd (2023) LEGISLATIVE SESSION (Note: IFC may approve a different amount for an allocation than the amount requested) - NEVADA SYSTEM OF HIGHER EDUCATION - University of Nevada, Las Vegas** - Request for \$500,000 for the “Expanding the Leaderverse” initiative to increase the diversity of leadership in the gaming industry.

BECKY HARRIS (Former Nevada State Senator [2014-2018], and Representative for the University of Nevada, Las Vegas [UNLV] on behalf of the Leaderverse):

The UNLV was required per Assembly Bill (A.B.) 525 (82nd [2023] Legislative Session) to obtain match funding. I am pleased to report that through a mix of private and public dollars, the UNLV has met the required match. The Committee has been provided with the confidential details of those private funds as well as the grant that was provided through the public funds.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM I.

ASSEMBLYWOMAN BACKUS SECONDED MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- J. **AMERICAN RESCUE PLAN ACT, CORONAVIRUS STATE FISCAL RECOVERY FUNDS.**

1. Statement of American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund obligations and remaining unobligated balance.

BRODY LEISER (Chief Principal Deputy Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau [LCB]):

The table has been provided as a separate handout outside of the meeting packet ([Exhibit H](#)). The document is also available on the Committee webpage (<https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2023/Committee/1969/Meetings>).

At the top of page 1 is a high-level summary displaying expenditures for FY 2022 and FY 2023, the amounts currently authorized (this is inclusive of the requests before the Committee today), and the remaining unobligated balance ([Exhibit H](#)). If all requests submitted for consideration today are approved, approximately \$15.0 million would remain unobligated. As a reminder, funds must be obligated by December 31, 2024, and must be expended by December 31, 2026.

As with prior practice, any revisions or updates to existing rows on the table following the March 2024, IFC meeting are identified in red text in the *Notes* column on the far right of the table. There were a handful of updates relating to work programs processed and approved by the Governor's Finance Office (GFO) that did not meet the thresholds required for consideration by the IFC.

The table generally lists program descriptions and amounts in chronological order based on the approval date. The items submitted for consideration by the Committee today begin on page 23 of the table document ([Exhibit H](#)).

The GFO submitted 25 work programs under Agenda Item K, of which 2 were withdrawn. The remaining 23 work programs would facilitate the following: the reconciliation or alignment of authority for four previously approved projects and would not increase or decrease overall authority. One request would deobligate funding of \$9.2 million due to projected savings from the Department of Agriculture for the universal free school meals program. There are also seven new requests for funding totaling \$42.0 million. The items submitted for consideration today are listed on rows 255 through 267 on pages 23 and 24 of the table ([Exhibit H](#)).

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, 82nd (2023) Legislative Session).

AMY STEPHENSON (Director, GFO):

The current unobligated balance of the ARPA Coronavirus State Fiscal Recovery Funds is approximately \$15.0 million. The GFO's table ([Exhibit I](#)) is similar to the one provided by the LCB ([Exhibit H](#)), with the addition of Column E, which is a year-to-date total as of April 1, 2024. In FY 2024, \$286,213,519 has been expended, and from FY 2022 to April 2024, \$1,086,852,825 has been expended, which is approximately 40% of the \$2.7 billion allocation.

On March 29, 2024, the U. S. Department of the Treasury (Treasury) updated its guidance and added Section 17 to its Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Frequently Asked Questions, which contained three important clarifications. First, the Treasury considers an interagency agreement to constitute an obligation for purposes of the CSLFRF rule if the agreement satisfies certain conditions. Secondly, the Treasury considers a recipient to have incurred an obligation with respect to personnel costs for an employee through December 31, 2026, to the extent the employee is serving in a position established and filled prior to December 31, 2024. The Treasury also clarifies how recipients can cover cost increases associated with contractor subawards entered by December 31, 2024.

This updated guidance from the Treasury provides greater flexibility in the obligation of funds and is completely different from the guidance issued in November 2023. As of today, 91% of the allocated funds have been obligated under the federal obligation requirements for the ARPA Coronavirus State Fiscal Recovery Funds. To obligate the remaining funds, the GFO can enter into a memorandum of understanding or interagency agreement with state agencies, which would obligate the funds under the new guidance from the Treasury.

Additionally, the GFO is reviewing the positions authorized with ARPA funds with state agencies to re-evaluate possible deobligations. Some positions will be covered under the new guidance from the Treasury.

CHAIR MONROE-MORENO:

Please elaborate on how those new positions will be covered.

MS. STEPHENSON:

Those positions would be covered by ARPA funds as long as it is an established position and was filled before December 31, 2024. Under the new guidance, the position will be covered through December 31, 2026.

All advances have been processed as outlined in S.B. 504, Section 12 (82nd [2023] Legislative Session).

ASSEMBLYWOMAN BACKUS:

Ms. Stephenson, you provided details about the obligations, but the other hurdle is expending the funds by December 31, 2026. I understand that S.B. 504, Section 12 states that at least 50% of an allocation should be provided to state agencies and organizations, and you indicated that has been occurring; however, when looking at the numbers from year to year, it appears it would be difficult to accomplish. Please clarify.

MS. STEPHENSON

The amount in the report ([Exhibit J](#)) is what the agencies reported they spent, which is 40% of funds. This amount does not include the advance.

CHAIR MONROE-MORENO:

Is there a short version of the new Treasury guidance the Committee could reference?

MS. STEPHENSON:

I will send that information to the Committee.

ASSEMBLYWOMAN BROWN-MAY:

With the new guidance from the Treasury, does that affect state matches for existing programs that have increased their usage throughout the COVID-19 pandemic to draw down additional federal dollars? For example, the Vocational Rehabilitation program has expanded the number of people it serves through the pandemic; however, the program is unable to have additional match dollars right now in the General Fund budget. Could existing ARPA funds be used as the match fund to draw down additional federal funding?

MS. STEPHENSON:

I can research this issue and provide that information to the Committee.

SENATOR CANNIZZARO:

This Committee cannot continue to receive a report that is multiple pages long, in the tiniest print, to consider while sitting at the dais. The IFC has been asking for this updated information since the 82nd (2023) Legislative Session. There have been multiple instances when these reports are provided to members at the start of the meeting. Committee members and staff need more time to fully understand the material to ensure appropriate decisions can be made. The IFC is tasked to approve work programs from the Governor's Office and allocate ARPA funds, which is difficult if the information is not provided in a timely manner. I hope that the Governor's Office, in partnership with this Committee, is willing to ensure these agencies are providing the information ahead of time, so this Committee can make considered and informed decisions.

MS. STEPHENSON:

The agencies provided the GFO with timely information. There are some vacancies in staff at the GFO, which is why the report is late. However, the agencies have made an effort to provide timely and satisfactory information.

CHAIR MONROE-MORENO:

Hopefully, efforts to address state employee compensation during the 82nd (2023) Legislative Session will allow the GFO to fill some of those positions more quickly.

There was no further discussion on this item.

K. 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 K.19, Office of the Governor; K.20, Office of the Governor; K.21 Office of the Governor; and K.22, Office of the Governor.

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

Transfer of \$530,238 from the American Rescue Plan Act (ARPA) Projects category to the ARPA Revenue Loss Reserve category to reduce authority for the nursing workforce program. Requires Interim Finance Committee approval since the amount deleted from the ARPA Project category exceeds \$350,000. **RELATES TO ITEMS K.2, K.3, and K.4. Work Program #25FR132707**

Refer to motion for approval under Agenda Item L.

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

Transfer of \$530,238 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to support the nursing workforce program. Requires Interim Finance Committee approval since the amount added to the ARPA Project category exceeds \$350,000. **RELATES TO ITEMS K.1, K.3, and K.4. Work Program #24FR132721**

Refer to motion for approval under Agenda Item L.

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

Addition of \$530,238 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to support the nursing workforce program through the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the ARPA Registered Nurse Advanced Degree category exceeds \$350,000. **RELATES TO ITEMS K.1, K.2, and K.4. Work Program #24FRF31455**

Refer to motion for approval under Agenda Item L.

4. **Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2025**
Deletion of \$530,238 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to make the funding available for the support of the nursing workforce program in FY 2024. Requires Interim Finance Committee approval since the amount deleted from the ARPA Registered Nurse Advanced Degree category exceeds \$350,000. **RELATES TO ITEMS K.1, K.2, and K.3. Work Program #25FRF31451**

Refer to motion for approval under Agenda Item L.

5. **Office of the Governor - COVID-19 Relief Programs - FY 2025**
Transfer of \$256,759 from the American Rescue Plan Act (ARPA) Projects category to the ARPA Revenue Loss Reserve category to reduce authority for the Goodwill of Southern Nevada project. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Projects category exceeds \$350,000. **RELATES TO ITEMS K.6, K.7, and K.8 Work Program #25FR132709**

Refer to motion for approval under Agenda Item L.

6. **Office of the Governor - COVID-19 Relief Programs - FY 2024**
Transfer of \$275,603 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to increase authority for the Goodwill of Southern Nevada project. Requires Interim Finance Committee approval since the cumulative amount transferred to the ARPA Projects category exceeds \$350,000. **RELATES TO ITEMS K.5, K.7, and K.8. Work Program #24FR132722**

Refer to motion for approval under Agenda Item L.

7. **Department of Employment, Training and Rehabilitation - Employment Security Division - Workforce Development - FY 2024**
Addition of \$275,603 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to align remaining project authority for the Goodwill of Southern Nevada project. Requires Interim Finance Committee approval since the cumulative amount added to the ARPA Workforce Development category exceeds \$350,000. **RELATES TO ITEMS K.5, K.6, and K.8. Work Program #24FR477002**

Refer to motion for approval under Agenda Item L.

8. **Department of Employment, Training and Rehabilitation - Employment Security Division - Workforce Development - FY 2025**
Deletion of \$256,749 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to make the funding available in FY 2024 for the Goodwill of Southern Nevada project. Requires Interim Finance Committee approval since the amount deleted from the ARPA Workforce Development category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEMS K.5, K.6, and K.7. Work Program #25FR477001**

Refer to motion for approval under Agenda Item L.

9. **Office of the Governor - COVID-19 Relief Programs - FY 2025**
Transfer of \$60,000,000 from the American Rescue Plan Act (ARPA) Broadband Initiatives category to the ARPA Revenue Loss Reserve category to eliminate duplicated authority for the Office of Science, Innovation and Technology's Broadband Initiative project. Requires Interim Finance Committee approval since the amount transferred from the ARPA Broadband Initiatives category exceeds \$350,000. **RELATES TO ITEM K.10. Work Program #25FR132711**

Refer to motion for approval under Agenda Item L.

10. **Office of the Governor - Office of Science, Innovation and Technology - FY 2025**
Deletion of \$60,000,000 of federal American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds (SFRF) transferred from the COVID-19 Relief Programs account to eliminate duplicated authority for the Office of Science, Innovation and Technology's Broadband Initiative project. Requires Interim Finance Committee approval since the amount deleted from the SFRF Program category exceeds \$350,000. **RELATES TO ITEM K.9. Work Program #25FRF10031**

Refer to motion for approval under Agenda Item L.

11. **Office of the Governor - COVID-19 Relief Programs - FY 2024**
Transfer of \$118,560 from the American Rescue Plan Act (ARPA) Loss Revenue Reserve category to the ARPA State Agency Allocations category to support an allocation to the Department of Health and Human Services, Aging and Disability Services Division to purchase videoconference equipment. Requires Interim Finance Committee approval since the cumulative amount transferred to the ARPA State Agency Allocation category exceeds \$350,000. **RELATES TO ITEM K.12. Work Program #24FR132717**

Refer to motion for approval under Agenda Item L.

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

Addition of \$118,560 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account for the purchase of videoconference equipment. Requires Interim Finance Committee approval since the cumulative amount added to the ARPA Planning Advocacy Community Unit Activities category exceeds \$350,000. **RELATES TO ITEM K.11. Work Program #24FRF32788**

Refer to motion for approval under Agenda Item L.

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

Transfer of \$9,166,464 from the American Rescue Plan Act (ARPA) Universal School Meals category to the ARPA Revenue Loss Reserve category to reduce authority for the support of universal free school meals. Requires Interim Finance Committee approval since the amount transferred from the ARPA Universal School Meals category exceeds \$350,000. **RELATES TO ITEM K.14. Work Program #24FR132723**

Agenda Items K.13, K.14 and L.60 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.60.

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

Deletion of \$9,166,464 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate funds approved for the support of universal free school meals. Requires Interim Finance Committee approval since the amount deleted from the ARPA Universal School Meals category exceeds \$350,000. **RELATES TO ITEM K.13. Work Program #24FR269102**

Agenda Items K.13, K.14 and L.60 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.60.

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

Transfer of \$850,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA State Agency Allocations category to support the Nevada Air National Guard flight ramp construction design project. Requires Interim Finance Committee approval since the amount transferred to the ARPA State Agency Allocations category exceeds \$350,000. **RELATES TO ITEM K.16. Work Program #24FR132725**

Refer to motion for approval under Agenda Item L.

16. Office of the Military - FY 2024

Addition of \$850,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to support the Nevada Air National Guard flight ramp construction design project. Requires Interim Finance Committee approval since the amount added to the ARPA Funds category exceeds \$350,000. **RELATES TO ITEM K.15. Work Program #24FRF36501**

Refer to motion for approval under Agenda Item L.

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

Transfer of \$1,800,570 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA State Agency Allocations category to replace culinary equipment for High Desert State Prison. Requires Interim Finance Committee approval since the amount transferred to the ARPA State Agency Allocations category exceeds \$350,000. **RELATES TO ITEM K.18. Work Program #24FR132726**

Refer to motion for approval under Agenda Item L.

18. Department of Corrections - Director's Office - FY 2024

Addition of \$1,800,570 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to purchase replacement culinary equipment for High Desert State Prison. Requires Interim Finance Committee approval since the amount added to the ARPA Funding category exceeds \$350,000. **RELATES TO ITEM K.17. Work Program #24FRF37104**

Refer to motion for approval under Agenda Item L.

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

Transfer of \$14,500,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to award funds to Washoe County to complete renovations and capital improvements for the West Hills Rehabilitation facility. Requires Interim Finance Committee approval since the amount transferred to the ARPA Project category exceeds \$350,000. **Work Program #24FR132727**

ALEXIS HILL (Chair, Washoe County Board of Commissioners [Board]):

When Washoe County learned the West Hills Behavioral Health Facility (West Hills) was closing in 2021, the county went to the Board of County Commissioners to purchase the facility. Washoe County saw the need and opportunity for the county to be a leader in behavioral health. The county supports the community's most vulnerable populations—offenders in jail, foster children, sex-trafficked youth, and the homeless population—who are not receiving the mental and behavioral health care they need.

The Board approved the funding to purchase the facility almost two years after it closed in August 2023 with the expectation of reopening it as soon as possible due to the extreme need. The county is now estimating that the facility will open in June 2026. This facility will meet many needs in the community. Washoe County is thankful for the Committee's consideration and hopeful partnership in this new endeavor.

ERIC BROWN (County Manager, Washoe County):

This is a vitally important project for Washoe County. There is a serious shortage of mental health services and capacity, particularly for pediatric and juvenile mental health cases. Moving forward with this project gives the county the ability to address those key, longstanding needs. The West Hills project also provides an opportunity to partner with the county's social services agencies and other community providers to ensure the best and highest use of this facility.

RYAN GUSTAFSON (Director, Washoe County Human Services Agency [WCHSA]):

The county has seen many behavioral health service array holds; particularly since the COVID-19 pandemic. One notable statistic which has impacted the community is the loss of about 53% of foster care beds since COVID-19, and this trend has not changed. Although new foster families are onboarded monthly, the exit rate almost equals the number of onboardings. The WCHSA has conducted townhall meetings with the foster care community, and one of the primary reasons for these exits is uncertainty around how foster children would be served in the face of a mental or behavioral health crisis when the community is lacking resources.

MR. BROWN:

Over the last three years, Washoe County has been very involved in using its own ARPA funds to execute multiple projects including the refurbishment and construction of buildings; as in the case with the Nevada Cares campus. Thus, the county is prepared to make use of the funds and execute this project in a timely fashion to ensure the ARPA deadlines are met.

ASSEMBLYWOMAN GORELOW:

This project sounds very exciting. Why did West Hills close?

MR. BROWN:

The parent company, United Health Services, Inc. (UHS), which also owns Northern Nevada Medical Centers, determined that the age and aesthetics of the building no longer met the standards UHS aims to uphold. The funds requested by Washoe County will be used for building refurbishments. The UHS was not willing to invest the large amount of funding necessary to bring the facility up to standards.

ASSEMBLYWOMAN GORELOW:

Please confirm that \$14.5 million would be sufficient to complete the renovations necessary to reopen the West Hills facility.

MR. BROWN:

Yes, I can confirm. The county has a sharp team that has become adept at evaluating and analyzing the cost of refurbishing and building new facilities.

ASSEMBLYWOMAN GORELOW:

If the \$1.0 million budgeted for contingency is not needed to complete the capital improvements, would the funding revert to the state?

DAVE SOLARO (Assistant County Manager, Washoe County):

The county appreciates there is a \$1.0 million contingency associated with this project. As with any construction project, a contingency amount is necessary, especially when refurbishing a building. Additional issues may be uncovered after construction has begun.

The county has some stopgaps in place during the process. The Northern Nevada Public Health Tuberculosis Clinic (TB Clinic) is currently in the design phase and will be located on the same property. The project is being managed by a Construction Manager at Risk. The contracts have been established such that the West Hills facility can be added on to the TB Clinic project. This will be helpful, especially during review of the renovation drawings, because the contractor will be available to advise the county on how to use the contingency, if needed. At the same time, the county has planned to have additive or deductive alternates, which will be structured in such a way that the project can be completed with the funds provided.

ASSEMBLYMAN O'NEILL:

Once the facility is operational, will the county assist neighboring counties such as Carson City, Storey County, and Lyon County?

MR. BROWN:

Yes, the intention is to serve Northern Nevada counties beyond Washoe County.

ASSEMBLYMAN O'NEILL:

When you say intent, is Washoe County committed to helping surrounding communities?

MR. BROWN:

Yes.

SENATOR TITUS:

I am familiar with West Hills. During my medical residency, I used to moonlight there doing physicals for patient intake. I know this is a capital improvement request, but are you going to restore the facility to its 92-bed capacity?

MR. BROWN:

The county is still in the process of determining the specific bed count, but the anticipation is the facility will be in that range with about a third of the beds allocated to pediatric or youth services.

SENATOR TITUS:

Since adolescent patients cannot be housed in the same unit as adult patients, how does the county intend to lay out the facility and adequately supervise each unit? Without staff, the county may face the same problems as the previous owner.

I am aware that the county will be subcontracting for an operator to run the day-to-day operations of the facility, the facility will be fully operational by September 2026, and the bed count will be between 90 and 95 beds. What is the county's plan to ensure there is enough staff?

MR. GUSTAFSON:

All those concerns have been the subject of many conversations. The county has tried to address maximizing the structure of the facility, while ensuring adequate staff and patient safety.

The building is uniquely designed for a mix of populations that would not necessarily ever know another population is there. I think that is one of the advantages of the way the building is designed. However, the building is certainly in need of some modifications to get some state-of-the-art anti-ligature equipment and other things in place that would mitigate any potential risks to patients or staff.

The initial set up of this facility was as an acute care hospital; however, the county intends to use it as a multi-functional facility with an understanding of the importance of adequate staffing.

A significant section of the upgraded facility will be dedicated to adolescent and pediatric care. When West Hills closed, the county lost every pediatric acute care bed, which was difficult to manage. Without those beds, pediatric patients end up in a level of care that is too low, or in an emergency room, which is too high. It is a difficult situation. Availability of adolescent beds is also very limited. The facility will provide the opportunity for a pediatric and adolescent program, along with the ability to do assessments and evaluations expeditiously. There has been a lot of feedback from the education community about partnering with Washoe County.

The county is exploring many avenues to ensure the correct services are provided, the appropriate providers are selected, and establish a state-of-the-art facility that will serve the patient populations appropriately.

SENATOR TITUS:

The University of Nevada has a psychiatric residency program. Is there an opportunity for partnership with the university system? Have there been any conversations about collaboration?

MR. GUSTAFSON:

Yes, the county has made presentations to the university as well as to the psychiatric community in Northern Nevada. There is interest in collaborating, and there will be ongoing outreach. Washoe County has also identified additional opportunities to work with the University of Nevada School of Social Work, as well as the counseling, education, and psychology departments at the university.

West Hills will not just be a facility that can serve these children, adolescents, and potentially adults, but also provide an opportunity to create a good learning environment for university students. The facility will host some training space, because it is difficult to find good training space in the community. Having a captive audience of patients is valuable for the community. Creating office space for residents or fellows to do exams and perform expeditious psychiatric evaluations to identify the necessary service array and implement the appropriate resources should have a positive effect on follow-up services. Many of the issues with mental and behavioral health care in Nevada is ensuring patients are seen in a timely manner.

SENATOR TITUS:

This certainly sounds like a great program for the community.

CHAIR MONROE-MORENO:

If the Committee approves this request, what additional steps are required of Washoe County and/or the GFO for this funding to meet the federal obligation requirements of the ARPA Coronavirus State Fiscal Recovery Funds by the December 31, 2024, deadline?

AMY STEPHENSON (Director, GFO)

There is no additional requirement. If this request is approved, the GFO will enter into a subaward with Washoe County, which will immediately obligate the funds.

CHAIR MONROE-MORENO:

There would not be anything preventing this body from asking for regular updates from the county, so the Committee is kept apprised of the project status, correct?

MS. STEPHENSON:

Correct.

SENATOR TITUS:

I am very anxious to see this item get approved and to see the progress. I appreciate Washoe County having some novel thinking on this crisis and providing solutions.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM K.19 AND REQUIRE WASHOE COUNTY TO PROVIDE A STATUS REPORT EVERY SIX MONTHS FROM JANUARY 2025 THROUGH JUNE 2025 WITH A SUBSEQUENT REPORTING PERIOD.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

Transfer of \$16,765,000 from the American Rescue Plan Act (ARPA) Loss Revenue Reserve category to the ARPA Project category to provide new and existing site expansions to enhance statewide early learning centers for the Nevada Alliance of Boys and Girls Clubs. Requires Interim Finance Committee approval since the amount transferred to the ARPA Project category exceeds \$350,000. **Work Program #24FR132728**

NOELLE HARDT (Vice President of Government Affairs, Nevada Alliance of Boys and Girls Clubs):

The Nevada Alliance of Boys and Girls Clubs (Alliance) organizes the policy and advocacy of youth development programs through its seven Boys and Girls Clubs organizations throughout the state, each of which are an independent Section 501(c)(3) organization. Boys and Girls Club locations have hosted members of the Committee at various events, including a recent celebration for teens at the Youth of the Year program for Nevada.

The representatives and I will discuss the proposed early learning center expansion project. We were all excited to work with the Governor and many members of the Committee on those expansion efforts. As background, the Boys and Girls Clubs has a 60-year history in Nevada. The organization's roots are in afterschool programs serving youth ages 6 to 18 years. About 17 years ago, the Boys and Girls Clubs began serving youth ages zero to 5 years. The intention for that expansion was to serve an entire family so they could have their younger children in licensed child care within the same youth development professional ideals of the Boys and Girls Clubs geared toward younger ages, and as well, their older youth could attend the clubhouse programs. Consequently, there has been great retention in serving those families and supporting hardworking families throughout Nevada. The Boys and Girls Clubs serve 30 communities with 78 clubhouses, including the early learning centers.

The Alliance noted during and immediately after the COVID-19 pandemic that the population of children ages zero to 5 years was the fastest growing business unit, to the extent that the Alliance was responding to community need as quickly as possible. The Chief Executive Officers (CEOs) of the seven Boys and Girls Clubs organizations gathered in October 2023 to discuss the best way to address this need of families returning to work, as well as the amplified growth of the state's economy and industrial complexes (many clubhouses are located near or in these complexes). It was important to address this need thoughtfully; therefore, a proposal was created containing 14 projects, 10 of which are new sites, and a couple projects are expansions of existing facilities.

ASSEMBLYMAN YEAGER:

I would like to acknowledge that the Governor has realized that allocations to nonprofit organizations in the community are a reasonable, logical decision by the Legislature. State agencies do not always have the ability to fill these needs, particularly as it relates to child care, youth development, literacy programming, and social/emotional learning. That is very important for the community.

How many total children are currently enrolled at the Boys and Girls Clubs early learning centers, and how many children are currently on waitlists?

MS. HARDT:

Currently, 685 youth ages infant through five, are enrolled statewide. There are several slots designated for foster youth. Several sites still maintain waitlists, many of which contain dozens of families. Some sites have stopped maintaining waitlists, because it was disheartening to families to learn they were far down on the list. It is interesting to note that when a new site opens, slots fill up quickly. For example, a site recently opened in Yerington and there were 52 available slots; those slots were filled within two days. The Alliance is striving to open rooms and facilities as quickly as possible.

ASSEMBLYMAN YEAGER:

With the proposed expansion, 1,036 children would be served, which would increase capacity by approximately 350 children statewide. Is that correct?

MS. HARDT:

The capacity will be closer to 1,000 new seats. What is shown on the summary indicates new seats; capacity will double.

ASSEMBLYMAN YEAGER:

There is a facility currently under renovation in Reno. Those renovations entail upgrades to the parking lot and playground area, allowing the facility to function at full capacity. How will parking lot and playground improvements increase capacity?

MIKE WURM (CEO, Boys and Girls Clubs of Truckee Meadows):

This is a facility that had closed; it is near the main facility on 9th Street in Reno. When the City of Reno moved the homeless shelter to the east side of 4th Street, it brought a different population into the neighborhood. When the organization took over the facility, it was expected to be a turnkey purchase because it had been a Boys and Girls Club in the past; however, because of the changes in the community, it was necessary to make additional investments in security measures

such as fencing. The organization had hoped to use the existing parking lot; however, it was necessary to enhance the parking lot projects so people would not have to go across the street into a park that has become inhabited by homeless people. By improving the parking lot and creating additional parking spaces, the capacity of that center will increase.

ASSEMBLYMAN YEAGER:

The Winnemucca site opened in October 2023. How will additional storage and parking increase capacity at the facility?

MR. WURM:

Money was raised to build the Winnemucca facility. The building was completely remodeled; it was previously a BeeHive Assisted Living Facility. The facility was converted from 12 rooms to 6 large rooms for the daycare. With that project, all resources were expended to create capacity for approximately 80 children. However, the parking lot could not be expanded as much and a separate resource center for teachers could not be added to the facility due to limited resources. Currently, one classroom is being used as a resource center for teachers, which has limited the center's capacity. Additionally, due to weather events earlier in the year, erosion issues were identified, and sandbags had to be added to part of the project. To clarify, the "storage facility" will actually be more of a resource and storage area as well as a place for teachers to work. It will free up a classroom and increase available capacity.

ASSEMBLYMAN YEAGER:

Regarding the Spring Creek expansion, how would the \$450,000 increase capacity at that location? The augmented capacity is shown as 104 children, which is a large number.

RUSTY BAHR (CEO, Boys and Girls Clubs of Elko):

When the Boys and Girls Clubs of Elko built the Spring Creek Center, the organization raised about \$9.2 million amongst individual donors in the community. However, the organization was unable to raise enough funds to fully build all phases of the project. The first thing that had to be done was to put all the storage into the classrooms. The facility must provide 35 square feet per child to add more children. With the storage in the classrooms, it reduces the available space for children. Also, there is not a laundry room in the facility, so the Childcare Director takes the laundry home every night. Capacity will increase if storage can be moved to a separate space.

I would also note the facility is part of the Quality Rating and Improvement System (QRIS), and one of the requirements is to change the equipment out every two to three months. Equipment is currently in storage units across the city; however, it would be more convenient to house the equipment onsite.

ASSEMBLYMAN YEAGER:

That shows the dedication of the people who work in this space; taking laundry home every night is not a job requirement. I recognize and support the work of the nonprofit organizations.

How were the costs estimated for each project location? Will the \$16.8 million be sufficient to complete all 14 projects as identified?

MR. WURM:

Each organization was responsible for generating the estimated costs for their specific project. All the projects are different and reflect the differences of the communities they serve.

ASSEMBLYMAN YEAGER:

I assume the timeline for each project will vary. Which project will take the longest, and how long will it take to reach the total additional capacity?

ANDY BISCHER (President/CEO, Boys and Girls Clubs of Southern Nevada):

Most likely, the Southern Nevada project will take the longest because it is a ground-up build. The organization is implementing licensed child care in conjunction with the Shaquille O'Neal Foundation, Boys and Girls Clubs, and in combination with communities and schools. The land is a parcel that Clark County School District transferred to the county, and the county will transfer it to the Shaquille O'Neal Foundation. Currently underway is the conceptual design phase to build the club, and communities' and schools' facility together. The licensed child care will be part of that project. Thus, this project will likely take the longest due to potential construction delays, as well as delays with county permitting.

ASSEMBLYMAN YEAGER:

Do you have an estimate on the project timeframe?

MR. BISCHEL:

The county is in the process of transferring the land, so the Boys and Girls Clubs of Southern Nevada hopes to have everything in place by the end of 2024, construction in 2025, and have the funds spent by the deadline.

ASSEMBLYMAN YEAGER:

Based on the backup documentation, some of the costs that will be funded through this request have already been incurred and paid through unrestricted reserve accounts from some of the clubs. How much of the \$16.8 million will be used to reimburse the Boys and Girls Clubs for costs already incurred?

MR. WURM:

I can speak specifically to the El Rancho project in Reno. The Boys and Girls Clubs of Truckee Meadows requested \$1.5 million, and approximately \$1.0 million would replenish reserves.

ASSEMBLYMAN YEAGER:

I will ask each of the CEOs to provide information on how much of the funding will be used for reimbursement.

MR. BAHR:

All the funding will go toward new construction, so there will be no reimbursements.

MR. BISCHEL:

There will be no reimbursement.

AUTUMN BOYLE-ROBINSON (CEO, Boys and Girls Club of the Colorado River):

There will be no reimbursement.

TRAVIS CROWDER (CEO, Boys and Girls Clubs of Mason Valley):

The site in Dayton is all new construction, no reimbursement.

MINDY CARBAJAL (Executive Director, Boys and Girls Club of North Lake Tahoe):

The project is all new construction, no reimbursement.

BRETT ZUNINO (CEO, Boys and Girls Clubs of Western Nevada):

A small portion of the funding will be used for reimbursement to cover architectural and permitting fees; the amount is under \$50,000. The remainder of the funds will be used for all new construction.

CHAIR MONROE-MORENO:

Please clarify which project is in western Nevada.

MR. ZUNINO:

There are three projects in western Nevada that include some soft costs. The first is a new project on Mountain Street. The organization had to go through the permitting process with Carson City, which required a small amount of funds. That facility is in the architectural phase now, which requires funds to finish the architect's renderings. The partnership with the school district at the Thompson Center also required funds for permitting and architectural fees, which the Boys and Girls Clubs of Western Nevada has paid. Construction will begin at the end of May 2024. Lastly, there will be a club at the Ironwood Facility; the building was donated. The club is in the architectural phase. There were also some permit fees that had to be covered.

ASSEMBLYMAN YEAGER:

Approximately \$1.0 million to \$1.1 million will be going toward reimbursements.

SENATOR DONDERO LOOP:

I had heard the reason Las Vegas requested such a small amount is that there are not any shovel-ready facilities.

MR. BISCHEL:

Licensed child care is a new venture for the Boys and Girls Clubs of Southern Nevada. Over the past four years, the organization has been focused on bringing licensed clinicians into the clubs to provide mental health services. While the north has been advancing the licensed child care piece, I have stayed out of that area to focus on providing onsite mental health care for children and families. With the new project, it provided the Boys and Girls Clubs of Southern Nevada an opportunity to bring licensed child care to some of the existing clubs and future builds.

SENATOR DONDERO LOOP:

There are three facilities in western Nevada; however, none of the other counties or cities have this many clubs. Is it possible to have three projects in Carson City because they are shovel-ready sites?

CHASE WHITTEMORE (Attorney, Argentum Partners):

Based on the ARPA request, shovel-ready projects were necessary. When the various organizations met, they analyzed the projects in the pipeline. As noted by Mr. Bischel, Southern Nevada had been focusing on the mental health piece more aggressively than the rest of the clubs over the past four or five years, so only one project was identified for Southern Nevada. Carson City has three identified projects that are all shovel-ready. Because the funding needs to be spent per ARPA requirements, the list of projects presented to the Committee is what made the most sense.

SENATOR DONDERO LOOP:

In looking at the Eureka project, the description says, "Project has not been started, but land has been selected and contractors have been identified." The Eureka site has received as much funding as Clark County. The Dayton facility is similar, but perhaps a little further along. I do not dispute these are communities in need of Boys and Girls Clubs, but I am concerned that almost one-third of the money is split between two or three projects.

MR. WURM:

Ely is a small, rural community where the county and a group of private citizens have been working diligently to bring in child care and Boys and Girls Clubs services to the community. This build is in a newly planned community on the west side near U.S. Highway 50. Many of the smaller communities are trying to create amenities in those towns to serve entire mining families. The county has pre-developed the land and added infrastructure, which has made it a shovel-ready project.

SENATOR DONDERO LOOP:

Does Eureka have an existing Boys and Girls Club?

MR. WURM:

There is not currently a Boys and Girls Club in Eureka, but to keep costs down, the Eureka facility will be run out of Ely, which is only about an hour away. There is already a thriving Boys and Girls Club in Ely.

SENATOR DONDERO LOOP:

I am concerned about the distribution of funding. There are about 270 children in Carson City and 100 children in Clark County, and yet there are 60 children in Eureka, which will receive about one-fifth of the funding. There is already an existing facility in Ely and the Eureka facility will also be run in Ely.

MR. BISCHSEL:

Much of this is because the Boys and Girls Clubs of Southern Nevada is catching up with the north. I do not want to hold back my colleagues, because they are doing great work, and I am trying to catch up. Southern Nevada is leading on mental health services, and there are plans to take those services north as the mental health program starts to scale. Similarly, licensed child care is scaled up in Northern Nevada, and is now coming to Southern Nevada.

SENATOR DONDERO LOOP:

I am very familiar with every part of Nevada, not just Las Vegas. Has there been any partnership with the mines since those are the children who are being served in those communities? I would like to make sure there is balance, so the money can go as far as possible.

MR. BAHR:

The CEO of Nevada Gold Mines is on the Board of the Boys and Girls Club. The gold mines contributed about \$15.0 million toward these projects. Two of the projects are called the "Nevada Gold Mines Early Learning Center." I believe the Winnemucca Boys and Girls Club facility is as well. The mines have been very involved on a daily basis as well as contributing capital funds.

The Elko and Spring Creek facilities open early for the mining community. The facilities and all services are available from 4:00 a.m. until 8:00 p.m. to serve children and young adults ages zero to 18 years.

ASSEMBLYMAN HAFEN:

I sat on the Boys and Girls Club board in Pahrump during between 2006 and 2008. Sadly, due to the Great Recession, the club was forced to close. When I saw this on the agenda, I was excited at the prospect of getting additional funding for Pahrump. I understand how the funding was divided. I would note that the Pahrump and Nye County areas are some of the poorest communities in the state and there are not gold mines to help with funding. When other opportunities come forward where the state could help, please call me. I would like to help these communities because there is currently nothing available for the children. There are limited day care options; mostly there are retirees helping their neighbors.

SENATOR TITUS:

The business model of the Boys and Girls Clubs is unique in that the communities express a need for a club. Funding is largely community-based through fundraisers and donors. This is an opportunity to close the gap between what the Boys and Girls Clubs were able to raise through traditional fundraising methods. The Governor has always supported children's activities and mental health, and these projects align with his agenda.

I wanted to make sure that through the expansion of these programs, the Boys and Girls Clubs are not competing with private entities that are also trying to provide these resources in communities. Will these new facilities expand capacity as well as the workforce?

MR. CROWDER:

I will speak to the Yerington facility initially because this is how the first early learning center was addressed a few years ago. The Boys and Girls Clubs implemented the early learning center through foundation and private support. As an example, for the Yerington location, the building on Main Street was built by a local contractor with many ties to the community, and the contractor waived many fees. There were many factors that went into making the Yerington facility a reality.

The other two licensed child care facilities in the Yerington area were consulted before breaking ground on the new facility to avoid undercutting their business. During the COVID-19 pandemic, small businesses struggled, and the Boys and Girls Clubs were leaned on for resources. When the Yerington facility opened, all slots were filled within two days.

Dayton is another example of where small businesses struggled. There are only two other licensed child care facilities in that area and they are also at capacity and maintaining waitlists. The organization was faced with the same funding mechanisms and foundations that supported the organization in Yerington but did not have the means to support an additional facility in Dayton. The Committee is aware of the Tahoe-Reno Industrial Center where many people living in Lyon and Mineral Counties are working. Consequently, the need for child care increased. When the small businesses diminished, those families were looking to the Boys and Girls Clubs to fill the gap. Everyone is having a difficult time and addressing the need with these capital projects.

SENATOR TITUS:

The goal of these capital projects is to expand capacity for these communities, correct?

MR. CROWDER:

Absolutely.

SENATOR TITUS:

The Southern Nevada organizations have been focusing on the mental health piece, which is an important focus for adolescents. I see an improvement across the board that perhaps Southern Nevada had lagged behind in the pre-K and other services that are now being expanded. Now the Northern Nevada organizations are looking to expand the mental health piece. It appears there is a combined effort statewide to solve issues with day care capacity as well as pediatric and adolescent mental health care. Yerington has a unique setup with private business partners. Please provide further clarification.

MR. CROWDER:

To clarify, each one of my colleagues addresses the mental health issue in a different manner, but Southern Nevada really led the way on the mental health programs and set the example.

In Yerington and the rural areas, the private/public sector model was used. There is a beautiful teen center in Yerington that had available space on the second floor. The Boys and Girls Clubs reached out to a local business in town that has been supporting the organization for a couple of decades. That local business agreed to fund a mental health counselor position to help meet the behavioral and mental health needs through Lyon and Mineral Counties. The position is located at the facility when the children are not in school. When the children are in school, the counselor provides services in the private sector. The counselor is a great match and has been working with the organization for approximately three years to help address behavioral and mental health issues across the board.

SENATOR TITUS:

Does Southern Nevada also have partnerships with the private sector, particularly as it pertains to mental health?

MR. BISCHEL:

The Southern Nevada Boys and Girls Clubs has worked with the Department of Health and Human Services to become credentialed to bill Medicaid and private insurance. As Southern Nevada can scale, the other organizations throughout the state do not need to go through the two-year credentialing process. The Southern Nevada Boys and Girls Clubs would manage the administration piece, and as mental health professionals are added in clubs throughout the state, billing would occur in Southern Nevada, which would allow for more efficiency in administrative overhead.

SENATOR GOICOECHEA:

Although Eureka is a small community, it is fed largely by the mines and outside labor. Housing the workforce is necessary, and people are largely living in trailers with few resources in terms of child care. While mining is good revenue, it leaves some gaps that the county and the Boys and Girls Clubs are trying to address.

ASSEMBLYWOMAN BACKUS:

During the 82nd (2023) Legislative Session, A.B. 525 allocated \$250,000 to the Boys and Girls Clubs of Truckee Meadows. Is the \$1.0 million also replenishing that \$250,000?

MR. WURM:

I do not know that I can connect it to the \$250,000 allocation.

ASSEMBLYWOMAN BACKUS:

Regarding the \$1.6 million being sought for the El Rancho project, the cost needed to extend the parking lot and the playground area is \$565,000, and \$1.0 million will replenish funds used in the ongoing renovation, correct?

MR. WURM:

Yes.

CHAIR MONROE-MORENO:

I would like to thank all the organizations for the work you are doing to help children statewide. The Legislature is aware of the importance of your work, which is why the Boys and Girls Clubs were included in A.B. 525. It is encouraging that now others understand that the state would not function as well without the work of the nonprofit organizations.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA
ITEM K.20.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

CHAIR MONROE-MORENO:

If the Committee approves this request, what additional steps are required of the Nevada Alliance of Boys and Girls Clubs and/or the GFO for this funding to meet the federal obligation requirements of the ARPA Coronavirus State Fiscal Recovery Funds by the December 31, 2024, deadline?

AMY STEPHENSON (Director, GFO):

No further steps are necessary. Once the item is approved, the funds will go into a subaward and will be instantly obligated.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

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

Transfer of \$3,000,000 from the American Rescue Plan Act (ARPA) Loss Revenue Reserve category to the ARPA Projects category to award funds to Vitality Unlimited to purchase two buildings and complete renovations in order to retain and expand a substance use disorder treatment and mental health facility. Requires Interim Finance Committee approval since the amount transferred to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132729**

SARAH ADLER (Consultant for Vitality Unlimited, Silver State Government Relations):

The request is in Volume II of the meeting packet ([Exhibit B](#)). Page 245 includes the map that highlights the beauty of this project. Regarding the genesis of this project, Vitality Unlimited has multiple Certified Community Behavioral Health Clinics (CCBHCs) across the state and has been operating an American Society of Addiction Medicine (ASAM) 3.5 level residential treatment center within the Carson City Health and Human Services Building. At Carson City's request, Vitality Unlimited took over the facility in 2012. As Carson City continues to grow, the city needs use of that space again.

Carson City committed \$500,000 of its ARPA funds to assist Vitality Unlimited in relocating. For the past year, the organization has been seeking an appropriate building that could be repurposed into a residential treatment facility. Vitality Unlimited found a building that backs up to the existing CCBHC Building. With the state's assistance, the hope is to create a mental health, treatment, and recovery campus. Friends in Service Helping (FISH) is the primary homeless services agency and poverty mitigation agency in Carson City. FISH's main office

and dining hall is across the street from the CCBHC, and the new workforce apartments are on the other side of the proposed residential treatment center. Thus, there will be a wonderful campus in Carson City to support the needs of the community. However, Vitality Unlimited does not solely support Carson City residents. In fact, the greatest number of patients are from Reno, followed by Carson City, Sparks, and another 30 communities and tribal reservations.

ASSEMBLYWOMAN MOSCA:

Would there be any disruption of services for the current clients during the expansion and renovations?

MS. ADLER:

This has remained a concern for Vitality Unlimited throughout this process. Fortunately, Carson City has been patient and has allowed Vitality Unlimited to remain at the current location while seeking a new location. It is going to take many months to go through the special use process and complete the renovation. The organization is hopeful Carson City will continue to allow Vitality Unlimited to continue its operations at the current location. If Vitality Unlimited is not awarded the funding, Carson City, Northern Nevada, Washoe County Sheriff's Office, and the court systems will lose 25 experienced, successful treatment beds. If this funding is granted, the number of beds has not yet been determined. The requirement is 50 square feet per client. Vitality Unlimited is hoping to put an adolescent treatment unit on the ground floor and an adult unit on the second floor. Vitality Unlimited works closely with Washoe County, and if the new West Hills facility can accommodate all the adolescent treatment, then the Carson City facility will remain an adult treatment center.

ASSEMBLYWOMAN MOSCA:

Please discuss Vitality Unlimited's current capacity to serve the needs of the region, including whether there is a waitlist for services, and how this expansion would benefit clients as well as the community.

MS. ADLER:

There have been times when only 20 of the 25 beds were full, but for several months, Vitality Unlimited has been at capacity. The facility is currently seeing more patients coming in affected by fentanyl. There is a sister-type organization, New Frontier Treatment Center in Fallon, which is another facility to which Vitality Unlimited can refer patients. Sometimes there is a waitlist, but it is not long.

CHAIR MONROE-MORENO:

Please clarify the partnership with FISH. FISH is one of the organizations included in A.B. 525.

MS. ADLER:

Vitality Unlimited has a mutual memorandum of understanding with FISH. If a family comes to Vitality Unlimited and needs household support, they are immediately referred to FISH. In Nevada, many organizations have had to become more adept at removing stigma and finding ways to offer people assistance with mental health, addiction, and co-occurring disorders. FISH is experienced at supporting its clients by encouraging them to seek admission for treatment services.

Vitality Unlimited is ready and has been attuned to the deadlines. The organization's intent is to use a Construction Manager at Risk process, find out the exact cost, and obligate the funds by December 31, 2024.

CHAIR MONROE-MORENO:

If the Committee approves this request, what additional steps are required of Vitality Unlimited and/or the GFO for this funding to meet the federal obligation requirements of the ARPA Coronavirus State Fiscal Recovery Funds by the December 31, 2024, deadline?

AMY STEPHENSON (Director, GFO):

There are no additional requirements. If the Committee approves the funding, it will be instantly obligated through a subaward.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA
ITEM K.21.

ASSEMBLYMAN O'NEILL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

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

Transfer of \$5,000,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to support the Opportunity Village Foundation with constructing Betty's Village North, which is a housing project for people with disabilities to live independently. Requires Interim Finance Committee approval since the amount transferred to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132730**

CHUCK NEUWOHNER (Chief Program Officer, Opportunity Village):

Opportunity Village is breaking ground for Betty's Village North in fall 2024. It is an intentional, accessible, and affordable housing community for people with intellectual and developmental disabilities, aligned with the mission of Opportunity Village.

Opportunity Village is a local nonprofit, which has been around for 70 years, serving 3,000 youth and adults with disabilities. The organization is striving to meet the critical need for housing that has pre-dated the COVID-19 pandemic and has only been exacerbated by the pandemic. If affordable housing needs no mention as a crisis, you may also know that less than 5.0% of housing is accessible to anyone with moderate physical disabilities, and less than 1.0% of housing is accessible to anyone who uses a wheelchair. Factoring both statistics, Opportunity Village has consistently heard from stakeholders about the need for housing that is inclusive and can address even the most resourceful of families who have lived a lifetime supporting their loved ones, but now realize they may not outlive their loved one in need of support.

The original Betty's Village opened in 2021 and filled to capacity within months. Betty's Village now has a waitlist of over 300 people. An additional 105 people are on the waitlist for Betty's Village North, which has yet to break ground. Meeting the needs of over 400 people is a daunting task, but for each one, their specific requests range from a place where they can live independently in an inclusive community, to a place where the provider of their choice will support them 24/7 with the needed nursing supports. The organization even has emergency placement requests. In the past three years, 15 people have come through Betty's Village with a crisis that needs support ranging from three months to as long as six months before a long-term supportive housing arrangement can be made.

Opportunity Village's housing is supportive, because of the nationwide research that has been conducted and the professionals who have helped to inform, but primarily because of the stakeholders that have told Opportunity Village what makes housing accessible, and what makes a convenient home where they can age in place. All units at Betty's Village North will be first-floor, wheelchair accessible, and supportive of the age-in-place option, so no one must leave.

Opportunity Village has consulted with many professionals on everything from the color scheme to tactile wayfinding, along with appliances and textures. The key to the entire community is the staffing—management, behaviorists, social workers, and direct support professionals who staff the clubhouse. The community also has a concierge team that can address many different needs. The concierge team can answer questions such as how to order Uber Eats, and also assist with critical supports they need to continue living in their home.

Betty's Village is in the context of a larger development that will include programmatic and educational spaces, work training and employment opportunities, and an integrated accessible park open to the community.

The \$5.0 million will go toward the funding of the construction for both the general contractor and the architect, and the funds can be obligated immediately.

CHAIR MONROE-MORENO:

Will the park be open to the public?

MR. NEUWOHNER:

Yes, there is a controlled-access park, which will be closed during non-operating hours, but will be open to the public.

SENATOR NEAL:

I read that Betty's Village North will have a pool and jacuzzi. Will the pool have a lift so disabled adults can enter and exit the pool? Also, will there be a lifeguard stationed in the pool area?

MR. NEUWOHNER:

Betty's Village North is taking lessons learned from Betty's Village. The new community was designed with a lift for the pool and the jacuzzi. There will also be a wheelchair-accessible ramp for which there is a transferable PVC wheelchair that is robust enough to support that need. These are quite popular amenities during all seasons, especially during the summer. Additionally, staffing will be available 24/7 at the clubhouse, which consists of both the professionals previously described as well as overnight security. Technological measures have been instituted to ensure that after hours, when the pool and clubhouse are closed, there are monitoring cameras and alarms to alert staff to anyone who has gained access to those spaces.

CHAIR MONROE-MORENO:

If the Committee approves this request, what additional steps are required of Opportunity Village and/or the GFO for this funding to meet the obligation requirements of the ARPA Coronavirus State Fiscal Recovery Funds by the December 31, 2024, deadline?

AMY STEPHENSON (Director, GFO):

No additional steps will be needed. If the funding is approved by the Committee today, it will be instantly obligated through a subaward.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM K.22.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

ASSEMBLYWOMAN BROWN-MAY:

Because Agenda Item K.22 supports the transfer of funds to support a project undertaken by Opportunity Village, I would like to advise the Committee that I am the Chief Administrative Officer of that organization, and since independence of judgement of a reasonable person in my position with respect to this item could be materially affected by my employment, I am making this disclosure and will abstain from voting on this item.

ASSEMBLYWOMAN GORELOW:

Although I am not employed by Betty's Village, I do have a relationship, and so, out of an abundance of caution, I will be abstaining from the vote on this item.

THE MOTION PASSED. (Assemblywoman Brown-May and Assemblywoman Gorelow abstained from the vote.)

23. Office of the Governor - Office of Science, Innovation and Technology - FY 2024

Addition of \$77,414 in federal American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds (SFRF) transferred from the COVID-19 Relief Programs account to align remaining authority for the ARPA Broadband Initiative project. Requires Interim Finance Committee approval since the cumulative amount added to the SFRF Admin category exceeds 20% of the legislatively approved amount for that category. **Work Program #24FRF10032. WITHDRAWN 4-1-24.**

24. Department of Agriculture - Commodity Foods Distribution Program - FY 2025

Deletion of \$124,276 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to eliminate duplicated authority for the Food Bank of Northern Nevada (FBNN). Requires Interim Finance Committee approval since the amount deleted from the ARPA FBNN category exceeds 20% of the legislatively approved amount for that category. **Work Program #25FR136202**

Refer to motion for approval under Agenda Item L.

25. Department of Health and Human Services - Child and Family Services - Family Support Program - FY 2024

Addition of \$7,314,984 in American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account and transfer of \$127,467 from the Personnel category to the Wraparound/Intensive Care Services category to provide wraparound and intensive care coordination for youth with intensive needs. Requires Interim Finance Committee approval since the amount added to the Wraparound/Intensive Care Services category exceeds \$350,000. **Work Program #24FRF31462. WITHDRAWN 3-22-24.**

L. 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 AND SENATE BILL NO. 511 OF THE 82nd (2023) LEGISLATIVE SESSION.

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

Agenda Item L.5, Office of the Attorney General has been pulled for further discussion. Agenda Items L.6, Office of the Secretary of State, and L.20, Nevada System of Higher Education were withdrawn after the agenda was posted. Agenda Items L.42, Department of Health and Human Services (DHHS), Division of Health Care Financing and Policy (DHCFP), L.43, DHHS, DHCFP; L.44, DHHS, DHCFP; L.46, DHHS, DHCFP; and L.49, DHHS, DHCFP have been pulled for further discussion and will be heard jointly. Agenda Item L.60, DHHS, Division of Welfare and Supportive Services has been pulled for further discussion. Agenda Item L.76, Nevada Department of Corrections (NDOC) has been pulled for further discussion and will be heard with Agenda Item O, NDOC. Agenda Item L.78, Department of Motor Vehicles (DMV) has been pulled for further discussion and will be heard with Agenda Item R.13, DMV. Agenda Item L.84, Department of Conservation and Natural Resources (DCNR), Division of Forestry has been pulled for further discussion and will be heard with Agenda Item G.4a(2), DCNR, Division of Forestry. Agenda Items L.88, Nevada Department of Transportation (NDOT), and L.91, NDOT have been pulled for further discussion and will be heard jointly. Agenda Item L.96, Department of Indigent Defense Services has been pulled for further discussion.

SENATOR DONDERO LOOP MOVED TO APPROVE THE REMAINING
WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS
FOR AGENDA ITEM K AND AGENDA ITEM L.

ASSEMBLYWOMAN JAUREGUI:

I would like to pull Agenda Items K.13, Office of the Governor, and K.14, Department of Agriculture for further discussion (discussed with Agenda Item L.60, DHHS, Division of Welfare and Supportive Services).

SENATOR DONDERO LOOP:

I would like to amend my motion for approval.

SENATOR DONDERO LOOP MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS FOR AGENDA ITEM K AND AGENDA ITEM L, EXCLUDING AGENDA ITEMS K.13, K.14, AND L.60.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

1. Office of the Governor - Office of the Chief Information Officer - Computer Facility - FY 2024

Transfer of \$134,855 from the Reserve category to the Maintenance of Buildings and Grounds category for the rental of an emergency generator at the Office of the Chief Information Officer Computing Facility. Requires Interim Finance Committee approval since the amount transferred to the Maintenance of Building and Grounds category exceeds 20% of the legislatively approved amount for that category.

Work Program #C67489

Refer to motion for approval under Agenda Item L.

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

Addition of \$1,637,710 in federal U.S. Department of Energy - State-Based Home Energy Efficiency Training for Residential Energy Contractors (TREC) grant funds and deletion of \$86,907 in Renewable Energy Abatement Tax funds transferred from the Renewable Energy account for an expansion of a specialized workforce in the heating, ventilation, and air conditioning industry. Requires Interim Finance Committee approval since the amount added to the TREC Grant category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 of the 82nd (2023) Legislative Session 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 #C67340**

Refer to motion for approval under Agenda Item L.

3. Office of the Attorney General - Consumer Advocate - FY 2024

Transfer of \$280,640 from the Reserve category to the Expert Witnesses category to address a projected shortfall due to an increase in the number of utilities cases. Requires Interim Finance Committee approval since the amount transferred to the Expert Witnesses category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67495**

Refer to motion for approval under Agenda Item L.

4. Office of the Attorney General - Grants Unit - FY 2024

Addition of \$1,164,424 in federal National Opposition to Hate, Assault, and Threats to Equality (NO HATE) Act grant funds to establish a statewide hate crime reporting program which aligns with the federal Jabara-Heyer NO HATE Act. Requires Interim Finance Committee approval since the amount added to the NO HATE Grant category exceeds \$350,000. **Work Program #C67436**

Refer to motion for approval under Agenda Item L.

5. Office of the Attorney General - Attorney General Tort Claims Fund - FY 2024

Transfer of \$1,600,000 from the Reserve category to the General/Fleet Tort Claims category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the General/Fleet Tort Claims category exceeds \$350,000. **Work Program #C67623**

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

The Office of the Attorney General (OAG) is requesting a transfer of funds from the reserve category to the General/Fleet Tort Claims fund to cover a projected shortfall as tort claims for the remainder of FY 2024 will exceed the agency's current budget authority. The Tort Claim Fund is an internal service fund financed by assessments from state agencies; there are no General Fund dollars in this account. This account pays three different claims against the state: automobile accidents; injuries on state premises or highways, typically referred to as general liability; and damages for violations of civil rights of offenders, state employees, and the general population.

This request is to transfer \$1.6 million from reserves into the Tort Claim Fund category. The Committee has received information that shows claims for the past four years. When looking at FYs 2020, 2021, and 2022, the average is between \$2.5 million and \$3.0 million. In FY 2023, there was a significant spike of \$45.0 million, \$40.0 million of which was related to one specific settlement that was paid in two different payments. One of those payments was a supplemental payment that the Assembly Committee on Ways and Means approved at the beginning of the 82nd (2023) Legislative Session.

The spike is continuing in FY 2024, which could not have been predicted during the budget building process for the 2023-25 Biennium because COVID-19 was still causing an impact. There are articles nationwide about the post-COVID-19 spike, which is a trend that is holding. The OAG is currently in the budget building process for the 2025-27 Biennium, and the agency is watching to see if the trend changes; however, it is not expected to decrease to pre-pandemic levels. The agency is having regular conversations with the Governor's Finance Office (GFO) about the OAG's projections.

That is an explanation of what led to the agency's shortfall. Looking forward, after this request is done and the \$1.6 million is transferred from reserves into the Tort Claim Fund, the OAG will return to the next IFC meeting because the agency has been directed to deplete the remaining reserves of approximately \$600,000 and transfer those funds into operations. That will mean the OAG will have a 0-day reserve, which is a nervous prospect for any agency. Ideally, the OAG would like to be at a 30-day or 90-day reserve. However, the state will quickly enter the new fiscal year, FY 2025, and some of the funds will be replenished.

The OAG is already considering obligating the FY 2025 dollars in some of the settlement conversations. In full transparency, this will be an ongoing conversation. It will be discussed going into the next fiscal year because the OAG anticipates it will be close to depleting the FY 2025 funds very early in the fiscal year, likely around late summer, early fall. This will only be the beginning of the conversation.

To Assemblyman Yeager's note, the agency looks forward to collaborating with the Legislature on problem-solving. The OAG has had conversations with the GFO about different ways to approach this issue. The OAG has documentation showing that this is related to the COVID-19 effect. The OAG looks forward to engaging with anyone who wants to engage with the agency on these conversations about how the OAG could make this fund whole in FY 2025.

SENATOR NGUYEN:

For clarification, how would the administration of the Tort Claims Fund be affected if the Committee approves a future work program to eliminate all reserves in FY 2024?

MS. BENITEZ-THOMPSON:

That is exactly the type of problem-solving conversations that are currently underway. It is difficult to determine the correct answer. Per NRS, the only other way the Tort Claims Fund can be paid is from the Reserve for Statutory Contingency Account. At a future Board of Examiners (BOE) meeting, there will be requests to pay these funds from the Reserve for Statutory Contingency Account. The OAG will continue that process for as long as possible.

SENATOR NGUYEN:

Does the GFO anticipate the need for additional funding in the Reserve for Statutory Contingency Account to support claims costs in the 2023-25 Biennium?

AMY STEPHENSON (Director, GFO):

It will depend on the settlements. The GFO is in constant communication with the OAG to brainstorm on how to make it to the next legislative session to replenish the account.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

Please explain the COVID-19 effect.

MS. BENITEZ-THOMPSON:

One report on insurance premiums shows an increase in all types of insurance premiums and policies in the post-COVID-19 years. There is a document that shows a very different landscape coming out of the COVID-19 years. The OAG found a couple other articles that look at the atmosphere and environment. The articles indicate that jurors are feeling nervous about economics in the post-pandemic timeframe and there is some pent-up tension; consequently, juries are giving historic awards that are surprising. This trend is occurring in many different states, including Nevada.

JESSICA HOBAN (CFO, OAG):

To add to Ms. Benitez Thompson's comments, in looking back at this budget account, there was a variation from year-to-year on the amounts spent on the tort claims that are issued. Taking an average of those five years prior to the pandemic, the OAG was around \$2.65 million per year during that time. Overlaying that onto the four immediate years from when COVID-19 began until now, there is an upward trend. In FY 2021, the OAG had \$3.0 million, which is slightly higher than the pre-pandemic annual average. In FY 2022, there was an additional \$400,000 to \$500,000. Last year, even removing that \$40.0 million outlier, the agency's expenses were around \$6.0 million. As of the end of March 2024, the OAG is already approaching \$10.0 million in this account, which is a significant increase.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

This fund appears to be a reaction to events. What is the state doing within the departments to address these issues before they occur? What types of preventative measures are being implemented to help prevent the need for some of these payouts?

MS. BENITEZ-THOMPSON:

With this type of fund—this insurance premium fund—to pay these tort claims, of the three different types of claims that are paid out, the biggest spike has been seen in civil rights claims and settlements. The claims coming from the department tend to be offender-driven. I believe many of the recent actions of the Legislature may be able to help with those dynamics. Many of these claims are from five or six years ago, so they are not recent. These claims being paid are from events that happened in 2017, 2018, and 2019.

CRAIG NEWBY (First Assistant Attorney General, OAG):

The primary driver of what had been increases have been civil rights claims with the Nevada Department of Corrections (NDOC). There is a delay factor associated with that just in terms of the nature of how long litigation generally takes, and there is the additional backlog due to the delays suffered during the pandemic, which also affected the court system.

SENATOR HARRIS:

I think you have all helped the Committee identify some of the sources, but I do not think Assemblywoman Summers-Armstrong's question was addressed concerning what the state can do to prevent those claims from moving forward. If the state can identify that there is one large source from where the claims are originating, have any measures been implemented to slow down the flow of claims coming from the NDOC, or are the claims just addressed when received? Is there at least a feedback loop to make sure that litigation does not continue at this pace in the future?

MS. BENITEZ-THOMPSON:

The OAG does not oversee the NDOC so that might be a question better suited for the department. The OAG manages the fund and the cases. As far as the environment within the corrections system, the NDOC is better suited to address that topic.

SENATOR NGUYEN:

Does the OAG communicate with the NDOC about trends related to civil rights cases?

MR. NEWBY:

There is regular communication between NDOC leadership and attorneys within the OAG, whether it be the attorneys who are involved in settlement of potential claims or with regard to evaluating litigation when it is brought and in terms of advising the NDOC in terms of the types of things that clients are advised upon. I cannot speak specifically to that because it is privileged communication; I am the attorney for other Executive Branch agencies. They are certainly advised in terms of multi-million-dollar settlements being made, which has resulted in the OAG being here today.

SENATOR TITUS:

You mentioned that many of these claims were between 2018 and 2020, correct? That was during the previous administration. What are the percentage of claims now and the volume of claims over the years? Is Nevada continuing to experience the same volume of claims?

MS. BENITEZ-THOMPSON:

During the April 9, 2024, BOE meeting, different claims were paid out. For example, date of losses were September 25, 2015, April 28, 2018, and October 1, 2022. I would not say it was a backlog per se, it is more the nature of these type of cases to take time to move through the litigation process.

In terms of your question about data and metrics, the OAG has produced monthly tort claims for a long time so the agency can run regressive analysis to look back in terms of number of claims and dollar of claims. If I am understanding the question, it sounds as though you are asking if there has been a spike in the trend, which can be determined by running the analysis.

SENATOR TITUS:

Along that same line, you mentioned one of the problems with the increase in these numbers is the jury settlement. Is the state settling more than in the past?

MS. BENITEZ-THOMPSON:

I will defer to Mr. Newby; however, I will say that Attorney General Ford's administration considers the State of Nevada as its most important client and zealously defends clients, which is the NDOC in many of these cases.

MR. NEWBY:

Regarding settlement versus jury awards, it has been a combination of both. Generally, most cases resolve with settlement or dismissal rather than through jury trials because of the risk associated with those types of cases. In certain instances, the OAG has resolved cases that needed to be resolved and saved taxpayers what would be the greater risk of higher numbers than what has been discussed at today's meeting that have resulted in settlement. In other cases, the OAG has tried cases, most recently one for the NDOC, which had a surprising \$4.5 million verdict in federal district court. Based on the circumstances of how pre-judgment interests and the like would be calculated, the OAG was able to settle that case to save taxpayer dollars versus what a jury awarded following evidence and reduced that to \$3.5 million. One way of looking at that is that the OAG saved taxpayers \$1.0 million plus further uncertainty and post-judgment interest of potentially several million dollars more. However, at the same time, paying \$3.5 million effectively for a claim that the OAG did not believe was worth it and to which the agency thought there were good defenses.

In response to that question, it is a combination of both trying to assess how to protect taxpayers and how to defend agencies while weighing all those things together. As the OAG has been in settlement conferences with courts and private mediators, the agency is learning through reports as well as anecdotally while interacting with the legal community that these trends are occurring. I do not think social scientists have determined why jurors' attitudes about awarding large verdicts have changed over the past few years from before COVID-19. Many people in the defense bar, including the OAG, are trying to gain a better understanding to effectively protect taxpayer dollars.

The OAG is not afraid to go to trial on appropriate cases. The OAG does go to trial, and often cases will be dismissed before a trial, but there have been cases that require settlement to avoid further risk to the state and to prevent coming before the Committee in a worse situation.

SENATOR TITUS:

I think it is important to protect citizens that have been harmed by a state agency, but also protecting the taxpayer dollar. I am interested to know how many cases have settled versus those that have gone to trial over the last eight years. Also, what percentage of the funds go to the attorney?

MR. NEWBY:

It depends on the circumstances of the case. In general, settlements that are made with the NDOC, in federal court, and subject to what is typically a Section 1983 claim under federal statute, specifically delineate the award of attorney's fees. That figure is specifically delineated vis-a-vis the total amount, so it depends on the individual case and what the plaintiff has arranged with their attorney. That information is certainly available.

SENATOR TITUS:

There is no set fee, it is a sliding scale, depending on what they agreed to, correct?

MR. NEWBY:

It is based on what the plaintiff's counsel negotiated with their client and is subject to the *Nevada Revised Statutes* concerning Nevada case law that requires reasonableness in the attorney's fee. These cases are typically done on a contingent fee basis given the nature of people who have been harmed by the NDOC. Typically, they are either offenders within the system or former offenders and are not typically well resourced to be paying for attorneys on an hourly basis.

There are federal limits in terms of payment of attorney fees in certain cases depending on the format of the lawsuit. Those are not typically involved in the types of cases with nuclear verdicts or those type of things; those are generally subject to a court's determination, if it gets to a judgement, of what is a reasonable fee based on the work that is performed. Plaintiff's attorneys are usually skilled at understanding and making sure they can represent that their contingent fee is reasonable knowing that ultimately payment is subject to that type of review if it goes to judgement.

ASSEMBLYMAN O'NEILL:

Concerning the increased payments, this is nationwide and not unique to Nevada, correct? Is it true that no one has determined the causes of the increases?

MR. NEWBY:

I think there are a variety of theories that different sets of people are trying to determine in terms of what has happened in the post-pandemic environment that has led to this change and why there are increased jury verdicts for cases. Some people in the plaintiff's bar will argue that the cases are more egregious than in the past and that there has not been a change in jury attitude. Members of the defense bar have argued there have been changes in the jurors' outlooks in terms of awarding large dollar amounts and considering what they constitute a large dollar amount post-pandemic compared to pre-pandemic. There are a variety of

theories behind it; I do not claim to be a social scientist expert or a jury verdict expert in the way where I am going to be pontificating before this Committee about the precise reason. What I do see, in my role as First Assistant Attorney General, is that these numbers have gone significantly higher and the OAG is not alone in terms of representing a state entity and in terms of the defense bar at large, both in Nevada and within the United States. I believe it is something more broadly involved than the NDOC. Outside factors are significantly contributing to this issue, and the OAG is trying to manage these while protecting state resources.

ASSEMBLYMAN O'NEILL:

I would like to read some of the articles on how these have increased. Is the OAG representing the state or is the agency using outside experts in civil right cases? What percentage of these cases are managed internally?

MR. NEWBY:

I would say approximately 90% to 95% of all cases involving the NDOC are represented by OAG attorneys. There is a small exception based on prior staffing shortages. There were one or two outside counsel contracts entered into on an hourly basis with former Deputy Attorney Generals to maintain overflow case load. It is with my understanding that was compensated through salary savings through positions the OAG was unable to fill at that time. Outside of that type of exception, these cases have been represented by State of Nevada employees within the OAG.

ASSEMBLYWOMAN BACKUS:

I have the privilege of being a civil defense lawyer. I appreciate the efforts of the OAG and the need to weigh the risks of each case, whether a case will go to trial, considering the protection of state funds, and the risks being seen with jury verdicts in many types of cases that may yield a high judgement, and then going through that process. I appreciate the agency's efforts as well as considering the business costs of utilizing staff's time to go to trial compared to settling out of court.

My question pertains to the timing of claims and lawsuits, especially in the civil rights realm in federal court. A claim may come in but oftentimes a lawsuit is not filed immediately. The COVID-19 pandemic also caused a delay. In federal court, if someone files a dispositive motion to zealously defend a case, a trial date is not assigned immediately. Therefore, the OAG does not have control over when a court date is set in federal court.

MR. NEWBY:

Yes, that is correct. In federal court, unlike state court, a trial is not set until after dispositive motions are resolved. In the context of civil rights cases, oftentimes, the defense of qualified immunity is raised as the defense by the NDOC on behalf of itself and its employees that may be individually named in such cases. Oftentimes, following dispositive motions on a summary judgement motion for example, the losing party will often appeal, in this case, to the Ninth Circuit Court of Appeals, which can add a one- to two-year delay.

This process is important as the defense bar to be able to do this and assert these defenses, because often there is little dispute that someone has been harmed. Frequently, the questions are often legal questions regarding whether the state, through the NDOC or its employees, is somehow responsible. Sorting through those legal questions takes time and after those decisions are ultimately rendered, generally by the Ninth Circuit Court of Appeals, then decisions need to be made in terms of evaluating whether it makes sense in individual cases to pursue settlement versus to proceed to trial. Those are considerations in every case; I am speaking generally without reference to any specific matters that are ongoing or even prior matters. Those are considerations that any defense attorney tries to waive for their client, understanding there are limited resources to pay claims and trying to evaluate which claims should be settled and which claims should go to trial. They say law is practice and not a science and sometimes juries do different things.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA
ITEM L.5.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

6. Office of the Secretary of State - Secretary of State - FY 2024

Transfer of \$16,462 from the Credit Card Discount Fees category to the In-State Travel category, ~~\$162,974~~ **\$166,564** from the Credit Card Discount Fees category to the Operating category, \$76,150 from the Credit Card Discount Fees category to the Elections category, \$1,467,964 from the Credit Card Discount Fees category to the Information Services category, and \$6,404 from the Credit Card Discount Fees category to the Training category to cover projected shortfalls for the remainder of the fiscal year and to fund information technology enhancements with savings resulting from the implementation of a new credit card fee model. Requires Interim Finance Committee approval since the amount transferred to the Information Services category exceeds \$350,000. **Work Program #C67525. REVISED 3-21-24.**

This item was withdrawn.

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

Transfer of \$235,833 from the Reserve category to the Auto Claims category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Auto Claims category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67461**

Refer to motion for approval under Agenda Item L.

8. Department of Education - Gear Up - FY 2024

Addition of \$3,266,927 in federal Gear Up grant funds to continue assisting economically disadvantaged students with entering and succeeding in postsecondary education. Requires Interim Finance Committee approval since the amount added to the Aid to Schools 84.334S category exceeds \$350,000. **Work Program #C66487**

Refer to motion for approval under Agenda Item L.

9. Department of Education - Student and School Support - FY 2024

Transfer of \$80,435 from the 21st Century Learning Centers - Admin category to the 21st Century Learning Centers - Technical Assistance category and \$835,931 from the 21st Century Learning Centers category to the 21st Century Learning Centers - Technical Assistance category to continue providing academic enrichment opportunities during non-school hours. Requires Interim Finance Committee approval since the amount transferred to the 21st Century Learning Centers - Technical Assistance category exceeds \$350,000. **RELATES TO ITEM L.14. Work Program #C66483**

Refer to motion for approval under Agenda Item L.

- 10. Department of Education - Student and School Support - FY 2024**
Addition of \$25,699,966 in federal Title I Grants to Local Education Agencies grant funds to continue providing assistance to schools with a high percentage of children from low-income families. Requires Interim Finance Committee approval since the amount added to the Title I Basic Aid to Schools category exceeds \$350,000. **RELATES TO ITEM L.14. Work Program #C66488**

Refer to motion for approval under Agenda Item L.

- 11. Department of Education - Student and School Support - FY 2024**
Addition of \$138,541 in federal Education for Homeless Children and Youth grant funds and transfer of \$222,443 from the Federal Homeless Children Aid to Schools category to the Federal Homeless Children Administration category to continue providing homeless children and youth with equal access to a free and appropriate public education. Requires Interim Finance Committee approval since the amount added to the Federal Homeless Children Admin category exceeds \$350,000. **RELATES TO ITEM L.14. Work Program #C66789**

Refer to motion for approval under Agenda Item L.

- 12. Department of Education - Student and School Support - FY 2024**
Addition of \$4,944,189 in federal English Language Acquisition grant funds to continue providing support for English language learners. Requires Interim Finance Committee approval since the amount added to the English Language Acquisition - Aid to Schools category exceeds \$350,000. **RELATES TO ITEM L.14. Work Program #C66792**

Refer to motion for approval under Agenda Item L.

- 13. Department of Education - Student and School Support - FY 2024**
Addition of \$913,522 in federal Title IV Student Support and Academic Enrichment Program grant funds to continue providing support for districts to improve students' academic achievement through access to a well-rounded education, improve school conditions for student learning, and improve the use of technology to improve the academic achievement and digital literacy for all students. Requires Interim Finance Committee approval since the amount added to the Title IV-A - Admin category exceeds \$350,000. **RELATES TO ITEM L.14. Work Program #C66795**

Refer to motion for approval under Agenda Item L.

- 14. Department of Education - Student and School Support - FY 2024**
Transfer of \$42,475 from the Title I Basic Admin category to the Personnel category, transfer of \$84,075 from the Federal Homeless Children Admin category to the Personnel category, transfer of \$18,999 from the Title IV-A Admin category

to the Personnel category, transfer of \$97,819 from the 21st Century Learning - Technical Assistance category to the Personnel category, and transfer of \$24,938 from the Personnel category to the English Language Acquisition Admin category to align projected salary costs for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Title I Basic Admin category exceeds \$350,000. **RELATES TO ITEMS L.9, L.10, L.11, L.12, and L.13. Work Program #C67363**

Refer to motion for approval under Agenda Item L.

15. Department of Education - Student and School Support - FY 2024

Deletion of \$18,062 in federal Expanding College and Career Readiness Opportunities grant funds to align with federal grant authority. Requires Interim Finance Committee approval since the cumulative amount transferred to the Expanding Opportunity category exceeds \$350,000. **Work Program #C66799**

Refer to motion for approval under Agenda Item L.

16. Department of Education - Continuing Education - FY 2024

Addition of \$605,785 in federal Adult Education and Family Literacy Act State Grant Program funds to continue helping adults acquire basic skills including reading, writing, math, English language proficiency, and problem solving. Requires Interim Finance Committee approval since the amount added to the Adult Basic Education - Aid to Schools category exceeds \$350,000. **Work Program #C66732**

Refer to motion for approval under Agenda Item L.

17. Department of Education - Individuals with Disabilities Education Act - FY 2024

Addition of \$6,270 in federal Individuals with Disabilities Education Act Special Education - Preschool Grant funds and transfer of \$152,535 from the Early Childhood - Aid to Schools category to the Early Childhood - Admin category to continue providing support for children with disabilities ages three to five. Requires Interim Finance Committee approval since the cumulative amount added to the Early Childhood - Admin category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66813**

Refer to motion for approval under Agenda Item L.

18. Department of Education - Individuals with Disabilities Education Act - FY 2024

Addition of \$661,272 in federal Indian Education Special Projects Demonstration grant funds to support tribal communities by promoting and preparing students for college and career readiness. Requires Interim Finance Committee approval since the cumulative amount added to the Indian Education Aid to Schools 84.299 category exceeds \$350,000. **Work Program #C66819**

Refer to motion for approval under Agenda Item L.

19. Nevada System of Higher Education - University of Nevada, Reno - FY 2024

Addition of \$551,771 in General Fund appropriations transferred from the Governor's Office of Finance Special Appropriations account to fund retention incentive payments for classified employees of the Nevada System of Higher Education (NSHE). Requires Interim Finance Committee approval since the amount added to the NSHE Operations category exceeds \$350,000. **Work Program #C66986R2**

Refer to motion for approval under Agenda Item L.

20. Nevada System of Higher Education - UNR School of Medicine - FY 2024

Addition of ~~\$15,000,000~~ **\$12,000,000** in ~~Medicaid Intergovernmental Transfer (IGT) revenue~~ **academic support payments from Renown Health and** to authorize the University of Nevada, Reno's School of Medicine to pay the **nonfederal share of IGT** to the **certain** State Medicaid office under the ~~Practitioner Upper Supplemental Payment Limit~~ programs. Requires Interim Finance Committee approval since the amount added to the Medicaid Intergovernmental Transfer category exceeds \$350,000. **Work Program #C66455. REVISED 3-22-24 and 4-2-24.**

This item was withdrawn.

21. Nevada System of Higher Education - University of Nevada, Las Vegas - FY 2024

Addition of \$758,064 in General Fund appropriations transferred from the Governor's Office of Finance Special Appropriations account to fund retention incentive payments for classified employees of the Nevada System of Higher Education (NSHE). Requires Interim Finance Committee approval since the amount added to the NSHE Operations category exceeds \$350,000. **Work Program #C66997R2**

Refer to motion for approval under Agenda Item L.

- 22. Nevada System of Higher Education - UNLV School of Medicine - FY 2024**
Addition of \$3,800,000 in General Fund appropriations transferred from the Governor's Office of Finance Special Appropriations account for the costs of operations and expansion of class size at the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas. Requires Interim Finance Committee approval since the amount added to the Senate Bill ~~475~~ **457** Expansion Medical School category exceeds \$350,000. **Work Program #C67540. REVISED 3-13-24.**

Refer to motion for approval under Agenda Item L.

- 23. Nevada System of Higher Education - College of Southern Nevada - FY 2024**
Addition of \$365,007 in General Fund appropriations transferred from the Governor's Office of Finance Special Appropriations account to fund retention incentive payments for classified employees of the Nevada System of Higher Education (NSHE). Requires Interim Finance Committee approval since the amount added to the NSHE Operations category exceeds \$350,000. **Work Program #C67007R2**

Refer to motion for approval under Agenda Item L.

- 24. Nevada System of Higher Education - College of Southern Nevada - FY 2024**
Addition of \$104,336 in General Fund appropriations transferred from the Nevada System of Higher Education Special Projects account to expand undergraduate nursing programs. Requires Interim Finance Committee approval since the amount added to the Senate Bill 375 Nursing Program Expansion category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67401**

Refer to motion for approval under Agenda Item L.

- 25. Commission on Mineral Resources - Division of Minerals - FY 2024**
Addition of ~~\$85,884~~ **\$85,880** in federal United States Forest Services grant funds to support efforts to catalog and secure abandoned mines throughout Nevada. Requires Interim Finance Committee approval since the amount added to the Abandoned Mine Land Enhancements category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67341. REVISED 3-20-24.**

Refer to motion for approval under Agenda Item L.

26. Department of Business and Industry - Housing Division - Weatherization - FY 2024

Transfer of \$1,460,824 from the Reserve category to the Universal Energy Charge category to continue providing assistance to eligible households with weatherization and other energy-related home repairs and improvements. Requires Interim Finance Committee approval since the amount added to the Universal Energy Charge category exceeds \$350,000. **Work Program #C67302**

Refer to motion for approval under Agenda Item L.

27. Department of Business and Industry - Housing Division - Weatherization - FY 2024

Addition of \$931,032 in federal Department of Energy (DOE) Weatherization Assistance for Low-Income Persons grant funds to continue providing weatherization assistance to eligible households. Requires Interim Finance Committee approval since the amount added to the DOE Subgrants category exceeds \$350,000. **Work Program #C67544**

Refer to motion for approval under Agenda Item L.

28. Department of Business and Industry - Housing Division - Weatherization - FY 2024

Addition of \$558,069 in federal Department of Energy (DOE) Bipartisan Infrastructure Law Weatherization Assistance Program (WAP) grant funds to provide assistance to eligible households with energy-related home repairs and improvements. Requires Interim Finance Committee approval since the amount added to the DOE WAP category exceeds \$350,000. **Work Program #C67545**

Refer to motion for approval under Agenda Item L.

29. Department of Business and Industry - Housing Division - Weatherization - FY 2024

Addition of \$434,894 in federal Low-Income Home Energy Assistance (LIHEA) funds transferred from the Department of Health and Human Services, Division of Welfare and Supportive Services, Energy Assistance account to provide assistance to eligible households for energy-related home repairs and improvements. Requires Interim Finance Committee approval since the amount added to the LIHEA Subgrants category exceeds \$350,000. **Work Program #C67546**

Refer to motion for approval under Agenda Item L.

30. Department of Business and Industry - Housing Division - Weatherization - FY 2024

Addition of \$264,617 in federal Continuing Appropriations Act (CAA) - Low-Income Home Energy Assistance Program (LIHEAP) funds transferred from the Department of Health and Human Services, Division of Welfare and Supportive Services, Energy Assistance account to provide assistance to eligible households with weatherization and other energy-related home repairs and improvements. Requires Interim Finance Committee approval since the cumulative amount added to the LIHEAP CAA Grant category exceeds \$350,000. **Work Program #C67547**

Refer to motion for approval under Agenda Item L.

31. Department of Business and Industry - Real Estate Division - Real Estate Technology Account - FY 2024

Transfer of \$156,000 from the Information Services category to the Transfer to Budget Account (Transfer to BA 3823) category and transfer of \$282,214 from the Reserve category to the Transfer to BA 3823 category to fund increased contract costs for the replacement of the division's legacy database and costs for a contract Information Technology Project Manager position to assist with the implementation. Requires Interim Finance Committee approval since the amount added to the Transfer to BA 3823 category exceeds \$350,000. **RELATES TO ITEM L.32. Work Program #C67252**

Refer to motion for approval under Agenda Item L.

32. Department of Business and Industry - Real Estate Division - Real Estate Administration - FY 2024

Addition of \$438,214 in Technology Fees transferred from the Real Estate Technology Account to fund increased contract costs for the replacement of the division's legacy database and costs for a contract Information Technology Project Manager position to assist with the implementation. Requires Interim Finance Committee approval since the amount added to the Nevada Real Estate Division Licensing System-BA3822 category exceeds \$350,000. **RELATES TO ITEM L.31. Work Program #C67307**

Refer to motion for approval under Agenda Item L.

33. Department of Business and Industry - Division of Financial Institutions - FY 2025

Addition of \$199,500 in Student Loan Services Fees, transfer of \$241,124 from the Reserve category to the Personnel category, \$16,689 from the Reserve category to the Operating category, and \$4,107 from the Reserve category to the Information Services category to support the addition of three new Financial Institutions Examiner positions, one new Administrative Assistant position, and associated costs to carry out the provisions of Assembly Bill 332 of the 82nd (2023) Legislative Session. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **Work Program #C67117**

Refer to motion for approval under Agenda Item L.

34. Governor's Office of Economic Development - Rural Community Development - FY 2024

Addition of \$8,174,922 in federal U.S. Department of Housing and Urban Development - Community Development Block Grant funds and \$1,405,626 in federal Community Development Block Grant - Coronavirus Aid, Relief, and Economic Security Act funds to continue support of community development activities. Requires Interim Finance Committee approval since the amount added to the Rural Communities Grant Program category exceeds \$350,000. **Work Program #C67375**

Refer to motion for approval under Agenda Item L.

35. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2024

Addition of \$443,468 in federal Social Services Block Grant funds, transfer of \$175,943 from the Aging and Disability Services Division (ADSD) Rural Regional Center category to the ADSD Disability Services category, transfer of \$741,477 from the ADSD Desert Regional Center category to the ADSD Disability Services category, and transfer of \$263,916 from the ADSD Sierra Regional Center category to the ADSD Disability Services category to realign grant authority and continue current levels of services. Requires Interim Finance Committee approval since the amount added to the ADSD Disability Services category exceeds \$350,000. **Work Program #C67356**

Refer to motion for approval under Agenda Item L.

36. Department of Health and Human Services - Director's Office - Individuals with Disabilities Education Act Part C Compliance - FY 2024

Addition of \$414,546 in federal Individuals with Disabilities Education Act (IDEA), Part C grant funds to continue to provide oversight and services to infants and toddlers with disabilities and their families. Requires Interim Finance Committee approval since the amount added to the Early Intervention Services category exceeds \$350,000. **RELATES TO ITEM L.37. Work Program #C67181**

Refer to motion for approval under Agenda Item L.

37. Department of Health and Human Services - Aging and Disability Services - Early Intervention Services - FY 2024

Addition of \$414,546 in federal Individuals with Disabilities Education Act (IDEA), Part C grant funds transferred from the Department of Health and Human Services, Director's Office, IDEA Part C account to continue oversight, development, and implementation of critical direct service needs for infants and toddlers and their families. Requires Interim Finance Committee approval since the amount added to the Medical Contracts/Payments category exceeds \$350,000. **RELATES TO ITEM L.36. Work Program #C67186**

Refer to motion for approval under Agenda Item L.

38. Department of Health and Human Services - Aging and Disability Services - Desert Regional Center - FY 2024

Transfer of \$460,000 from the Resident Placement Supported Living Arrangement category to the Professional Services category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Professional Services category exceeds \$350,000. **Work Program #C67100**

Refer to motion for approval under Agenda Item L.

39. Department of Health and Human Services - Aging and Disability Services - Desert Regional Center - FY 2024

Transfer of \$40,000 from the In-State Travel category to the Utilities category and \$35,000 from the Resident Placement Supported Living Arrangement category to the Utilities category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Utilities category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67103**

Refer to motion for approval under Agenda Item L.

- 40. Department of Health and Human Services - Aging and Disability Services - Adult Protective Services and Long-Term Care Ombudsman - FY 2024**
Addition of \$121,959 in federal Adult Protective Services (APS) Formula Grants to States grant funds to enhance and improve APS. Requires Interim Finance Committee approval since the amount added to the APS-Administration for Community Living Elder Justice category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67232**

Refer to motion for approval under Agenda Item L.

- 41. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2025**
Transfer of \$403,980 from the Fiscal Agent category to the Operating category to fund an increase in contractual obligations for the Surveillance Utilization Review database through the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Operating category exceeds \$350,000. **Work Program #C67524**

Refer to motion for approval under Agenda Item L.

- 42. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2025**
Addition of \$370,409 in federal Title XIX funds and \$370,408 in Private Hospital Provider transferred from the Improve Health Care Quality and Access account to support one new Agency Manager position and three contracted positions to oversee the development and implementation of new mental health services and rate enhancements. Requires Interim Finance Committee approval since the amount added to the Operating category exceeds \$350,000. **RELATES TO ITEM L.44. Work Program #C67628**

Agenda Items L.42, L.43, L.44, L.46, and L.49 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.49.

- 43. Department of Health and Human Services - Health Care Financing and Policy - Improve Health Care Quality and Access - FY 2025**
Transfer of \$11,533,358 from the Division of Health Care Financing and Policy (DHCFP) Reserve category to the Transfer to Medicaid category and \$791,073 from the DHCFP Reserve category to the Transfer to Nevada Check Up category to fund the state share of the costs for the new mental health services and rate enhancements. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Medicaid category exceeds \$350,000. **RELATES TO ITEMS L.49 and L.46. Work Program #C67621**

Agenda Items L.42, L.43, L.44, L.46, and L.49 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.49.

44. Department of Health and Human Services - Health Care Financing and Policy - Improve Health Care Quality and Access - FY 2025

Transfer of \$370,408 from the Division of Health Care Financing and Policy (DHCFP) Reserve category to the Transfer to DHCFP Admin category to support one new Agency Manager position and three contracted positions to oversee the development and implementation of the new mental health services and rate enhancements. Requires Interim Finance Committee approval since the amount transferred to the Transfer to DHCFP Admin category exceeds \$350,000. **RELATES TO ITEM L.42. Work Program #C67627**

Agenda Items L.42, L.43, L.44, L.46, and L.49 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.49.

45. Department of Health and Human Services - Health Care Financing and Policy - Nevada Check Up Program - FY 2024

Addition of \$4,411,134 in Budgetary Transfers to transfer General Fund appropriations from the Nevada Medicaid, Title XIX account and \$12,204,024 in federal Title XXI Receipts funds to fund a projected shortfall due to an increase in caseload in the Nevada Check Up program for the remainder of the fiscal year. Requires Interim Finance Committee approval pursuant to Section 53 of Senate Bill 511 of the 82nd (2023) Legislative Session, and since the amount added to the Program Medical Expenditures category exceeds \$350,000. **RELATES TO ITEM L.47. Work Program #C67351**

Refer to motion for approval under Agenda Item L.

46. Department of Health and Human Services - Health Care Financing and Policy - Nevada Check Up Program - FY 2025

Addition of \$2,059,383 in federal Title XXI funds and \$791,073 in Private Hospital Provider funds transferred from the Improve Health Care Quality and Access Account to provide new mental health services and rate enhancements. Requires Interim Finance Committee approval since the amount added to the Program Medical Expenditures category exceeds \$350,000. **RELATES TO ITEMS L.43 and L.49. Work Program #C67631**

Agenda Items L.42, L.43, L.44, L.46, and L.49 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.49.

47. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2024

Deletion of \$4,411,134 in Budgetary Transfers to transfer General Fund appropriations to the Nevada Check Up Program account to fund a projected shortfall due to an increase in caseload for the remainder of the fiscal year. Requires Interim Finance Committee approval pursuant to Section 53 of Senate Bill 511 of the 82nd (2023) Legislative Session, and since the amount added to the TANF/CHAP category exceeds \$350,000. **RELATES TO ITEM L.45. Work Program #C67358**

Refer to motion for approval under Agenda Item L.

48. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2024

Addition of \$11,220,683 in federal Title XIX funds and transfer of \$1,852,496 from the Parents and Children category to the Child Welfare Services category to fund a projected shortfall due to increased caseload, cost per eligible higher than legislatively approved, and increased services for mental health. Requires Interim Finance Committee approval since the amount added to the Child Welfare Services category exceeds \$350,000. **Work Program #C67359**

Refer to motion for approval under Agenda Item L.

49. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2025

Addition of \$1,693,411 in federal Title XXI funds, \$21,884,601 in federal Title XIX funds, \$21,070 in County Reimbursements funds, and \$11,533,358 in Private Hospital Provider Tax funds transferred from the Improve Health Care Quality and Access account to provide new mental health services and rate enhancements. Requires Interim Finance Committee approval since the amount added to the Chip to Medicaid category exceeds \$350,000. **RELATES TO ITEMS L.43 and L.46. Work Program #C67625**

Agenda Items L.42, L.43, L.44, L.46, and L.49 were discussed jointly.

RICHARD WHITLEY (Director, DHHS):

The DHHS is seeking approval for work programs aimed at bringing Nevada into compliance with the Americans with Disabilities Act (ADA) with respect to children's behavioral health care and in response to a substantiated complaint filed with the United States Department of Justice (DOJ) in 2020. Notification was received by the state in October 2022. The passing of S.B. 435 during the 82nd (2023) Legislative Session allows Nevada Medicaid to use a portion of new revenues from the private hospital tax to support these efforts, including the addition of new Medicaid services for improving access to home and

community-based services for children with behavioral health disorders. The goal is to avoid unnecessary institutionalization of children with serious behavioral health conditions and provide a more robust continuum of care in the community and home.

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

These work programs are an important step for Nevada children and families. Services funded with the new hospital tax revenue include key services necessary to build and strengthen the state's continuum of care for children's mental health. The approach aligns with the funding authority in state law and efforts taken by other states to reduce the unnecessary institutionalization of children with mental health disorders. In accordance with the ADA, I would be remiss today if I did not acknowledge the hard work and support of the Governor's Office, this legislative body, as well as Senator Titus (the author of S.B. 435), and all private hospitals in the state that came together to make this new funding source for Medicaid possible for Nevada children.

These work programs request transfer of funds from Budget Account 3177, the private revenue account for the tax, to Budget Account 3243, the medical services account in Medicaid, to finance new services and reforms for behavioral health. Services would be available to all children with serious emotional disorders or serious mental illnesses up to the age of 21, in addition to all foster care children through Medicaid. By the end of FY 2027, the DHHS estimates these efforts will invest over \$190.0 million in state and federal new funds in Medicaid for children's behavioral health.

The first item is the addition of respite care—planned and emergency respite care—for children and families. These services can include in-home daycare or residential options for children. Respite care is frequently cited as the most needed and least available service for families with behavioral health disorders and foster care families. Studies have found families receiving respite care experience fewer incidents of out-of-home placement for children, greater optimism about caring for the child at home, reduction in stress, and lower incidents of negative behaviors expressed in the community by the child. The total cost for the 2023-25 Biennium for these services is estimated at \$14.9 million with a state share cost of \$5.1 million. For the 2025-27 Biennium, the total costs are estimated at \$70.1 million with a state share cost of \$24.5 million.

The second addition is wraparound facilitation. Wraparound is an evidence-based model and is available in many other states. This service is based on a team-driven and family-driven process that helps families and youth achieve positive outcomes at home and in the community. Once a child is identified as having a serious emotional disorder, serious mental illness, or is in a foster care program, the child will be immediately connected with a wraparound facilitator. A child and family

team will be developed with the providers to support that family, including informal and community-based options of care. The facilitator will help the family navigate, plan services and supports, work with the Medicaid program, the county, and other state officials in other programs in which the child is involved. The facilitator will track and revise the plan of care for the child as needed and ensure fidelity to the model.

In many ways, this model is similar to intensive care management or intensive care coordination, but it is specific and focused on the child and family. The total computable cost for this benefit in this biennium is \$1.7 million with the state share cost of \$580,258, which will be paid with the private hospital tax revenue. For the 2025-27 Biennium, the total cost is \$7.4 million with the state share cost of \$2.5 million. The DHCFP is adding the addition of coverage of family supports and services and peer support services. Those are not in this package but are part of this entire proposal. Based on the current budget, the division can absorb the cost of adding these services as well as absorb the cost of increasing the rates for the current peer support services that will align with these new services. These services are also important in helping support families, children, and youth in the community.

In addition to the wraparound program and respite care, the division is also proposing to enhance and expand access to intensive in-home services for families. This includes psychotherapy (individual and family therapy), basic skills, training, and education for families around handling and appropriately caring for a child with behavioral health disorders. This proposal includes a 10.0% rate increase for all services and an additional 10.0% rate increase for services when provided to rural recipients or services that are provided through telehealth in a rural area to ensure these families are not left behind. The rate increase will apply to all qualified providers of these services. The total for this biennium is \$1.2 million with the state share cost of \$468,785. The 2025-27 Biennium total cost is \$5.0 million with the state share cost of \$1.9 million.

Additionally, this work program requests the use of funding to support a new step-down group-home-like model for young adults and youth. The model will be similar to the qualified residential treatment program used in the foster care system but will focus on children with behavioral health needs who are ready for discharge from a residential treatment center but are not quite ready to go back into their home or do not have a foster care family ready to support them. These young adults and youth will need fewer intensive services but still need some therapies and support from a provider system. This will be in a group home environment with a shorter length of stay, which is consistent with the DOJ complaint and the need to help children transition successfully into the community. This model will serve children between the ages of 13 and 20. Other states are using this model type in Medicaid; Nevada will be joining those states and building this new program. The total for this biennium is estimated at \$601,498 with the state share cost of \$190,000. The total for the 2025-27 Biennium is \$20.0 million with the state share cost of \$6.6 million. The division anticipates a ramp-up period but hopes to have two to three providers in that first year.

Removing the historical prior authorization in Medicaid on crisis intervention services is another proposed change. Individuals in crisis need to know they can access care and services, and that their provider will get paid when responding to a crisis. This is a barrier that the division is proposing to remove for children, families, and all recipients in the program. The cost for this biennium is estimated at \$1.7 million with a state share cost of \$769,759. The estimated cost for the 2025-27 Biennium is estimated to grow to approximately \$7.9 million with a state share cost of \$3.4 million.

Other proposed initiatives include rate reforms and new payment models for health care in residential settings and inpatient care centers for children. Although the state must build out a home and community-based model of care for children with behavioral health needs, the state must also not lose sight of the need to ensure that residential and inpatient treatment for children is still available that provides quality care and focuses on the goals of the state, which is to reduce the need for residential treatment and ensure children are successfully discharged into the community.

The first reform includes a new rate parity for psychiatric hospitals in Nevada, which would result in a rate parity with the rates paid for these types of services in other general hospitals. Currently, hospitals are receiving a range of lower rates, and this will increase the rates to \$944 for an inpatient stay. These settings are critical to helping families with urgent treatment needs and are often the only option for care in the rural areas of the state. The total computable for this reform for the current biennium is estimated at \$9.0 million with a state share cost of approximately \$1.9 million. The total cost for the 2025-27 Biennium is estimated at \$37.8 million with a state share cost of \$7.8 million.

The last proposed reform is necessary to strengthen the state's residential treatment centers. The focus of this reform is to ensure that all placements have quality care available for the children and to ensure that the providers that provide these services are focused on the state's goals. This includes providing a new flat rate of \$800 a day. Currently, when a residential treatment provider wants to come into Nevada, they often do not know the rate because they are told they need to negotiate the rate with Medicaid. However, it is not really a negotiation because the division has limited funds. In addition, it is a cost-based rate and often these providers cannot show full cost in the first year. The rates range from \$500 to \$800 a day. The division wants to raise this rate to a flat rate of \$800 per day, because all providers should know their payment amount regardless of location in the state.

Residential treatment centers that will be accepting and treating children under the age of nine or children with complex or co-occurring disorders like intellectual developmental disorders, will be receiving an additional \$100 per day, for a total of \$900 per day. Trying to place a very young child is difficult in Nevada because there are very few providers that will accept and treat young children. The division is hoping that by providing an additional \$100 in addition to the \$800 per day rate, more providers will provide these services. Also, some children are very complex and difficult and may have violent tendencies and other behaviors that many residential treatment centers will not accept. The division is hopeful that the additional \$100 per day will be an incentive to help care and treat those children.

There is an additional piece to this rate reform, the division is adding an additional \$100 per day to increase all rates up to \$1,000 for providers that are considered one of the division's quality providers. The DHCFP will establish metrics and track and monitor the residential treatment centers and will reward them for those that are discharging children successfully in the community and have shorter lengths of stay. It cannot be one or the other; it must be a successful discharge. The division does not want children discharged inappropriately. It is important that children are successful when they return home to their family or foster care family. Consequently, there will be lower rates of recidivism and returning to a residential treatment center, as well as lower rates of emergency room visits and the need for mobile crisis units. The division will use those types of metrics for the bonus payment to providers. The total cost for this biennium is \$8.5 million with a state share cost of \$3.3 million. The total cost for the 2025-27 Biennium is estimated at \$41.7 million with a state share cost of \$16.2 million.

This is just the beginning of many other phases the division will be implementing and changing behavioral health care in Nevada. I appreciate all the work that was done during the 82nd (2023) Legislative Session. The provider tax has been an important revenue source for implementing these changes and responding to the DOJ complaint, but also doing what is right for Nevada children. It will take time to implement these reforms. The DHCFP is aiming for January 1, 2025; however, the division will also need to go through the federal process to implement the changes.

SENATOR CANNIZZARO:

With the hospital tax being part of the provider fee in S.B. 435, please clarify that the monies the division is proposing to spend is part of the 15% set-aside specifically to address some of these mental and behavioral health issues.

Ms. WEEKS:

That is correct. The original provider tax was already in state law; however, S.B. 435 allows the division to use up to 15% for administrative costs and behavioral health services through Medicaid to fund services and supports related to behavioral health disorders in the state.

SENATOR CANNIZZARO:

I appreciate the clarification, so everyone is aware of the funding mechanisms for these programs. If the provider tax-supported expenditures are greater than the available revenues, how would the agency support the non-federal share of expenditures?

Ms. WEEKS:

As with any new tax funded program, the division is taking a very conservative approach with the proposal. The DHCFP is very mindful of the variability and health care cost, spending, and the need for revenue experience with the new tax. For that reason, when building this proposal, the division did not spend all the funding. Approximately \$50.0 million is projected to be remaining at the end of FY 2025 out of that 15%. The agency does not anticipate health care claims in the hospital setting will decrease. In going to statewide managed care, the taxed revenues will increase significantly because Medicaid will be paying the average commercial rate as more hospitals begin serving and billing Medicaid for claims for managed care; therefore, the division will be able to tax more revenue, which will help the providers and the division and will bring more money into the account. At this time, the DHCFP does not feel that is a risk; however, the division will continue to monitor it closely. The division will be returning to the IFC in June 2024 with additional staffing requests, not only to look at how services are delivered and the support needed, but also to make sure there is adequate tracking. The DHCFP wants to ensure it has more experience with this tax before adding anything to the cost to the program.

SENATOR CANNIZZARO:

Does the DHCFP anticipate those additional staffing requests will also be covered by these remaining funds in the hospital provider tax monies?

Ms. WEEKS:

Yes, the agency is going to use that funding because it is permissible to use it for administrative support as well as these programs and behavioral health care. The DHCFP believes it has that authority and will not be asking for new General Funds for that support.

SENATOR CANNIZZARO:

Even with those additional staffing requests, does the division still anticipate it will be able to cover those expenditures with the hospital provider tax?

Ms. WEEKS:

Yes, the DHCFP is very confident.

SENATOR CANNIZZARO:

During the 82nd (2023) Legislative Session and in the media it was noted there was a violation of ADA requirements on the part of the state by sending children out of state for various behavioral health needs. That issue is currently being addressed and settled. Please explain how these behavioral health services were requested, why these programs have been recommended for implementation, and what will be accomplished by investing in these particular items.

MR. WHITLEY:

That is correct on the root cause of the problem. The state was over-institutionalizing children when those service needs could have been met in the community. In identifying why those needs were not being met in Nevada, it was determined there were gaps in the Medicaid service model that are now being addressed. For the past year and a half, the DHHS has been working with attorneys from the DOJ and have had the opportunity to work with multiple states that have had findings for this exact same deficiency in over-institutionalizing children with behavioral health needs. Nevada is in a unique situation in that the state had the funding before it had the plan. Other states have had monitoring in different ways, and they have had to request the funding from their legislatures after the fact. The DHHS is fortunate that it has been able to work through the unmet needs with the DOJ and observe the states that have been successful in becoming compliant. In addition, the department had the funding available.

Unfortunately, there are bureaucratic processes at the federal level that the department must work through, which will take time. The DHHS thought it was urgent to initiate these processes now because the funding is already available. I assure the Committee that the services that will be implemented are in alignment with the DOJ findings and will help the state become compliant.

SENATOR CANNIZZARO:

I believe that was part of the consideration when the Legislature was discussing the hospital provider tax and how it could help with behavioral health services. It is my understanding this is in part based upon services that the state does not currently have available. These services are common in other states, and in particular, in states that have had similar findings through the DOJ.

MR. WHITLEY:

Yes, that is correct.

SENATOR CANNIZZARO:

Please clarify how the division would determine the appropriate level of private hospital provider tax revenue required to fund the requested service expansions and enhancements to ensure General Funds are not used to support the new initiatives.

JENNIFER KRUPP (Deputy Administrator, DHCFP, DHHS):

The level of hospital provider tax revenue is limited to the 6.0% ceiling on net patient revenues; therefore, the division will be monitoring very closely the addition of new services or enhanced rates to existing services and tracking utilization to ensure that General Funds will not be needed to support these initiatives. Currently, the tax is set to approximately 3.0% on inpatient and outpatient services. As indicated earlier, in June there will be requests for additional staff capacity funded with the 15.0% allowance as permitted by state law to support the tracking of claims utilization and revenues. The amount of taxes required is based on the anticipated amount in the Upper Payment Limit and the managed organization state directed payments, plus the 15.0% administrative reserve on the quarterly assessment. The division will be requesting staffing to support tracking these expenditures along with funding for actuarial support for these calculations and projections to determine the amount of provider tax revenue required. The establishment of base line expenditures with and without these reforms will be developed and compared to actual expenditures and trended forward.

For the new initiatives—respite care, wraparound services, and qualified residential treatment programs—the division will work with the fiscal agent to create new fund codes in the Medicaid Management Information System (MMIS) to identify the hospital provider tax funding source. Each code set up in the MMIS requires a specific fiscal string, which includes the funding mix, which is between the Federal Medical Assistance Percentage (FMAP) split and the funding source. This will allow for tracking and isolation of expenditures related to the proposed services.

For the residential treatment centers, intensive in-home services, and psychiatric hospital parity initiatives, a claims analysis will be performed on a quarterly basis to calculate the payment for services prior to the rate increase and then compared to the new rates. The non-federal portion of the difference in payment will then be allocated and funded by the hospital provider tax program.

For the removal of crisis intervention prior authorization initiative, the establishment of baseline expenditures will be used for comparison to actual expenditures and trended forward to determine the amount that will be allocated and funded by the hospital provider tax program quarterly.

SENATOR NEAL:

I have a question about the qualified residential treatment programs and specifically around foster children. It is my understanding that the more complex the diagnosis is for a foster child, the more valuable they are in the system; there is no reassessment if the child has multiple diagnoses; and foster youth may keep the same diagnosis when they age out of the system because the system is built around a fee for service and will lose what they call the "Cadillac version" of the insurance. Does anything related to this new idea or programmatic structure advance changes in assessment to determine whether a foster youth has improved and if a diagnosis should be removed versus a residential treatment center receiving the benefit of a complex diagnosis that may not be accurate or correct?

Ms. WEEKS:

Currently, Medicaid does not pay for qualified residential treatment programs. It is a foster care model and is funded through the foster care funding at the federal level. At the state level, the Division of Child and Family Services (DCFS) funds that program. Any program developed by the DHCFP would have policies and procedures in place to ensure that children are being assessed appropriately. The division will be monitoring and tracking all residential treatment placements, including the qualified residential treatment programs, with a new dashboard to ensure the DHCFP knows how long a child has been in placement. Even when a child is no longer in the home and instead is placed in one of these facilities, the wraparound facilitator will be responsible for working with the family, county, Medicaid, and anyone else involved to ensure the child does not remain in the facility beyond 30 to 60 days. The qualified residential treatment program is typically a 30-day model. Any program the DHCFP develops around the qualified residential treatment programs would be created with the division's own Medicaid model that would have those policies and procedures in place.

CHAIR MONROE-MORENO:

When looking at this proposal, it is very aggressive and dependent upon being able to hire staff. During the last few IFC meetings, this Committee has had to deobligate funding for multiple programs because staff could not be hired. What assurances can be provided to the Committee that the division will be able to hire the necessary staff for these programs?

Mr. WHITLEY:

I do not think there is one solution, but in addition to adding new services, there will be rate increases. The agency has services, but they are not currently utilized adequately. Rates are a large component that allow the division to reimburse adequately. As it relates to ARPA funds, I believe there was a rule change with some ARPA uses. Some of the returns the division made for behavioral health were in anticipation of not being able to spend the contracted funding for the length of time that was requested. There are different reasons for returning the funds.

The salaries of clinical staff are certainly a challenge, and this is where monitoring becomes important. If the division adds services, but people are unable to access them due to lack of staff, then the agency is not meeting the DOJ compliance requirements by adding these services. These issues continue to be a topic of discussion by the Legislature.

Rates are only one piece; the other piece is the production of the workforce. The agency is aggressively working concurrently with the colleges and universities on the pipelines, which are different in each community with how they produce the various disciplines. The agency met with UNLV last week, which produces 12 to 15 psychologists each year, and not primarily clinical psychologists. Each clinical discipline requires a lot of work with the college and university systems to try to convince them to produce a clinical workforce that is relevant to the needs in the state.

The other side of this is the licensing boards and allowing people to come in. The agency will continue to work with the licensing boards and show them data regarding specific shortages in the workforce. That will probably require legislative action though because all the boards are independent. To solve the workforce problems, rates are a centerpiece that the agency will own and monitor; however, it also requires having an adequate workforce and pipelines, which the agency is addressing. There is not a single solution but understanding the problem and applying strategies will make improvements. The agency is on board with that and will own the identification of the issue even when not popular because the agency is doing the right thing in adding these services. However, without the workforce to actually provide the services, families will not feel as though they received anything from the outcome of these deficiencies being identified. Consequently, all the work to put forward a service package could help children live at home with their parents and be treated adequately in the least restrictive environment.

SENATOR TITUS:

Not a question, just a thank you. As mentioned, a lot of work went into this request. The reality is it is going to take time so realistic expectations, but at least this is a start on so many different levels.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEMS L.42, L.43, L.44, L.46, AND L.49.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

Transfer of \$2,864,644 from the Personnel category to the Professional Services category to fund contracted psychological personnel for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Professional Services category exceeds \$350,000. **Work Program #C67062**

Refer to motion for approval under Agenda Item L.

51. Department of Health and Human Services - Public and Behavioral Health - Northern Nevada Adult Mental Health Services - FY 2024

Transfer of \$144,647 from the Community Triage Center category to the Utilities category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Utilities category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67237**

Refer to motion for approval under Agenda Item L.

52. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2024

Addition of \$76,618 in federal Substance Abuse and Mental Health Services Administration Project Advancing Wellness and Resiliency in Education (AWARE) grant funds transferred from the Nevada Department of Education (NDE) - Safe and Respectful Learning account to continue providing mental health awareness and suicide prevention services. Requires Interim Finance Committee approval since the amount added to the Project AWARE NDE category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67159**

Refer to motion for approval under Agenda Item L.

53. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2024

Addition of \$321,786 in federal Law Enforcement and Behavioral Health Partnership for Early Diversion grant funds to continue providing early jail diversion activities. Requires Interim Finance Committee approval since the amount added to the Early Diversion category exceeds 20% of the legislatively approved amount for that category. **This work program requests provisional approval pursuant to Assembly Bill 361 of the 82nd (2023) Legislative Session 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 #C67229**

Refer to motion for approval under Agenda Item L.

54. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2024

Addition of \$6,791,521 in federal Substance Abuse Prevention and Treatment (SAPT) Block Grant funds to continue to support substance use treatment and prevention efforts. Requires Interim Finance Committee approval since the amount added to the SAPT Agency Block Grant category exceeds \$350,000. **Work Program #C67231**

Refer to motion for approval under Agenda Item L.

55. Department of Health and Human Services - Public and Behavioral Health - Environmental Health Services - FY 2024

Addition of \$119,253 in federal Food and Drug Administration (FDA) Nevada Manufactured Food Regulatory Programs Maintenance and Improvement grant funds to continue the state's manufactured food regulatory program. Requires Interim Finance Committee approval since the amount added to the FDA Manufactured Food Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67071**

Refer to motion for approval under Agenda Item L.

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

Addition of \$1,544,154 in federal Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) grant funds to continue building and strengthening epidemiology, laboratory, and health information systems capacity in state and local health departments. Requires Interim Finance Committee approval since the amount added to the ELC Supplemental category exceeds \$350,000. **Work Program #C66897**

Refer to motion for approval under Agenda Item L.

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

Addition of \$1,063,573 in federal National and State Tobacco Control grant funds to help support the prevention and termination of tobacco use among youth and young adults, to eliminate secondhand smoke, and to identify tobacco-related disparities among population groups. Requires Interim Finance Committee approval since the amount added to the Tobacco Grant category exceeds \$350,000. **Work Program #C67082**

Refer to motion for approval under Agenda Item L.

58. Department of Health and Human Services - Public and Behavioral Health - Maternal Child and Adolescent Health Services - FY 2024

Addition of \$921,957 in federal Maternal and Child Health Services Block Grant funds to provide health education, prevention activities, quality assurances, and healthcare resources to women of childbearing age, pregnant women, and children. Requires Interim Finance Committee approval since the amount added to the Pre- and Postnatal Program category exceeds \$350,000. **Work Program #C67207**

Refer to motion for approval under Agenda Item L.

59. Department of Health and Human Services - Public and Behavioral Health - Rural Clinics - FY 2024

Addition of \$250,000 in National Association of State Mental Health Program Director's Transformation Transfer Initiative (TTI) funds to enhance Nevada's mental health crisis system for adults in rural and frontier Nevada. Requires Interim Finance Committee approval since the amount added to the TTI Topic 4 High-Risk Populations category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67170**

Refer to motion for approval under Agenda Item L.

60. Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2024

Addition of \$905,206 in federal U.S. Department of Agriculture, Food and Nutrition Service Summer Electronic Benefits Transfer (EBT) Program grant funds to provide free and reduced-price meal benefits to eligible children during summer months. Requires Interim Finance Committee approval since the amount added to the Summer EBT Program category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 of the 82nd (2023) Legislative Session 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 #C67309**

Agenda Items K.13, K.14, and L.60 were discussed jointly.

ROBERT THOMPSON (Administrator, Division of Welfare and Supportive Service [DWSS], DHHS):

The DWSS is here to present a work program for a new Supplemental Nutrition Assistance Program (SNAP), the Summer Electronic Benefit Transfer (Summer EBT).

KELLY CANTRELLE (Deputy Administrator, DWSS, DHHS):

The Summer EBT is a new program introduced in the Consolidated Appropriations Act of 2023, which Summer EBT benefits available beginning in summer 2024. This work program requests authority to bring in the \$905,000 federal match from the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) to begin working on this program.

ASSEMBLYWOMAN BROWN-MAY:

The Summer EBT program was discussed earlier this week during the Joint Interim Standing Committee on Health and Human Services meeting. It is important to spend some time on this agenda item to understand the program and associated funding.

Please provide an overview of the Summer EBT program, including a timeline for the implementation of the program and the one-time costs that would be incurred.

Ms. CANTRELLE:

During the summer months, prior to the end of the school year, eligible children will receive \$40 per month for the three months of summer. This is a total of \$120 per child in each household. This year, the federal government is allowing the DWSS to issue benefits in September 2024, because the Interim Final Rule was not released until December 29, 2023; however, in 2025, the DWSS will be required to issue benefits to families prior to the end of the school year.

The funds requested today would allow the DWSS to bring in the initial cost from the federal government required to cover the creation of an application and required system eligibility enhancements. Unlike the Pandemic EBT (PEBT), the Summer EBT requires an application, which must be developed and implemented before benefits can be issued.

ASSEMBLYWOMAN BROWN-MAY:

Would DWSS staff review the applications?

Ms. CANTRELLE:

That is correct. The DWSS will also work in conjunction with the Nevada Department of Education (NDE) to help identify students who are eligible for free and reduced-price meals.

ASSEMBLYWOMAN BROWN-MAY:

Please provide details about the Contingency Account requests that will be submitted for consideration at future IFC meetings to fully fund this program for the 2023-25 Biennium.

Ms. CANTRELLE:

This initial request is to bring in the federal "seed" money, but the DWSS will bring forward a Contingency Account request at the June 2024 IFC meeting for the General Fund amount of \$6.2 million, which will allow the division to issue benefits

for summer 2024 and summer 2025. The DWSS is not requesting the funding earlier than June 2024, because the rest of the money will be utilized in FY 2025, not FY 2024. The DWSS is required to have the FY 2024 Summer EBT benefits distributed by September 2024. The seed money the DWSS is requesting today will build the system, and the remaining funds of \$6.2 million would allow the division to meet the rest of the federal requirements.

ASSEMBLYWOMAN BROWN-MAY:

Given this request would establish a new program that would require significant ongoing state funding, what are the consequences of deferring action on this item until the 83rd (2025) Legislative Session?

MS. CANTRELLE:

If the Committee does not approve the seed money today and again in June 2024, the DWSS would be unable to issue summer 2024 benefits, and the program would be on hold until the summer of 2025.

MR. THOMPSON:

The Summer EBT program would provide 350,000 children a \$40 per month benefit for three months, or \$120 per child, per summer. That is approximately \$58.0 million in federal funds that would be brought into the state. In SNAP, the federal government pays the benefit, and the DWSS is a pass-through agency. The administrative costs of running SNAP are matched by the DWSS and the federal government at a 50/50 match. The loss incurred by deferring action would mean that 350,000 children would not receive that benefit two summers in a row, and the loss of \$58.0 million in federal funds for Nevada families, retailers, etc., for two summers in a row.

ASSEMBLYWOMAN BROWN-MAY:

Every student is important, so understanding there are 350,000 children in Nevada who would benefit from this program is an important point.

ASSEMBLYWOMAN GORELOW:

The program states it is for students up to age 18. Does this include the summer after seniors have graduated from high school, or are students no longer eligible after graduation?

MS. CANTRELLE:

I do not know the answer to that question today, but I will provide that information to the Committee.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

The DWSS is currently estimating 350,000 eligible students. Does that number capture the majority of students who should be eligible for the Summer EBT, or are there more children who should receive this benefit?

Ms. CANTRELLE:

The DWSS estimated 350,000 children by using the number of eligible children for the PEBT program. The DWSS collaborated with the NDE to gain a better understanding of how many students are eligible for the National School Lunch Program. Students must either be eligible for the National School Lunch Program or apply for the Summer EBT program. If a family is not currently receiving free and reduced-price meals, they can still apply for this benefit through the application process. Other children may be eligible for the Summer EBT program; this is a starting point. The DWSS intends to conduct a robust outreach plan to make parents and families aware of the program.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

A program cannot be successful unless people are aware that it exists. I assume the division is going to utilize language access and other methods to reach families. Do the requested funds include the division's marketing plan?

Ms. CANTRELLE:

The DWSS does not have a marketing budget; however, through an outreach program, the agency maintains a community presence at 198 sites. The agency uses social media and various resources to get the word out to the community. The DWSS is also considering conducting educational trainings in collaboration with the NDE to get the word out to the schools.

ASSEMBLYWOMAN JAUREGUI:

This is an important issue about which many of the Committee members are passionate. The funding the DWSS is requesting is for system enhancements, but I understand the reason the division is overseeing the Summer EBT program is because the DWSS had already built the PEBT program. Why will it take until September 2024 to issue the summer 2024 benefits? These 350,000 eligible students are going to go three months without these benefits. If the PEBT system is already built, can that system be changed to enter the income qualifications? My understanding was that all students received the PEBT benefits, but there are income requirements for the Summer EBT benefits. Could the coding be changed? Why will it take until September 2024 to get the benefits distributed?

MS. CANTRELLE:

The rules for the PEBT changed annually, and the rules for the Summer EBT benefits are different. There will be coding changes, but an online application must also be developed and implemented. I do not want to speak to the technology side; something that may seem like a quick change may take longer. I know that the Summer EBT program is different from the PEBT program, and the system needs to be updated and changed based on the new program requirements. Subsequently, an application will need to be developed so people can apply online and check eligibility.

ASSEMBLYWOMAN JAUREGUI:

I understand the DWSS will be requesting \$6.2 million in June 2024, and the initial \$900,000 is to get the system operational. I am aware the DWSS is a pass-through agency. Is the \$6.2 million to cover administrative costs? The money on the Summer EBT benefit cards will be federal funding. Is the \$6.2 million a match for the federal funds?

MS. CANTRELLE:

Yes. Some of the expenses that will be included in the remainder of that ask will include the one-time payment for the EBT vendor, fees associated with the Office of the Chief Information Officer, and the cost of benefit cards and postage. There are many different factors built into that cost.

ASSEMBLYWOMAN JAUREGUI:

Regarding Agenda Items K.13 and K.14, there is \$9.1 million left over from savings from the ARPA Universal School Meals program that will be deobligated. Why is the DWSS requesting funds from the IFC Contingency Account rather than using ARPA funds?

MR. THOMPSON:

That is a question for the GFO. The DWSS is not the agency that is reverting the \$9.1 million in ARPA funding.

AMY STEPHENSON (Director, GFO):

Since the Summer EBT is a new program with a one-time setup and will require extensive ongoing state resources, the program was not considered as part of the ARPA fund reallocations when the Governor ranked those projects. The Governor is centering a lot of funding toward children's mental health and other mental health initiatives. The deobligated funding in Agenda Items K.13 and K.14 went back into the ARPA funding pool for other work programs on the agenda.

CHAIR MONROE-MORENO:

Would the deobligated ARPA funds have been an eligible use for the Summer EBT program instead of taking money from the IFC Contingency Account?

MS. STEPHENSON:

I am not sure, but I will provide an answer to the Committee.

ASSEMBLYWOMAN JAUREGUI:

The IFC Contingency Account is for emergencies; the Summer EBT program should be funded with ARPA dollars if that is allowable. My concern is there are probably more than 350,000 children who would be eligible for the program. To qualify, families must be at or below 185% of the poverty level, which is a yearly income of approximately \$33,000 per family to qualify. Is that correct?

MR. THOMPSON:

Eligibility for SNAP benefits is at or below 130% of the poverty level. I do not know the exact dollar amounts, but the division could provide that information to the Committee.

ASSEMBLYWOMAN JAUREGUI:

I believe 185% of the poverty level is the correct percentage.

MR. THOMPSON:

To clarify, eligibility for SNAP benefits is at or below 130% of the poverty level, and eligibility for the Summer EBT program is at or below 185% of the poverty level. There are additional people eligible for the Summer EBT program who are not eligible for SNAP benefits.

ASSEMBLYWOMAN JAUREGUI:

Was the eligibility threshold for the Summer EBT set by the DWSS or the federal government?

MS. CANTRELLE:

Eligibility criteria is set by the federal government.

ASSEMBLYWOMAN JAUREGUI:

If the state could provide some ARPA funding upfront, would the DWSS be able to get the Summer EBT program online faster?

MR. THOMPSON:

The funding the DWSS is requesting today is from the federal government. The \$905,000 are federal dollars from the FNS, which the division will match with contract savings. The division will be requesting the \$6.2 million at the June 2024 IFC meeting. Whether that funding comes from the IFC Contingency Account or ARPA funds, the timeframes would not change for implementation. The application system needs to be built, and processes put in place after funds are approved in June 2024. The type of funds would not speed up implementation of the program and would not have an impact on the division.

ASSEMBLYWOMAN JAUREGUI:

How was the timeline determined? Was a request for proposal (RFP) issued?

MS. CANTRELLE:

The DWSS did not put out an RFP. The agency is extending its contract with the vendor that developed the PEBT system. I have not researched the timeline, how it works, and how long it will take to build the system or the application. I can research that information to determine if it could be done more quickly.

ASSEMBLYWOMAN JAUREGUI:

I am supportive of Agenda Item L.60, but I am trying to determine how the Summer EBT program could be implemented sooner so people who have a need can receive the benefit cards. Children who qualify for free and reduced-price meals will receive meals once the school year begins, but they also need meals during the summer. I would like them to have those meals during the summer when there is a need.

SENATOR DONDERO LOOP:

At or below 185% of the poverty level is an annual household income of about \$55,000 to \$57,000. Is the estimate of 350,000 eligible children a firm number? Is that estimate for school-aged children only?

MS. CANTRELLE:

The estimate of 350,000 eligible children is primarily based on children who are eligible for the National School Lunch Program and participation in the PEBT program. I believe other children may be eligible, so if the family is in that income range, the family could still apply for the program.

SENATOR DONDERO LOOP:

The reason I ask is because there are approximately 500,000 students in Nevada. This estimate would assume that 350,000 of those 500,000 students are eligible for free and reduced-price meals. The eligibility requirements for free and reduced-price meals have varied. When families received the PEBT benefits through the Families First Coronavirus Relief Act; Continuing Appropriation Act, not everyone who received those benefits were eligible for free and reduced-price meals.

MS. CANTRELLE:

That is correct. Not everyone who received the PEBT benefits was eligible for free and reduced-price meals. The USDA changed the rules of the PEBT program annually, and eligibility for free and reduced-price meals became a requirement. The 350,000 is an estimate based on what the DWSS has done over the past four years. There could be a few more or a few less eligible children. The division used the most current numbers as an estimate.

SENATOR DONDERO LOOP:

For schools designated as Title I, the federal government determined that all students in that school will receive free and reduced-price meals; however, not every student in that school meets the eligibility requirements. Will students in the Title I schools who are technically not eligible for free and reduced-price meals receive the Summer EBT, or will those students be factored out?

MS. CANTRELLE:

The Summer EBT program is income-based regardless of whether the child attends a Title I school. When an application is completed, families will have to self-attest to their household income.

CHAIR MONROE-MORENO:

I think the Committee's frustration is evident. Agenda Items K.13 and K.14 will deobligate approximately \$9.0 million from the Universal School Meals program, and Agenda Item L.60 is a request to release \$905,000 to begin work on the Summer EBT program. At the June 2024 IFC meeting, there will be a \$6.2 million

request to fund the Summer EBT program and meet federal match requirements. The \$9.0 million could be used toward that \$6.2 million match requirement, rather than using the IFC Contingency Account. I do not understand why that was not an option. To use ARPA funds that need to be obligated by December 31, 2024, for money to feed children. I understand the funds were deobligated and the Governor will determine how to expend those funds, but why are these funds not being used for the Summer EBT program?

I am hesitant to deny part of the request because I do not want to interfere with the Summer EBT program. However, I am conflicted with approving the request, knowing the money will come from the General Fund or the Contingency Account, which is an emergency account. This is not an emergency because ARPA funds are available to pay for the program.

MS. STEPHENSON:

I would be happy to provide further explanation for that decision to the Committee.

CHAIR MONROE-MORENO:

Approving Agenda Item L.60 might commit to using the Contingency Account to fund the Summer EBT work program in June 2024. If Agenda Item L.60 is denied today, how long will the program be delayed?

MR. THOMPSON:

If the \$905,000 is not approved today, the DWSS will not have time to build the application and issue benefits for summer 2024. Since the FNS was late in issuing the Interim Final Rule, the federal government is allowing the division to distribute the Summer EBT benefits retroactively after summer 2024 as an exception. However, in future years, the FNS will require benefits to be issued prior to the summer. Again, the funding source does not matter in meeting the match requirement.

ASSEMBLYMAN YEAGER:

I share the frustration that Chair Monroe-Moreno expressed. Deciding how to spend the ARPA funds has historically been and is still a shared responsibility between the Governor's Office and the Legislature. This is an issue that could have been resolved prior to today's meeting if the Committee had been advised that there was a program coming forward to feed children. The Governor vetoed a bill during the 82nd (2023) Legislative Session that would have provided universal breakfast and lunch for students. Now, there is a work program before the IFC proposing to use Contingency Account funds for the Summer EBT program. It is a great program but taking \$6.0 million out of the Contingency Account would reduce the balance to approximately \$11.0 million, which is concerning.

I would move to approve Agenda Item L.60 so the DWSS can begin building the system. I would also move to deny Agenda Items K.13 and K.14, because that will not deobligate the money and keep those funds in the current budget. However, by the next IFC meeting, there must be a consensus about whether the funds can be repurposed for the \$6.2 million request that will be presented to the Committee at the June meeting. If the agency runs into any issues, please reach out because the IFC wants to be a partner in implementing this program.

ASSEMBLYMAN YEAGER MOVED TO APPROVE AGENDA ITEM L.60
AND DENY AGENDA ITEMS K.13. AND K.14.

SENATOR DONDERO LOOP SECONDED THE MOTION.

SENATOR TITUS:

I will not support the motion. The Governor's Office and his representatives are in the best position to make these decisions. I do not support a partial allocation; I would prefer the Committee support the Governor's request.

SENATOR CANNIZZARO:

The only issue before the Committee today is the allocation in Agenda Item L.60. This allocation is to release the federal funding for system upgrades. Although there was also a discussion about future funding of the Summer EBT program, any future request is not before this body today. The motion is to deny Agenda Items K.13 and K.14; however, those items will be addressed at the next IFC meeting. This is a motion to approve what the Governor is requesting in this work program as it relates to the Summer EBT program.

SENATOR TITUS:

With that clarification, I will support the motion.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

61. Department of Health and Human Services - Welfare and Supportive Services - Temporary Assistance for Needy Families - FY 2024

Addition of \$30,781,972 in federal Administration for Children and Families, Temporary Assistance for Needy Families (TANF) grant funds to continue providing supportive services for TANF participants involved with the employment and training program. Requires Interim Finance Committee approval since the amount added to the New Employees of Nevada Program category exceeds \$350,000. **Work Program #C67293**

Refer to motion for approval under Agenda Item L.

62. Department of Health and Human Services - Welfare and Supportive Services - Welfare Field Services - FY 2024

Addition of \$792,875 in federal Food and Nutrition Services, Supplemental Nutrition Services Program, Pandemic Electronic Benefit Transfer (PEBT) grant funds transferred from the Welfare Administration account to cover personnel costs in support of the PEBT program for 2022-23 benefits. Requires Interim Finance Committee approval since the amount added to the Reserve for Federal Funds category exceeds \$350,000. **Work Program #C64402**

Refer to motion for approval under Agenda Item L.

63. Department of Health and Human Services - Welfare and Supportive Services - Welfare Field Services - FY 2024

Addition of \$1,092,685 in federal Supplemental Nutrition Assistance Program (SNAP), American Rescue Plan Act grant funds transferred from the Welfare Administration account to cover personnel costs in support of the SNAP program. Requires Interim Finance Committee approval since the amount added to the Reserve for Federal Funds category exceeds \$350,000. **Work Program #C64408**

Refer to motion for approval under Agenda Item L.

64. Department of Health and Human Services - Welfare and Supportive Services - Welfare Field Services - FY 2024

Addition of \$400,000 in federal Substance Abuse and Mental Health Services Administration Substance Use Prevention and Recovery Block Grant funds transferred from the Division of Public and Behavioral Health, Behavioral Health Prevention and Treatment account to reimburse the Division of Welfare and Supportive Services for staff support costs related to the Recovery Friendly Workplace (RFW) Initiative. Requires Interim Finance Committee approval since the amount added to the RFW category exceeds \$350,000. **Work Program #C66807. WITHDRAWN 4-1-24.**

65. Department of Health and Human Services - Welfare and Supportive Services - Child Assistance and Development - FY 2024

Addition of \$26,391,466 in federal Child Care and Development Discretionary Block Grant funds to align revenue authority with grant authority. Requires Interim Finance Committee approval since the amounts added to the New Employees of Nevada/Temporary Assistance for Needy Families Child Care category exceeds \$350,000. **Work Program #C67353**

Refer to motion for approval under Agenda Item L.

66. Department of Health and Human Services - Welfare and Supportive Services - Energy Assistance Program - FY 2024

Addition of \$4,773,542 in federal Low-Income Home Energy Assistance Program (LIHEAP) grant funds to continue providing home energy assistance to low-income households. Requires Interim Finance Committee approval since the amount added to the LIHEAP Consolidated Appropriations Act Grant category exceeds \$350,000. **Work Program #C66180**

Refer to motion for approval under Agenda Item L.

67. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2024

Addition of \$303,404 in federal Stephanie Tubbs Jones Child Welfare Services Program, Social Security Act, Title IV-B, Subpart 1 (IV-B 1) grant funds to continue providing various child welfare services statewide. Requires Interim Finance Committee approval since the amount added to the Title IV-B-1 Grants Projects category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67515**

Refer to motion for approval under Agenda Item L.

68. Department of Health and Human Services - Child and Family Services - Summit View Youth Center - FY 2024

Addition of \$211,330 in federal Title I Education grant funds transferred from the Nevada Department of Education, Student and School Support account to continue providing enhanced educational funding for youth in this facility. Requires Interim Finance Committee approval since the amount added to the Title I Education Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66775**

Refer to motion for approval under Agenda Item L.

69. Department of Health and Human Services - Child and Family Services - Caliente Youth Center - FY 2024

Addition of \$390,680 in federal Title I Education grant funds transferred from the Nevada Department of Education, School and Student Support account to continue providing enhanced educational funding for youth in residence **and a reversion of \$2,791 in General Fund appropriations**. Requires Interim Finance Committee approval since the amount added to the Title I Education Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66721. REVISED 3-26-24.**

Refer to motion for approval under Agenda Item L.

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

Transfer of \$142,367 from the Personnel category to the Youth-Driven Expenses category to fund unanticipated increases in medical services, supplies and food expenses through the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred from the Personnel category exceeds \$350,000. **Work Program #C67153**

Refer to motion for approval under Agenda Item L.

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

Transfer of \$124,798 from the Personnel category to the Utilities category to fund unanticipated increases in electricity and natural gas expenses through the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Utilities category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67169**

Refer to motion for approval under Agenda Item L.

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

Transfer of \$11,279 from the Personnel category to the Contract Services category to fund temporary contract positions to reduce staff-to-youth ratio gaps and minimize negative outcomes resulting from staffing shortages. Requires Interim Finance Committee approval since the amount transferred to the Contract Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67382**

Refer to motion for approval under Agenda Item L.

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

Addition of \$250,530 in federal State Vocational Rehabilitation Services grant funds to provide vocational services to eligible clients with disabilities. Requires Interim Finance Committee approval since the amount added to the Client Services - Pre-Employment Transition Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67609. WITHDRAWN 3-28-24.**

74. Department of Employment, Training and Rehabilitation - Rehabilitation Division - Blind Business Enterprise Program - FY 2024

Transfer of \$208,966 from the Reserve category to the Business Enterprise category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Business Enterprise category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67305**

Refer to motion for approval under Agenda Item L.

75. Department of Employment, Training and Rehabilitation - Employment Security Division - Unemployment Insurance - FY 2024

Addition of \$4,309,986 in federal Pandemic Unemployment Insurance Assistance grant funds to support the unemployment insurance program. Requires Interim Finance Committee approval since the amount added to the Pandemic Unemployment Insurance Assistance category exceeds \$350,000. **Work Program #C67444**

Refer to motion for approval under Agenda Item L.

76. Department of Corrections - Director's Office - FY 2024

Addition of \$5,956,292 in federal State Criminal Alien Assistance Program (SCAAP) grant award authority to fund the Alien Assistance Program. Requires Interim Finance Committee approval since the amount added to the SCAAP Alien Assistance Program category exceeds \$350,000. **RELATES TO ITEM O. Work Program #C65857.**

Agenda Item L.76 and Agenda Item O were discussed jointly.

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

The NDOC is requesting an exemption to establish revenue authority to receive funds awarded under the State Criminal Alien Assistance Program (SCAAP) grant and increase expenditure authority pursuant to S.B. 504, Section 7(1)(b) (82nd [2023] Legislative Session). Historically, the department has been awarded the SCAAP grant award from the Bureau of Justice Assistance (BJA), which must

be used for correctional purposes, and has offset the General Fund to repay salary costs departmentwide. However, due to the change in the language of Section 7 of the Authorizations Act, the department is interested in using these funds, which have been favorably approved by the BJA for reallocation, for vitally needed deferred maintenance, a new evidence-based offender pilot program, as well as a new evidence-based peer support and well-being program for correctional officers.

The vision of the NDOC is to prepare offenders for re-entry into communities, reduce victimization, and provide a positive and supportive workplace for all staff members and offenders. Programming is vital to the NDOC and is an area that needs focus during the current year, and in the future biennia to bring more evidence-based programs into the department and increased access for all offender programs. Currently, the department is providing less than 10% of the offender population with evidence-based programs, and with the Committee's support, the NDOC would like to make this change a reality.

The first request for reallocation is \$1.5 million for deferred maintenance to support the departmentwide backlog of dire maintenance needs. The extraordinary maintenance funds have been exhausted for the year, and there have been increasing system failures in the department's aging facilities. The second request is \$3.325 million for a new evidence-based pilot program to provide external programming to Lovelock Correctional Center, Northern Nevada Correctional Center (NNCC), and Ely State Prison, as well as an evaluation and research project. The third request is \$675,000 for streamlining and rehabilitation with data analytics and case management software. Lastly, a request for \$456,000 for new evidence-based peer support and well-being for correctional officers.

KRISTINA SHEA (Deputy Director, NDOC):

The NDOC has roughly 2,763 authorized positions departmentwide, with correctional officers making up 67% of that total. One of the biggest challenges the department faced coming through the 82nd (2023) Legislative Session, was the recruitment of correctional officers. The department had a 39% employee vacancy rate at that time; however, through the support of the Legislature and the Governor's Office, significant strides have been made in correctional officer recruitment and retention. These include two grade increases, collective bargaining agreements, innovative marketing strategies, and departmentwide process improvements. Currently, the department has a 26% employee vacancy rate and anticipates hiring another 200 to 300 additional officers by June 2024. The NDOC would like to focus on retention issues, addressing correctional officer burnout, dealing with correctional officer well-being, supervisor and leader development gaps, and overall job-related impacts of correctional officer well-being.

The peer support and well-being programs will be the first of their kind providing a lens that is research-informed and evidence-based for developing a curriculum through well-being science that can positively impact the well-being of

correctional officers. As officers have testified in public comments today, there have been suicides and significant decreases in officer well-being, which impacts communities as well as the department. The NDOC is considering evidence-based programs to increase well-being, productivity, satisfaction, commitment, and retention. The department's leadership is working toward shifting the organizational culture of the institutions with the vision of providing a humane and caring place for those who are served, and a positive work environment for staff.

In summary, the well-being program and the peer support program will provide a program authorized under the International Critical Incidents Stress Foundation. It is a model based on the Massachusetts Department of Corrections, which has been doing this work for over 20 years. The program will have 120 participants, and a departmentwide, peer-led crisis response team. The plan is to develop an evidence-based well-being program for correctional officers with a third-party evaluation and research deliverable, which will include curriculum, findings, interventions, and well-being measures. Additionally, a well-being app and a website for correctional officers will provide evidence-based psycho-educational programming, and reach-out information. Officers can open the app, and if they are in need, the peer support group will respond. The department will also create a peer support conference response team, and a train-the-trainer model for the 120 participants. The hope is that this resource will also be available for family and friends of correctional officers in the community. The NDOC is asking for the Committee's support to lead the way in correctional officer well-being to be a model for other states and public safety agencies.

EMILY TESTWUIDE (Deputy Director, NDOC):

I came to Nevada four months ago from working the jail systems in New York and re-entry and behavioral health in Maine. I am passionate about creating positive change and providing the offender population with the programming they need.

For the past three months, I have been performing discovery in the system; visiting the state's prisons and connecting with NDOC staff and the offender population. The main ask is for programming and the adequate tools needed to reintegrate offenders safely into the communities. The NDOC is interested in increasing access to programs for all offenders as there is much to accomplish in this area. The department wants to innovate new partnerships and strategies to achieve large-scale impacts.

The \$3.325 million request for a new evidence-based pilot program to provide external programming to Lovelock Correctional Center, NNCC, and/or Ely State Prison will help bring a new model that has been successful in other states by partnering with service providers that can deliver more impact and positive outcomes to the population.

The \$675,000 request to streamline rehabilitation with data analytics and case management software will help with the implementation of case planning related to S.B. 413 (82nd [2023] Legislative Session), which has become a much larger challenge for the department compared to what was known during the 82nd (2023) Legislative Session. The research shows that when offenders are offered personalized case planning and programming tied to risks and needs, there is a higher success rate than other treatment plans. The department wants to move its systems forward, offering more offenders access to programs, and provide more evidence-based programming to the offender population.

SENATOR DONDERO LOOP:

Is the \$365,000 figure accurate?

MR. DZURENDA:

No. If you are referring to the data analytics and the case management, it was \$675,000.

SENATOR DONDERO LOOP:

If you would just read them again, please.

MR. DZURENDA:

The first request for reallocation is for \$1.5 million for deferred maintenance to support the departmentwide backlog in maintenance needs. The extraordinary maintenance funds have been exhausted for the year, and there have been increasing system failures in the department's aging facilities. The second request is for \$3.325 million for a new evidence-based pilot program to provide external programming to Lovelock Correctional Center, NNCC, and/or Ely State Prison, as well as an evaluation and research project. The third request is for \$675,000 for streamlining rehabilitation and data analytics and case management software. Lastly, a request for \$456,000 for new evidence-based peer support and well-being for the correctional officers.

CHAIR MONROE-MORENO:

Why was the women's facility not included on the list of facilities for the new programming?

MR. DZURENDA:

During the 82nd (2023) Legislative Session, Assemblyman Yeager asked about the programming money the department did not request in its budget. I was not part of the budget build for the 2023-25 Biennium, but in that budget build, the

programming piece was left out. The previous agency administration removed the aspects of re-entry and programs altogether, which has a significant impact on public and officer safety in the facility. Removing these aspects impacts offenders while they are incarcerated, and when they are released into the community. At the time of Assemblyman Yeager's question, many community resources and community groups were coming forward with the resources to provide re-entry programming to offenders. Groups and organizations like Hope for Prisoners and Workforce Connections, some of which are comprised of ex-offenders, had the resources available, so it was unnecessary to make a request from the General Fund.

Hope for Prisoners was able to build a vocational village at Southern Desert Correctional Center. Additionally, a Commercial Driver License training school; including two tractor trailers donated for this purpose, along with equipment, trainers, programmers, and 20 different programs will be offered at Casa Grande Transitional Housing, and at the Southern Desert Correctional Center for all offenders in Southern Nevada. Florence McClure Women's Correctional Center (FMWCC) will have some programming, such as substance use programming, wraparound services, and workforce connections; however, the vocational program is not yet available at the FMWCC.

Unfortunately, Northern Nevada institutions were not included in the new programming. At the time of Assemblyman Yeager's question, I was under the assumption the entire state would have been covered by these organizations. When I learned that it was more difficult for organizations to help at Lovelock Correctional Center, Ely State Prison, and NNCC, I realized I needed to find other avenues, which is the reason for today's request. There are organizations in the country that can provide those services, staffing, programs, and re-entry services, which will not have to come from the NDOC, because hiring counseling and program staff in the rural areas is difficult. Those organizations will provide those services with the requested funds. The department would use the funds for at least the first year to see how these programs will run, and eventually this programming would be put out for a request for proposal. The FMWCC will be part of those resources from community services in the south, where it is a lot easier to find resources than in the rural areas and the north.

CHAIR MONROE-MORENO:

Please update the Committee when the FMWCC programs are fully implemented.

If the work program is approved today for the pilot program, the money will come through a grant; however, how will the NDOC fund that program in the future if the pilot program is successful?

Ms. SHEA:

The department would partner with the BJA and other grant funding sources.

CHAIR MONROE-MORENO:

Will the NDOC be adding those costs to its budget during the 83rd (2025) Legislative Session?

Ms. SHEA:

One of the department's goals is to look at the program budget as it is right now, because it is difficult to hire employees into these positions. The department will evaluate the best use of General Funds; whether it makes sense to use external service providers, and reallocate and restructure the employee count, which would not necessarily result in an increase in General Fund appropriations.

CHAIR MONROE-MORENO:

For those correctional officers and their families who spoke during public comment, thank you for those comments and thank you for your service to the state and the communities. I think I speak for most of the Committee in that we truly appreciate your service.

SENATOR NEAL:

The department is requesting \$3.3 million as part of the pilot programming for substance use disorder and cognitive behavioral programming. Is the department trying to identify contractors? Also, how will the NDOC measure the effectiveness of this programming?

MR. DZURENDA:

I belong to an organization called Correctional Leaders Association and all the Directors for every correctional agency in the United States meets every six months. One of the topics frequently discussed among correctional leaders is programming and the companies that provide behavioral health programming. There are many companies and organizations around the United States that are successful and have evidence-based data to prove this programming can also be successful in Nevada. When the department issues a request for proposal, the performance measures would be built into the contract to ensure the contractor provides the data and proof of the program's effectiveness to the department.

SENATOR NEAL:

Madam Chair, would it be possible for the Committee to access and evaluate the request for proposal and metrics?

CHAIR MONROE-MORENO:

Yes.

SENATOR STONE:

Some of the statistics regarding correctional officers are alarming. For example, they have an average life expectancy of 59 years. It is indicative of the kind of stress and danger correctional and public safety officers face every day. Depression, higher suicide rates, and interfamilial problems, because of work issues that are taken home, mean these officers need help coping with the anxieties, stresses, and problems in the work environment. The department is requesting \$456,000 for this program; is that for the remainder of FY 2024 and all of FY 2025?

Based on the numbers provided by the department, there are 2,063 positions and approximately 70% are filled. This means there are currently about 1,400 correctional officers, which works out to be about \$325 a year for each officer. If funding this program saves one life, it is worth the investment. Please elaborate on this program. How was the program presented to the department, why was this particular program selected, and will the Committee receive reports about the efficacy of the program?

MS. SHEA:

Research shows that most programs for correctional officers, and law enforcement in general, are not effective. The NDOC would use a well-being and science-based lens to craft a program based on well-being research primarily out of the University of Pennsylvania, along with other organizations and programs that have two decades worth of research, not only in the correctional officer population, but also with resilience programs in the military. The goal is to craft something while using an appreciative inquiry lens to understand from the correctional officers' perspective what they need and why, in contrast to using a one-size-fits-all approach, by asking what would help increase the officers' well-being and building the app so there are useful and easily understandable tools available. The peer support networks the department is planning on implementing are one of the promising programs emerging from the research, although there is not an extensive amount of data yet.

SENATOR STONE:

I am familiar with some of these plans, and I agree that most of them are not efficacious. It would be nice if Nevada developed a plan that could be modeled by the rest of the country.

Another area that is becoming very predominant is artificial intelligence (AI). There was a *60 Minutes* television special covering how AI is entering the psychiatric field, and it is getting very sophisticated. The department indicated there would be an app for the correctional officers. Has the department considered these AI advancements that will allow for even more comprehensive therapy, maybe not at the highest level, but at a level that can save a life or extend a life? There will be some significant modern advances in psychiatric medicine in the AI field as this technology evolves.

MS. SHEA:

Yes, I recently attended an academic conference where some of my colleagues were presenting about the use of AI for coaching as well as various apps for well-being used across the world. I am very interested in that aspect.

ASSEMBLYMAN O'NEILL:

The NDOC went from a 38% vacancy rate down to a 24% or 25% vacancy rate. After 40 years in law enforcement, the hardest 3 years was when I was assigned to prison crimes at the NDOC. I am sympathetic; it was a job I did not enjoy, and I could never work as a correctional officer. Earlier, it was mentioned the NDOC is going to hire 200 to 300 correctional officers between now and June 2024. How will the department fill that many positions when other law enforcement agencies are struggling with recruitment?

MR. DZURENDA:

I met with George Togliatti, Director of the Department of Public Safety (DPS) yesterday. The DPS is going to begin using the same marketing and recruiter as the NDOC.

When I first returned to the NDOC, I began analyzing the recruitment challenges faced by the department, it was discovered that the NDOC Human Resources Division was too slow in processing, onboarding, and recruiting for positions. Also, correctional officers were not included in the recruitment process. Ultimately, the department was its own worst enemy. Potential candidates often submit applications to a multitude of agencies at once, such as the NDOC, Highway Patrol, local police departments, etc., and usually move forward with the first agency that responds to their application. Because of the delayed recruitment process within the NDOC, the department was struggling to recruit staff.

Based on that information, NDOC partnered with All-Star Talent, Inc. (All-Star), which handles marketing and research in California and surrounding states; especially in areas where companies are going out of business, and there is an exodus of people leaving those areas to move elsewhere. Those who are interested in a corrections career probably want to know more about the positions for which they are applying, so the NDOC now has correctional officers at each of the facilities involved in the process. The correctional officers reach out to candidates immediately to explain the position and answer any questions. Within a day or two of speaking with the candidate, the process has begun, including the background check, which is handled by All-Star. Candidates are typically hired within one month now compared to the prior six-month timeframe.

The NDOC also conducts virtual recruitments, which typically draws approximately 6,000 applicants. The department currently has about 5,000 applications to pursue. Although only about 1 in 10 applicants pass the background check and testing, that would still equate to 500 new hires.

There are 48 correctional officers graduating in Carson City tomorrow and another 50 candidates are enrolled in the upcoming class that will begin next week. In Las Vegas, there are 50 candidates enrolled in the class that is scheduled for graduation on May 16, 2024, and another 50 students are enrolled in the upcoming class that will begin the following Monday. In addition, 8 students are enrolled in the Ely class. The recruitment process is almost too fast right now, so the department is considering adding a nighttime academy so the 200 candidates mentioned earlier can be hired on. The department is hopeful there will be over 400 candidates in the next round.

The NDOC's goal is an 8% statewide vacancy rate and to reopen Warm Springs Correctional Center, because there will be adequate staffing. The JFA Institute, which is the company hired for offender projections, is estimating an increase in Nevada's prison population. Since I returned to the NDOC, the offender population has increased by more than 250 offenders. The department is running out of space, but it will not be a problem once the new correctional officers are staffing those facilities.

ASSEMBLYMAN O'NEILL:

I am impressed. Of all the institutions, where is the highest vacancy rate, and why is it difficult to fill positions at that location?

MR. DZURENDA:

Ely State Prison has the highest vacancy rate, which was once at 52%, and is now around 46%. However, the offender population at Ely State Prison is currently at half-capacity, so a 46% vacancy rate is manageable. The department's goal is to

increase recruitment for that facility. Finding candidates is not as difficult as finding housing in the Ely area. For example, the warden is retiring, and although there are a lot of applicants from all over the United States who are interested, the problem is housing. There are no places to rent, and while there are some options to purchase, a lot of people coming into the state are afraid of being unable to sell if they had to move.

ASSEMBLYMAN O'NEILL:

Ely State Prison is the state's maximum-security facility, and it is concerning that it is only at half-capacity. My concern is the other serious offenders being placed, and how the department is ensuring officers and offenders in these other facilities are protected.

During my tenure at a large law enforcement agency, there was a major recruitment effort and unfortunately, some people who passed the background check had questionable ethics, which caused some problems.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

During the 82nd (2023) Legislative Session, S.B. 225 was passed, which required attestations from candidates. How is the recruiting agency complying with that bill?

MR. DZURENDA:

The NDOC shared the requirements of S.B. 225 with All-Star, and the department is able to audit All-Star's processes. Outside of the 56-page psychological assessment candidates must complete, the correctional officers who are now involved in the process are also able to detect red flags. The correctional officers that are assisting with the recruiting process notify the department when there are concerns about a potential candidate. It has been beneficial having correctional officers involved in the hiring process.

CHAIR MONROE-MORENO:

For those of you who are attending as alternates today and have not been on the IFC, the Assembly Ways and Means Committee, or the Senate Finance Committee, during the 82nd (2023) Legislative Session, a change was made to Section 7 of the Authorizations Bill that allows departments and agencies that receive a grant to come before this body to request an exemption. In previous years, the NDOC would receive the grant, which is a formula grant, and the state would normally advance funding. The NDOC would return those monies upon receipt of the grant. With the changes to Section 7, the NDOC can come before the Committee and request an exemption.

Within the spirit of those changes to Section 7 of the Authorizations Bill, parts of the department's request are reasonable, because they are in line with its intent. The changes to Section 7 of the Authorization Bill were not meant to be a slush fund. After hearing the testimony from NDOC staff and their family members, and personal experiences of which I am aware, I believe the peer support programming is vitally necessary, not just for the department's staff, but also for the offenders that they work with to ensure healthy employees are working with them. Also, the pilot program is interesting, because almost everyone in the jail and prison facilities will become our neighbors in the communities. It is important for much better humans to come out of those facilities by helping them with substance use disorders and behavioral health care issues. After hearing the testimony today, I believe those two requests are within the spirit of the exemption for Section 7. However, I do not think the \$1.5 million for the Casa Grande Transitional Housing Facility, or the \$675,000 for the special use category for the database case planning qualify for the exemption. I would entertain a motion to approve the \$456,292 for the peer support program, and the \$3.325 million for the pilot program. Thus, the NDOC would need to submit a work program reverting \$2.175 million back to the General Fund.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM L.76 AND AGENDA ITEM O IN THE AMOUNT OF \$456,292 FOR PEER SUPPORT PROGRAMMING AND \$3.325 MILLION FOR A BEHAVIORAL HEALTH PILOT PROGRAM AND REQUIRE THE NEVADA DEPARTMENT OF CORRECTIONS TO SUBMIT A WORK PROGRAM TO REVERT THE REMAINING \$2.175 MILLION IN STATE CRIMINAL ALIEN ASSISTANCE PROGRAM GRANT FUNDS TO THE GENERAL FUND.

SENATOR STONE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

Chair Monroe-Moreno called a recess at 2:24 p.m. The meeting reconvened at 3:20 p.m.

77. Department of Corrections - Prison Industry - FY 2024

Addition of \$255,000 in Miscellaneous Sales Revenue to fund an increase to the Lovelock Correctional Center Garment Factory category and to the Northern Nevada Correctional Center (NNCC) Furniture/Upholstery category due to an increase in production, shipping, and raw material costs. Requires Interim Finance Committee approval since the amount added to the NNCC Furniture/Upholstery category exceeds 20% of the legislatively approved amount for that category.
Work Program #C67218

Refer to motion for approval under Agenda Item L.

- 78. Department of Motor Vehicles - Department Transformation Effort - FY 2024**
Transfer of ~~\$1,733,939~~ **\$1,365,715** from the Master Service Agreement Programmer Charges category to the Required Implementation Costs category, transfer of \$219,285 from the Information Services category to the Required Implementation Costs category, and transfer of \$83,000 from the Training category to the Required Implementation Costs category to support an increase in Slalom's vendor services. Requires Interim Finance Committee approval since the amount transferred to the Required Implementation Costs category exceeds \$350,000.
Work Program #C67336. REVISED 3-29-24.

Agenda Items L.78 and R.13 were discussed jointly.

TONYA LANEY (Director, Department of Motor Vehicles [DMV]):

I would like to thank this body, the GFO, the Office of the Chief Information Officer, my team, and all the DMV vendor partners that have helped reach this point. The DMV is excited to see the public and the DMV staff realize the benefits of the Department Transformation Effort (DTE). I will add that this is barely scratching the surface of what is to come, and I am proud to have been appointed as the DMV Director to continue the amazing work of this team. To be clear, the work program before the Committee today is not requesting additional funding to get through the fiscal year. The purpose of this work program is to augment the required implementation costs category by deaugmenting the master service agreement (MSA) programmer, information services, and training categories to increase the Slalom vendor effort for a large ramp up in services during the last quarter of the fiscal year to meet deadlines of the DTE.

Through questions related to this augmentation, the increased timeline and costs were brought to the forefront as the DMV was simultaneously working through future project planning efforts. The department wanted to be as transparent as possible and address the reasons why there was an increase in scheduling costs. I did not think it would be fair for my staff to shoulder this communication before I had a chance to address this Committee.

Through the department's planning efforts, the DMV has come to the realization that the original estimate of eight years to deliver the bulk of the project initiatives was more accurate. Although challenging department staff and vendor partners to complete this project in four years was well-intentioned, it is apparent that eagerness on all sides is not enough to carry the weight of a project of this magnitude. The DMV does more than register vehicles and issue driver licenses, there are at least 856 transactions that need to be available in the new system.

Since the DMV is an agency that receives Highway Funds, agency leadership opened communications with its partners at the Nevada Department of Transportation (NDOT) to make NDOT aware of the DMV's need to continue its project efforts and the impact on Highway Fund appropriations.

The scale of this effort, and the cost of inflation tied to IT projects in general, is a growing problem. The DMV and NDOT are approaching this as a Highway Fund issue and are working together to find solutions.

MOLLY LENNON (Division Administrator, Research and Project Management, DMV):

This work program will aid in the DTE progress to increase the Slalom implementation vendor services by \$3,384,431 in the remaining portion of FY 2024 as part of a larger ramp up in services. The savings from the aforementioned categories will cover the gap in required funding. These category changes will stay within the FY 2024 overall budget authority and meet timely deadlines with the continued support of already released services. The DTE's planned effort included the department's Motor Vehicle Information Technology Division (MVIT) resources that have been unable to upscale at the rate required to support ongoing implementation, quality assurance (QA), and release management in the near term. The DMV requested MSA contractor support in the 2023-25 Biennium budget build, but the department has been unable to fill some of those positions. The savings from the remaining MSA vacancies in FY 2024 were positions funded through the end of FY 2024. That includes consideration for pending contracts, savings from time spent hiring and onboarding, and four IT Professional 4 vacancies that were not filled. The training savings exists due to the shift of the MVIT resourcing support and implementation for tools like Tableau, Nintex, Salesforce, ABBYY FineReader (ABBYY), etc. The DMV will not purchase any additional tablets in FY 2024 as anticipated, and will continue to pilot with existing equipment, which resulted in additional savings.

Regarding Agenda Item R.13, the period for the previous report was for the fifth semiannual status report for the IFC as required by a letter of intent (LOI) from the 81st (2021) Legislative Session and continued by the 82nd (2023) Legislative Session. The DMV was directed to report the status of the DTE project including progress and updates for activities conducted on a semiannual basis.

I will provide a high-level overview. I would note that everything I discuss was heavily supported by the department's technical team—security, data, and the architecture groups—but I will not go into the technical details in this overview.

The DMV took a revised approach to modernization and contracted with MTG Management Consultants, now Mission Critical Partners, LLC, to conduct an independent baseline assessment and develop a comprehensive road map for the DTE project. The baseline assessment, completed in June 2020, presented an analysis of business process issues, technology needs, and viable options for

modernization improvements for the Combined Automotive Revenue and Registration System (CARRS) legacy solution. The result was an eight-year recommendation that shaped the road map, which was completed in August 2020. This roadmap represents a strategic pathway to completing a comprehensive transformation of the DMV's systems, environment, and business structure. Between July and December 2023, while DMV technical staff focused on the data migration, conversion, translation, and critical path integrations, existing DMV and Slalom workstreams continued to develop Salesforce online application processes for titling, registration, and driver license credentialing product domains.

Some of those highlights include the DMV Dealer Titles Pilot Version 2 (Dealer Titles) release in November 2023, which the department brought to 21 participating locations. The release included improvements such as the use of ABBYY software and UFC, Inc. for automated document recognition. Data extraction will occur in the future along with near real-time notification of title inaccuracies to improve the user experience for staff and dealers. ABBYY software, which will be further built out for upcoming releases in all product domains, including new registration and private party titles, is slated for August 2024 and late 2024. The registration and titles design and development teams completed discovery and design for new registrations and developed new master transaction code required to accept payment in the legacy solution, while the finance and accounting pod completes the finance and accounting transformation. The identity management team enabled authenticated access for department staff and customers in Salesforce for the deployment of Dealer Titles Version 2 and the upcoming New Registration Version 1.

Authentication upon login will further improve the integrity and security of the employee and customer data when they utilize the Salesforce platform, and it will be used across all product domains. The content services platform, Box, was approved and the vendor was onboarded. A project kickoff and series of workshops were completed, and the overall project plan was approved and is currently in full swing.

The finance and accounting group completed scoping, solutioning, and proof of concept for payment enablement as an option for the DMV quarterly release consideration; a proof of concept for future state portal payment design, including use of service fees; automation for journal entry creation for the DMV customer service transactions paid at the time of service; refinement of core fiscal period and year capabilities to improve automated system controls; and updated assessment of accounting capabilities within Drawbridge, which is the purchased software package they are building in.

The integration group completed design and implementation of ABBYY for Dealer Titles Version 2, built and worked on integration testing for Experian and Ventelligence, and built out the Vehicle Inspection Database, which is the current state emission smog inspection database. This group also completed work on the

American Association of Motor Vehicle Administrators (AAMVA) National Motor Vehicle Title Information System (NMVITAS) for title checks, which are required by federal law and help protect against title fraud.

There were 27 new enhancements to the Compliance Enforcement Case Management solution during the reporting period. The most recent QA report for the reporting period was through October 31, 2023, and the project risk was rated at 2.62 on a scale of 1 being low and 5 being high. As stated in the report, that was a low level of risk for a program of this schedule and scope at this point in the project. The risk is expected to ebb and flow; however, the level of risk has decreased since this reporting period.

Organizational change efforts have continued and are a pillar of the program. The DTE organizational change efforts were centered around communications, engagement, training, and sentiment surveys. Channels have been consistently expanded using QA sessions, providing talking points, and support to leadership and staff throughout Nevada, and engagement continued through the change ambassador group. The change ambassador group is upskilling in support of readiness assessments. Training drafts have been created for the department's upcoming releases; train-the-trainers programs have been created and executed for the dealer title release; and follow-up retrospectives. The sentiment survey's metrics for November 2021 compared to September 2023 showed a 7.0% increase in response engagement since the survey inception date.

ASSEMBLYMAN WATTS:

Some of this information is in the backup materials, and some of this information was also provided during the Joint Interim Standing Committee on Growth and Infrastructure meeting. Please elaborate on the factors that contributed to the increased cost and extended implementation timeline for the DTE?

MS. LENNON:

The DTE's original planned four-year effort included MVIT resources, but it was determined that MVIT is unable to upskill at the rate required, nor does it have the skills to support already released solutions including compliance enforcements, case management, the Dealer Titles pilot, ongoing implementations for all products and data, QA testing, and release management and maintenance of the new environments, including access and profiles.

At the end of this quarter, the DMV is looking to add 38 Slalom positions across the aforementioned areas, which is the main contributor to the increased costs in FY 2024 and beyond. The extended implementation timeline is a result in the shift in resource allocation from MVIT to Slalom (implementation and support partners) and the lack of MVIT support during existing releases; the unexpected insertion of the Compliance Enforcement Division case management to early DTE releases

due to an expiring contract; the discovery that integration efforts with AAMVA partners would not allow multiple connection points and gradual releases across major product domains; and the discovery that additional configuration will be required within the finance and accounting modernization effort. The former DMV Director previously stated the initial baseline assessment indicated a modernization the size and scope required for this agency would be an eight-year effort, and the four-year push was aggressive. The new DMV Director has reiterated that point. The original tables provided and the tables to which you are referring are program effort planning tables. These are not final authority numbers that come through in the declining balance.

The LOI tables originally went through FY 2026, as it was an attempt to complete the modernization effort in four years, for a total of \$125,772,619. Currently, the department has projected through FY 2029, showing an increase from FY 2025 through FY 2029, bringing the total cost to \$424,737,519.

ASSEMBLYMAN WATTS:

The project will now take three additional fiscal years with an increase of 237% in the projected cost. There are a range of technical issues that led to realizing this delay which resulted in the project being significantly behind schedule and over budget. When did the department become aware of these major issues?

MS. LENNON:

Many of these issues were cited in previous LOI reports from the beginning of the project. Early on, there were data migration efforts, an attempt at incremental releases, due to issues related to AAMVA. The original plan included the MVIT team, which would be ramping up involvement as a part of the project effort. The biggest impact on cost is the need to outsource the development for delivery, QA, and release management for all release efforts until MVIT's maturity comes up in the technical realm for all cloud platforms and is able to catch everything the department is releasing on the technical side. That is the main component. There are a few tools that are still being assessed, but it is a very small dollar amount in comparison with outsourcing technical development and support.

ASSEMBLYMAN WATTS:

If these issues have been known and recorded previously, would they have been known for longer than the last month?

MS. LENNON:

The decision regarding the MVIT team was made within the last few months after it became clear that there was not a way to upskill quickly enough. Those decisions were being made right around the time the last reporting period ended. The

leadership team spent time in summits to ensure this was the right decision for the program and staff. The department's IT staff would just not have the bandwidth to maintain the current legacy solution and upskill to support the project.

ASSEMBLYMAN WATTS:

This is surprising, because the department made a presentation to the Joint Interim Standing Committee on Growth and Infrastructure on March 13, 2024, and said, "DTE is a multi-year project with an identified 800-plus products and features as well as 90-plus integrations being moved online and prepared for cloud mobilization. Currently, we are on track and within approved budget." Now, the department is reporting to the IFC that this project is extremely behind the schedule that was presented during the 82nd (2023) Legislative Session, even though there were concerns and conversations about the aggressive timeline. To learn that the DMV is three fiscal years behind the originally proposed timeline, and about \$300.0 million over budget is surprising. More so, because some of these factors have been known, to some extent, for several months. Please elaborate on why these issues were not presented earlier.

MS. LANEY:

I would note that the DMV is not behind schedule. The misunderstanding is that the department intended that its staff would be able to continue development by upskilling their technical knowledge to carry the project through to the functionality being built out until 2029. What was discovered in the timeline between the March 2024 testimony and today, is that the technical team, which was actively trying to upskill at the time of the March 2024 testimony, could not do so and simultaneously support the existing infrastructure. The project timeline is in essence still the same; however, the resources needed to continue in the current environment while catching the transactions being built through the end of the project have changed.

ASSEMBLYMAN WATTS:

This project was originally going to be rolled out in incremental releases, now it appears to be a unified release. To communicate these issues effectively with constituents, who are customers of the DMV, and as legislators looking at the budgetary implications, we need to be able to understand the issues. What functionalities are going to be available at the end of FY 2026, and what will not be available until the end of FY 2029?

MS. LANEY:

Incremental releases have already begun. There is now an online written testing program, so any individual can now take a written test from home. A new appointment system was rolled out in Reno and Fallon and is being rolled out in

the Las Vegas offices today and is expected to be complete by April 18, 2024. There is also the Dealer Titles pilot program, which involves working with the Nevada Franchise Auto Dealers Association to submit dealer titles electronically.

When referencing incremental versus unified release, the intention was to roll out incrementally as often as every six to eight weeks in sprints using an agile system. Some of the components are going to take longer to build, so it is not truly incremental as originally planned, but there are still incremental releases where possible. The next big rollout will be in summer 2024, to offer non-commercial driver licensing in partnership with drive schools. Technology-wise, the DMV will be accepting documentation through an online portal for certain registration and permit transactions. From there, some other incremental releases are scheduled, but they are not on a timeline that was originally anticipated.

ASSEMBLYMAN WATTS:

What are some of the major elements that were expected earlier, which are going to be some of the last to be rolled out?

MS. LENNON:

The rollouts have not changed. New registration, vehicle, and private party titles were the first incremental release requests based on the level of use by the public. The new registration online application goes live in August 2024, and by the end of 2024, constituents will be able to submit for private party titles online. At the end of 2026, the department is hoping to have all vehicle products and features completed. When referring to a unified release, domains are managed in large groups, because of the way the current legacy solution is set up. Therefore, although products are developing incrementally, the department is unable to provide the full online application end-to-end until a unified group of vehicle transactions is released, because it will disrupt the existing legacy solution. Vehicle programs and credentialing programs must go live end-to-end at the same time. The original effort took the DMV through the end of the contract period, which was September 2026, and through the first incremental release of credentialing, which is still effectively what is slated on the timeline. The difference is needing to outsource development, QA, and release management and delivery instead of using in-house staff.

ASSEMBLYMAN WATTS:

I appreciate the clarity. It is concerning to keep hearing presentations from the department both during the legislative sessions and interims about the difficulties in implementing various pieces of policy due to the technological limitations of the legacy system. It sounded as though it might take another one or two legislative sessions before certain policies could be advanced, because of those limitations. However, some of the most heavily used items still seem to be on track. The major issue driving cost is staffing constraints and the contracting that must be brought on board as a result.

With a \$299.0 million projected increase in costs for the DTE, would the agency be able to stay within the temporarily increased Highway Fund administrative cap of 27.0% through June 2026, and the 22.0% cap thereafter?

MS. LANEY:

The cap was raised to 27.0% because that was needed to support the additional costs for the project to move forward. Because the costs of the project are increasing through FY 2029, the department will be asking for an increase in the percentage to get through the end of the project in 2029. As far as being able to stay underneath the 27.0% cap, staff is actively working through those numbers, while being sensitive to the fact that it is not a guarantee that the cap will be raised from 22.0% to 27.0% or that anything above that can be accomplished. The department aims to have a better idea of those numbers by the 83rd (2025) Legislative Session.

ASSEMBLYMAN WATTS:

Please keep the Committee updated on the situation because this is a dramatic increase. I understand the DMV has been working diligently on this project. I hate to belabor the point, but this has been a very difficult issue and there have been a lot of setbacks on this project, with repeated cost increases, and this has not only impacted the customer experience at the DMV, but it has also affected any forward-thinking policy initiatives at the Legislature. I am concerned how the state will be able to absorb these costs and deal with other issues related to funding other transportation needs.

CHAIR MONROE-MORENO:

If the DMV needs to outsource work that current staff is not capable of performing, what is the department doing with that staff?

MS. LANEY:

Those staff are supporting the department's legacy operations. While the DMV is migrating to the new system, there are ongoing simultaneous ongoing operations. The majority of MVIT staff are still supporting the legacy operations. Where possible, that staff will continue to upskill to catch in the future environment.

MS. LENNON:

One of the program deliverables is a full transition plan. The department's IT Administrator has been working on a transition plan to effectively measure the MVIT's maturity level, and once implementations ramp up and alleviate stress on the legacy system, the MVIT staff will move into the new platforms. Although there is no set timeline for this transition, the MVIT staff will need a couple of years with the new platform to be secure in that maturity level, but that is the plan moving forward. The current projections assume that staff will not reach maturity level by 2029, because the department is basing its planning efforts on the worst-case scenario. The transition plan is currently a priority, and the department is working closely with the IT Administrator to ensure the maturity rate is tracked.

CHAIR MONROE-MORENO:

In my time in the Legislature, there have been some significant expenses on projects, oftentimes, involving the DMV or the Office of the Chief Information Officer. These departments seem to be consuming a lot of the state budget. Will the timeline and the dollar amounts be changing between now and the 83rd (2025) Legislative Session? Has the department considered any additional resources in the short-term to help with the project costs?

MS. LANEY:

Although the exact dollar amount is not guaranteed, having met with the vendor partners and staff, and knowing exactly what the current infrastructure looks like and what needs to be accomplished, the DMV thinks the amount is close. The department has warned its vendor partners and staff that DMV was coming back to the Committee for additional funding with this expanded timeline, and the program needs to be successful. At the same time, leadership has been transparent with staff that this project needs to be done correctly, not quickly.

I am confident that the DMV has the correct team members and vendor partners to complete this project. There have already been successful rollouts. It is no secret to this Committee or other agencies that the DMV has already had a failed project; however, this project is not failing. There has already been proof of its success. Constituents are already seeing benefits, for example, wait times have decreased from a six-to-seven week waiting period for appointments in the metro offices to a seven-to-eight day waiting period in Northern Nevada offices,

and Southern Nevada is closely tracking behind Northern Nevada. Additional services have been rolled out online which have never been offered by the DMV. The department has received far more compliments from customers regarding the efficiency and timeliness of turnaround times than in the past.

I appreciate your comments and concern, and the department shares those concerns. The DMV was very transparent in stating that the four-year timeline was very aggressive, and that was extremely accurate. The original estimate of eight years is also the new estimate.

The department is focused on getting the project done correctly, not quickly. It is important to roll out a system to constituents that is not frustrating, confusing, or costly. If it is wrong, then it would need to be redone; therefore, the agency is being very thoughtful in its approach to ensure the project is done correctly.

CHAIR MONROE-MORENO:

I appreciate that. You said the department has been very forthcoming and honest with staff; I would like to be forthcoming and honest with the DMV. The state does not have endless money to invest in failed projects. There are too many other needs of constituents to continue investing money into a project that is not successful. If the DMV determines that the project is not going well, the Committee must be informed immediately. The comments made by the department on March 13, 2024, are drastically different than what is being presented to the Committee today. Constituents have other needs that require funding, such as the needs of seniors, foster children, or the homeless. Roadways also need to be repaired, which comes out of the Highway Fund being used for this project.

ASSEMBLYWOMAN BACKUS:

The current contract ends December 2026, which reflects what is in the projected expenditure from the 82nd (2023) Legislative Session. Is there a request for proposal or a contract for the newly estimated cost of \$424.0 million?

MS. LANEY:

The contract is an extension of a relationship under the existing contract for the IT resources that are already on the project to continue the technical builds that are needed for the remainder of the project.

ASSEMBLYWOMAN BACKUS:

With respect to the contract that would have concluded this project in December 2026, were there expectations set forth of the contractor to get this project completed within budget by December 2026?

ROBERT KAELIN (Senior Advisor, DTE Project, DMV, and Vice President of Public Safety, Mission Critical Partners, LLC):

The current contract with Slalom is for IT efforts, it is not for specific deliverables. The contract was structured that way because there were a lot of unknowns when initially starting the project. The additional efforts that will go on from FY 2026 through to FY 2029 reflect continuing work from that group, plus the augmentation to cover work the MVIT staff was expected to pick up.

ASSEMBLYWOMAN BACKUS:

Even though there is a cost savings in FY 2024, it looks like the DMV is going to have a shortfall of around \$18.7 million in FY 2025. Does the department have a source of funding to address that shortfall?

MS. LENNON:

The department is researching other sources of funding, including ARPA funds.

CHAIR MONROE-MORENO:

Now that the department has more knowledge, will there be a new contract, rather than just an extension, that includes deliverables and target dates to make sure the project is completed by 2029?

MR. KAELIN:

The contract itself has deliverables that outline how the project will be structured, but the department is using an agile methodology, so deliverables are built out quarterly, which allows flexibility to respond to the project development efforts as well as legislative and customer requests. The extension of the contract will be for staffing to help the DMV build the solutions.

CHAIR MONROE-MORENO:

How will the contractor be held accountable to complete this project by 2029?

MR. KAELIN:

The quick answer is the project management team is tracking all the completion. The reason the team is aware there are 856 products that will be delivered is because it has all been documented and the work effort is now known, including more than 80 integrations, and data and financial work. The percentage complete down to the product level is being tracked. The DMV staff and business experts are working with the vendor to build out those products. The project plan identified all the 856 products to be completed by FY 2029, which is how that timeframe was determined.

SENATOR DONDERO-LOOP:

Please provide the Committee with a detailed timeline, and report back at regular intervals, to demonstrate these deliverables are adhering to the timeline.

MS. LANEY:

The department provides an LOI to this Committee already, so the DMV will also add the timeline and note the dates of releases.

SENATOR DONDERO-LOOP:

It is important that the vendor is following through on the timeline.

Refer to motion under Agenda Item L.91.

79. Department of Public Safety - Nevada Highway Patrol Division - FY 2024

Addition of \$200,000 in Community Oriented Policing Services (COPS) federal grant funds transferred from the Office of Criminal Justice Assistance, Public Safety - Justice Grant account to fund a mental health and wellness program for Department of Public Safety employees. Requires Interim Finance Committee approval since the amount added to the COPS Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67301**

Refer to motion for approval under Agenda Item L.

80. Department of Public Safety - Office of Traffic Safety - FY 2024

Addition of \$1,105,133 in federal Traffic Safety Grant funds to support state and community highway safety programs. Requires Interim Finance Committee approval since the amount added to the Community Services category exceeds \$350,000. **Work Program #C66935**

Refer to motion for approval under Agenda Item L.

- 81. Department of Public Safety - Office of Traffic Safety - FY 2024**
Addition of \$575,000 in federal National Highway Traffic Safety Administration grant funds to support data collection and analysis efforts. Requires Interim Finance Committee approval since the amount added to the Racial Profiling 1906 category exceeds \$350,000. **Work Program #C67383**

Refer to motion for approval under Agenda Item L.

- 82. State Department of Conservation and Natural Resources - Division of State Parks - FY 2024**
Transfer of \$27,646 from the Land and Water Administration category to the Personnel category to fund a new position to oversee the Land and Water Conservation Fund grant. Requires Interim Finance Committee approval since the amount transferred from the Land and Water Administration category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67378**

Refer to motion for approval under Agenda Item L.

- 83. State Department of Conservation and Natural Resources - Division of Forestry - Administration - FY 2024**
Addition of \$320,000 in federal United States Department of Agriculture, Forest Service Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL) grant funds to support the addition of one new greenhouse facility. Requires Interim Finance Committee approval since the amount added to the IIJA/BIL Washoe Nursery category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67346**

Refer to motion for approval under Agenda Item L.

- 84. State Department of Conservation and Natural Resources - Division of Forestry - Fire Suppression - FY 2024**
Transfer of \$136,330 from the Reserve category to the Personnel category, \$1,341,170 from the Reserve category to the Fire Suppression Costs category, and \$54,152 from the Reserve category to the Transfer to Incident Business Unit in Budget Account 4195 category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Fire Suppression category exceeds \$350,000. **RELATES TO ITEM G.4a(2). Work Program #C65437**

Agenda Items G.4a(1), G.4a(2), and L.84 were discussed jointly.

KACEY KC (Nevada State Forester/Firewarden, Division of Forestry [NDF], DCNR):

Agenda Item G.4a(1) is a request for an allocation of \$114,156 to fund an increase in maintenance, communications, and utility expenditures. Agenda Item G.4a(2)

is an allocation of \$6,404,612 to pay past and present fire bills and is related to Work Program #C65437, which is Agenda Item L.84, a movement of authority into the categories with shortfalls in the division's emergency response account.

ASSEMBLYMAN WATTS:

In looking through the backup documentation, it appears some funding was placed in reserve, which was not contemplated during the 82nd (2023) Legislative Session. Under this item, that reserve will be eliminated. Also, during the legislative session, the idea of returning unused funding to the General Fund was discussed, and this proposal includes balancing forward unused funding into subsequent fiscal years.

Please confirm that any remaining revenues will revert to the General Fund at the end of each fiscal year as presented in the closing document presented to the money committees when approving the transfer of revenues and expenditures from the Wildland Fire Protection Program (WFPP) budget to the Fire Suppression budget.

Ms. KC:

Yes, General Funds would be reverted as they are almost every year. The division anticipated carrying forward any county funds that remained available. The Reserve category was created in the first year, because the division brought more county funds in a Reserve category in Budget Account 4194 when it was closed during the 82nd (2023) Legislative Session. No General Funds were carried forward.

The division always carries forward \$1.0 million in reserve in this budget account because the agency is required to pay for positions within the Incident Billing Unit. The NDF carries forward that reserve every year to ensure the positions are funded in the first quarter in the absence of WFPP receipts or General Funds. The additional \$2.7 million that was carried forward this year, making the total reserve approximately \$3.7 million, allowed the division to delay its request for IFC Contingency Account funds for wildfire suppression.

ASSEMBLYMAN WATTS:

It is a constant work in progress to streamline some of these accounts and processes, while limiting the impact on the Contingency Account and while understanding that the expenditures, reimbursements, and reimbursement timelines vary. I look forward to continuing to evaluate the impact of some of these recent changes, and what improvements to budgeting would limit some of the back and forth during the interim. Is there any information the agency can provide regarding potential or forthcoming reimbursements to the state?

Ms. KC:

The division has a lot of potential reimbursements going out—about \$8.0 million in bills are being pushed through. Some of those may be paid in this fiscal year, but many agencies do not pay quickly, which is a challenging aspect with this budget account. Bills are pushed out to be paid all the time, but agencies pay whenever they have the ability to do so. If it is an out-of-state, off-district assignment, and it is not caught up in a cost-share fire, those are simple, and the division is paid quickly.

I also wanted to note that the division is appreciative of the changes that were made during the 82nd (2023) Legislative Session. The division also appreciates the support in how the agency fully funds this budget account, which helps to avoid more frequent requests for Contingency Account funds.

ASSEMBLYWOMAN BACKUS:

What are the consequences of not paying some of these bills immediately?

Ms. KC:

The division regularly sits on a lot of bills. Some bills from last year were pushed forward to this year, which partly led to the deficit in FY 2024. The division tries to pay local cooperators and vendors first, because they are the entities that are least able to carry debt forward, then state agencies, followed by federal agencies. The division must pay its bills before it can be reimbursed, pushing bills forward delays reimbursement to the division. The consequences are already apparent, because a notice was sent out informing local fire districts and constituents that payments could not be made until there were funds in the budget account. That is one of the consequences of this budget account not having the funding; the fire districts are sitting on a large amount of debt owed to them by the state, and they just cannot carry that debt forward. The department is in a constant shuffle on the bills side to ensure that the right bills are pushed forward, and the right agencies are being paid.

ASSEMBLYWOMAN BACKUS:

When this budget was discussed during the 82nd (2023) Legislative Session, how did the agency account for these outstanding bills?

Ms. KC:

It is a constant shuffle. Bills are pushed forward because there is not enough money to pay them all. The division always comes forth with its best estimate, using a five-year average of expenditures and actual bills on hand. Although the division maintains good estimates of costs and expenditures, sometimes there is not enough money—either in the emergency supplemental or the IFC Contingency Account—and not all the bills can be paid to get reimbursed in a timely manner.

The outstanding bills were included in a supplemental appropriation request during the 82nd (2023) Legislative Session; however, the supplemental appropriation came in very late in the legislative session, which did not allow enough time to pay all the bills before the budget was closed. I believe that is why those outstanding bills were pushed forward.

ASSEMBLYWOMAN BACKUS:

To clarify, the bills need to be paid before the division is reimbursed, correct?

Ms. KC:

Yes. This is a fully reimbursable program; everything is paid upfront and then gets reimbursed.

SENATOR TITUS:

This is money already spent and obligated, that the state now owes, correct?

Ms. KC:

Yes, most of this request reflects bills that are owed. There will be costs incurred by fires that are occurring now. There was a state fire two days ago, so the division owned all the costs on that fire. There are some projections included in the request that are based on the average of what the division usually spends in those particular months.

SENATOR TITUS:

You mentioned that the budget is formulated based on a five-year average, because there are wet years, dry years, high fire years, and low fire years. It seems like the budget is always off a little. If the budget is based on a five-year average, why is there not a larger reserve than in years with a higher number of fires? It is concerning that even using a five-year average, there always seems to be a budget shortfall.

Ms. KC:

Yes, it is very complicated. The authority is based on a five-year average. The division's average five-year expenditures are \$17.0 million; however, the five-year average reimbursement is not included, which causes an immediate cash deficit at the start of the fiscal year. Approximately \$2.5 million comes from the General Fund, and around \$2.0 million is from the WFPP county funds for a total of \$4.5 million to start the fiscal year. The WFPP partners pay quarterly, so those funds are not received immediately, which causes the deficit.

CHAIR MONROE-MORENO:

The division is requesting \$1.5 million for a reserve reduction to help with the current bills, and an additional \$6.4 million allocation from the IFC Contingency Account. Are those funds just for current outstanding bills that are owed, or is that for bills and projected bills?

Ms. KC:

The division has more than that amount in bills. The request reflects the bills on hand as well as projected bills when the work program was submitted. There are about an additional \$1.0 million in bills that have been received. By the time the division receives the funding, the funds will be used for bills that have been received as well as incoming bills. This is the constant shuffle that happens without having upfront cash in the account. When the division submits a request to the Committee, it provides a spreadsheet with a list of bills to be paid; however, some of those bills are pushed to the next fiscal year due to emergencies that require immediate payment.

CHAIR MONROE-MORENO:

The state fights fires regardless of the location of the fire. The state owes money to federal and state agencies, and those same agencies owe money to Nevada. How much money is owed to the state from other entities, and how old are those debts?

Ms. KC:

The best estimate is that approximately \$8.0 million is owed to the state from a conglomeration of many entities: the Bureau of Land Management, the U.S. Forest Service, the Bureau of Indian Affairs, the State of California, the State of Wisconsin, and others. Many of those debts are from FY 2024, although some were carried forward from FY 2023. Some entities pay quicker than others. Agencies such as the U.S. Forest Service and state agencies usually pay quickly if they have enough money available. The federal government is a little slower to pay bills; there is one national processing center for billing in Albuquerque,

New Mexico. Every bill for every fire as well as bills for all other emergencies goes through that payment center, which puts the division in a national queue for payment.

SENATOR GOICOECHEA:

Are any of these bills older than one year? How many of the bills of the \$8.0 million are uncollectable?

Ms. KC:

I do not have that information available, but I will provide it to the Committee. Not many of the bills are over a year old; the bulk of them are from this year.

SENATOR GOICOECHEA:

I am concerned about this year's fire season, because central Nevada did not receive enough snowfall in 2024 to mash the forage down.

SENATOR DONDERO LOOP:

If the Committee does not approve all the funding, does the division have a prioritized list?

Ms. KC:

The division pays contractors first. When a fire occurs in the state, and if it starts on state or private land, the division owns the emergency contract costs for everybody—the showers, kitchens, and the Incident Command Post. Secondly, the division pays local governments, which includes all the fire protection districts in the state. The third priority is state agencies in and outside of the state, and finally, the federal government.

It also matters which bills are finally adjudicated. These bills come with large itemizations showing personnel costs, equipment costs, etc. The division looks at anything past 90 days due and has developed a matrix to prioritize paying these bills as quickly as possible. However, sometimes the division pays whichever bills can be paid using the money available in the account; therefore, a bill might be removed from the priority matrix based on the funds available. Since being granted override ability, the division can pay up to its authority, so sometimes the budget account is run into the negative on cash.

ASSEMBLYMAN YEAGER:

This request is essentially outlaying money so that the state can be reimbursed.

ASSEMBLYMAN YEAGER MOVED TO APPROVE AGENDA ITEMS G.4a(2) AND L.84 AND REQUIRE THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, DIVISION OF FORESTRY TO REPLENISH THE IFC CONTINGENCY ACCOUNT AND RESERVE CATEGORY WHEN REIMBURSEMENTS ARE RECEIVED.

SENATOR CANNIZZARO SECONDED THE MOTION.

SENATOR GOICOECHEA:

If there is a bad fire year, but the reimbursements are returned to the IFC Contingency Account, fires bills will still need to be paid, and the division may not have the money to pay those bills.

CHAIR MONROE-MORENO:

If the money is in the IFC Contingency Account, the division can always come back before the Committee. Those funds would be available for the next emergency, which is the purpose of the IFC Contingency Account.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM G.4a(1).

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

85. State Department of Conservation and Natural Resources - Division of Forestry - Nurseries - FY 2024

Transfer \$64,980 from the Reserve category to the Seed Bank category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Seed Bank category exceeds 20% of the legislatively approved amount for that category.
Work Program #C67362

Refer to motion for approval under Agenda Item L.

86. State Department of Conservation and Natural Resources - Division of Environmental Protection - Safe Drinking Water Program - FY 2024

Addition of \$267,102 in federal Nevada National Security Site grant funds, deletion of \$158,434 in Laboratory Charge funds, and deletion of \$52,812 in Transfer from Environmental Protection funds to continue programmatic and regulatory oversight, monitoring, and analysis. Requires Interim Finance Committee approval since the amount added to the Operating category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66742**

Refer to motion for approval under Agenda Item L.

87. Department of Wildlife - Fisheries Management - FY 2024

Addition of \$202,415 in Trout Stamp funds transferred from the Wildlife Fund account to fund maintenance and operations at hatchery facilities. Requires Interim Finance Committee approval since the amount added to the Hatchery Refurbishment category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67429**

Refer to motion for approval under Agenda Item L.

88. Department of Transportation - Bond Construction - FY 2025

Addition of \$150,000,000 in Proceeds from Sale of Bonds, \$50,000,000 in Proceeds from Sale of Environmental Protection Agency Bonds, and \$2,000,000 in Treasurer's Interest Distribution to fund the completion of various roadway projects. Requires Interim Finance Committee approval since the amount added to the Bond Issue category exceeds \$350,000. **Work Program #C67261**

Agenda Items L.88 and L.91 were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.91.

89. Department of Transportation - Transportation Administration - FY 2024

Addition of \$882,161 in Sale of Oil and Gas funds to cover the increased costs associated with gas and oil provided to state and county agencies at Nevada Department of Transportation fueling stations located throughout the state. Requires Interim Finance Committee approval since the amount added to the Sale of Gas and Oil category exceeds \$350,000. **Work Program #C67390**

Refer to motion for approval under Agenda Item L.

- 90. Department of Transportation - Transportation Administration - FY 2024**
Addition of \$9,296,026 in federal Highway Administration grant funds to administer the Federal Transit Administration grant programs. Requires Interim Finance Committee approval since the amount added to the Admin Consultant/Other Federal Programs category exceeds \$350,000. **Work Program #C67408**

Refer to motion for approval under Agenda Item L.

- 91. Department of Transportation - Transportation Administration - FY 2024**
Addition of \$30,000,000 in federal Highway Administration grant funds and \$120,000,000 in State Highway Fund Authorizations to fund Capital Outlay for approved road construction and maintenance projects throughout the state. Requires Interim Finance Committee approval since the amount added to the Land and Building Improvements category exceeds \$350,000. **Work Program #C67473**

Agenda Items L.88 and L.91 were discussed jointly.

TRACY LARKIN THOMASON (Director, Nevada Department of Transportation [NDOT]):

NDOT is here to answer any questions this Committee may have on the two requested work programs: Work Program #C67261 in the amount of \$200.0 million—\$150.0 million in fuel revenue indexing (FRI) bonds and \$50.0 million in Clark County fuel revenue indexing bonds; and Work Program #C67473 in the amount of \$150.0 million to fund the Capital Outlay program—\$30.0 million in federal aid and \$120.0 million in Highway Funds.

SENATOR HARRIS:

Please discuss what factors contributed to the estimated cost for the Henderson Interchange project to increase by \$184.8 million compared to the estimate provided during the 82nd (2023) Legislative Session.

MS. LARKIN THOMASON:

A big portion of what has been happening, not just with the Henderson Bowl, but with projects in general, is there has been a dramatic increase in construction costs, primarily with asphalt, concrete, and steel. The department has been seeing an average of 23.6% inflation across the board, and this is across the nation. In the past year, the department has delivered 55 projects with an average of 28.0% above the estimates from last year. NDOT has adjusted its estimates across the board, but an additional \$153.0 million has been spent on projects this year than was anticipated last year. There was no additional scope added to the Henderson Bowl, it is strictly looking at prices.

SENATOR HARRIS:

To clarify, this \$184.8 million increase is due to the increase in the estimated cost of supplies that has changed between the beginning of the 82nd (2023) Legislative Session and now?

MS. LARKIN THOMASON:

Yes, the Henderson Bowl specifically is an alternate delivery design build. NDOT does not have the final estimates, which is why a range is shown. Those final estimates should be in by the end of May and the request for proposal submittals are due the beginning of next month.

SENATOR HARRIS:

How would the Henderson Interchange project be funded if the \$150.0 million from the 2024 bond authority is repurposed to the I-80 USA Parkway project?

MS. LARKIN THOMASON:

The project is slated to begin in FY 2025. When bonds go out, there are timelines to be expended and NDOT strives to have the bond funds available when needed, but also not to make interest payments earlier than necessary. The department has chosen to use projects that are underway to ensure the bonds are expended within the timeframe. The state bond is \$100.0 million, and it will be used on the U.S. 395/North Valleys, currently \$96.0 million of the state bond, and the preliminary engineering portion of the Henderson Interchange project is using \$4.0 million. The Tropicana project is currently using \$50.0 million from the FRI bond. Overall, it has more to do with timelines of the activities of each project.

SENATOR HARRIS:

The focus of the question is how NDOT would fund the Henderson Interchange project if the \$150.0 million bonding authority was repurposed to the USA Parkway project?

FELICIA DENNEY (Assistant Director, Administration, NDOT):

The \$150 million of bonds that the department sold for 2024 are already obligated into those projects that Director Larkin mentioned. If NDOT were to attempt to pull the funding out of those projects, the department would not be able to complete them without filling that hole. That scenario would not work in this instance.

CHAIR MONROE-MORENO:

It is my understanding that much of the increased cost is due to inflation. Are you saying the estimated inflation rate has gone up by approximately 20.0% since the end of the 82nd (2023) Legislative Session when this was discussed?

MS. LARKIN THOMASON:

Due to inflation, the prices in the past year have increased approximately 30.0% on the original estimate. The department establishes an estimate when looking at the project. As the project nears the point of going out to bid, NDOT reviews the estimate again to make sure it is current and then the project goes out to bid. The bids are coming in 30.0% more. The department's estimates have been raised but they are costing NDOT on average 28.0% more over the past year. This is a national trend. NDOT can show documents across the country, but particularly the construction industry is experiencing one of the sharpest rises.

CHAIR MONROE-MORENO:

That documentation would be beneficial for this Committee.

MS. LARKIN THOMASON:

Absolutely.

SENATOR HARRIS:

Please provide the Committee an update on the Henderson Interchange project and the Flamingo retaining and sound wall reconstruction, including when construction for these projects would start and the anticipated completion dates of the projects.

NICK JOHNSON (Engineer, NDOT):

The Henderson Interchange project is a design build project. The department is in the procurement process and should be receiving proposals at the end of this month. The proposals will be reviewed over the next month and then the department will go before the Transportation Board this summer for award of that project. Considering that timeline, construction can be expected towards the latter part of the year or early next year. It is roughly a three-to-four-year construction window and completion can be anticipated in mid-2028 to early 2029.

Regarding the Flamingo walls project, that is on the I-515 or I-11 and is north of where the Flamingo Interchange currently resides. There is a section on the northbound part of the freeway where the retaining walls holding up the freeway need to be replaced. That project is focused on replacing those walls. A lot of

work is required to tear down a portion of the northbound freeway, replace all the walls, rebuild the walls, add pavement and sound walls, etc. NDOT is almost complete with the design work and anticipates putting it out for bids this fall or winter. The department anticipates construction to start next year and will take approximately two years with completion in early to mid-2027.

CHAIR MONROE-MORENO:

I would like to discuss Agenda Item L.91 next and then go back and take a vote on all three items. Does the department have a presentation for Agenda Item L.91?

MS. DENNEY:

This work program is requested to cover the ongoing projects for the remainder of the federal fiscal year and to allow the department to collect federal reimbursement on those projects.

CHAIR MONROE-MORENO:

These three work programs will have an impact on the Highway Fund, and looking toward the future, may have a devastating impact on the Highway Fund. What are the ramifications of having an unrestricted Highway Fund balance below the recommended one month operating and one and one-half months capital construction expenditures for FY 2024 if this Committee were to approve the requests?

MS. LARKIN THOMASON:

The department does not like being under the fund target balance. The department is currently at \$141.0 million and would prefer to be at \$180.0 million. Over the last few months, the department has been slowing down the program and looking at what is absolutely needed to run the program. There are a number of large projects that are in the procurement phase and moving forward. NDOT is looking at what can be done to reduce part of the program going out due to deferring multiple projects. The department is continually looking at what is needed to keep things running, such as replacing fuel pumps around the state, that is necessary for everyday operations. The department has preservations and is completing the balance of preservations on projects and some capital improvement projects.

CHAIR MONROE-MORENO:

One of the reasons I wanted to hear these items together is because I believe it is going to have a future impact on the Highway Fund. Does the projected unrestricted balance of the Highway Fund include the additional \$299.0 million increase in the cost for the DMV system transformation effort that was discussed earlier with Agenda Item R.13?

MS. LARKIN THOMASON:

No, they do not. NDOT just learned about the \$300.0 million earlier this week and I am still working out how to absorb it. The department was looking at being under the target and slowing down with the intent to break even and feeling confident that NDOT would break even in the next fiscal year. I recognize that extending the 27.0% cap will have an impact, which is approximately \$20.0 million per year. Being pragmatic and in talking with Ms. Laney, we are putting everything on the table as far as worst-case scenarios, including the cost of the upgrades. We are trying to determine if there are still sufficient funds for DMV's day-to-day operations. The combination is an impact. Recognizing that I am not going to hit the same amount—I am hoping to be back on target in 2026.

I have been going over this for two days, and those are rough numbers. The departments have not really explored the full impacts, but we are considering whether there are projects that can be deferred or extending the design over a couple seasons to manage cash flow. We are considering all options.

CHAIR MONROE-MORENO:

I appreciate your honesty, because a \$300.0 million hit is significant. If this Committee were to approve these work programs today, it will not have a negative impact on the state today, but it could have a serious negative impact in the future. Do you see a major issue for NDOT and the DMV by the Committee approving all of these items today?

MS. LARKIN THOMASON:

Long term, I do see a major problem and that is outside of the \$300.0 million. The fuel revenue collection has not increased in 30 years and has been stagnant and level. Prices are increasing; everyone saw prices rise during the COVID-19 pandemic, and revenue is not increasing. NDOT and the DMV are closely tied. Both departments and their collections are intertwined. Both department's services are necessary to the state. Transportation is a foundational thing that supports most other sectors. Transportation is needed for economic development, schooling, supply chains, etc. Also, the services that the DMV provides are vital to the state. The department is reaching a critical state of how to fund projects going forward.

CHAIR MONROE- MORENO:

I agree, this has been a conversation every session that I have been in this body. It is time to have serious conversations of how to change the mindset and methodology of how the state funds the highways. I would ask that the department participate in those discussions and reports to the Committee the increases that are being seen. As cars become more efficient, they use less gas. Individuals do not go to the gas pump as often and those fuel tax dollars are not being captured. Many individuals are not paying for the usage of the highways due to more cleaner energy vehicles. I would love for the department to come back with reports on how to address that moving forward.

ASSEMBLYMAN O'NEILL:

This is more of a statement from my prior experience with IT. For NDOT and the DMV, the longer this is stretched out, the costs will continue to increase, and it will be compounded into more expensive operations. With the approvals today, is there a way to lock in the pricing? I am concerned about delaying this again for both projects and that it will ultimately cost more. These are major operations, and I do not see an alternative.

ASSEMBLYWOMAN BACKUS:

To clarify, the Committee is looking at Agenda Item L.78, which is the request to transfer approximately \$1.7 million to the required implementation cost expenditure category to support an increase in vendor services. The dollars that are being considered are looking forward after the contract expires in December 2026 is not before the Committee now. That is something, as I understood, the DMV is going to be doing. It is hard work to find funding to cover that shortfall that the department would be facing in FY 2025 before returning to the Legislature.

MOLLY LENNON (Administrator, Division of Research and Project Management [RPM], DMV):

That is correct.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEMS L.78, L.88, AND L.91.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

92. Office of the Military - FY 2024

Addition of \$965,632 in federal Department of Defense grant funds to continue support of activities and functions in the Army Security Programs. Requires Interim Finance Committee approval since the amount added to the Army Security category exceeds \$350,000. **Work Program #C67469**

Refer to motion for approval under Agenda Item L.

93. Office of the Military - FY 2024

Addition of \$7,342,019 in federal Department of Defense grant funds to support activities and functions in the Army Facilities Programs. Requires Interim Finance Committee approval since the amount added to the Army Facilities category exceeds \$350,000. **Work Program #C67470**

Refer to motion for approval under Agenda Item L.

94. Office of the Military - Division of Emergency Management - FY 2024

Addition of \$932,488 in federal Homeland Security Grant Program grant funds to continue program goals associated with the Citizen Corps, Tribal Citizens Corps, Resilience Strategy, and Recovery Plan Programs. Requires Interim Finance Committee approval since the amount added to the State Homeland Security Program category exceeds \$350,000. **Work Program #C66700**

Refer to motion for approval under Agenda Item L.

95. Department of Veterans Services - Southern Nevada Veterans Home Account - FY 2024

Transfer of \$115,726 from the Reserve category to the Operating category to cover a projected shortfall for the remainder of the fiscal year due to unanticipated increases in operating costs. Requires Interim Finance Committee approval since the cumulative amount transferred to the Operating category exceeds \$350,000. **Work Program #C67580**

Refer to motion for approval under Agenda Item L.

96. Department of Indigent Defense Services - FY 2024

Addition of \$465,647 of Employment Security grant funds transferred from the Department of Employment, Training and Rehabilitation (DETR), Employment Security Division to fund a training program to educate law students in indigent defense service. Requires Interim Finance Committee approval since the amount added to the DETR Law Student Supervision Operation Grant category exceeds \$350,000. **Work Program #C67460**

MARCIE RYBA (Executive Director, Department of Indigent Defense Services [DIDS]):

The State of Nevada is suffering from a lack of indigent defense services providers, threatening the ability of the court systems to process criminal cases, particularly in rural areas. The State of Nevada is in a stipulated consent judgement and must comply with the workload study and add 30 attorneys across the rural counties. Counties are open to hiring more staff, but they are uncertain where to find those attorneys. The department reached out to the Department of Employment, Training and Rehabilitation (DETR) and started conversations about creating a program that rural counties can use as a tool to bring students and attorneys into the rural areas. That is how the idea of LASSO, the Law Student Supervision Operation, was created. This will provide job training programs and stipends to bring students and law school graduates into rural and underserved public defender offices.

SENATOR CANNIZZARO:

I have questions about the program and how it relates to the consent agreement. In this program, there are stipends for law students to purchase training materials for preparation of the bar exam, and that is conditioned upon them accepting employment at a qualifying office in the state, with a preference for those in rural county public defender offices. Would it be sufficient for an individual to accept a job and then leave that job a couple weeks later? Would the individuals have to reimburse the state for those expenses or is there a minimum obligation to fulfill a term of that employment, so the state is not providing materials but then not acquiring the public defenders? Also, it seems there is a preference for the rural county public defender offices. In the *Davis* consent judgement, the issue is that the rural communities are not providing appropriate indigent defense services. If it is a preference but nobody wants to go to the rural communities, individuals will be sent to Washoe and Clark Counties, which do not have those same issues.

MS. RYBA:

I would have to disagree with the last part that Washoe County is not struggling to fill its offices. I have had conversations with the public defender as well as the alternate public defender that they have open positions.

SENATOR CANNIZZARO:

To clarify, the *Davis* stipulated consent judgement applies to very specific counties and does not, for example, apply to Clark or Washoe Counties. If the state is discussing establishing this program with accomplishing the goals of that consent judgement, that is not negating there might be, across every county, including Clark County, issues of recruitment and retention, but how is this helping to fulfill that consent judgement?

MS. RYBA:

The consent judgement is the focus. The focus is to bring attorneys into rural communities. When looking at the priorities of who gets the funding, the number one would be the *Davis* rural communities, number two would be rural communities not in the *Davis* judgement, and if spots are still remaining, it would lead to the non-*Davis*, non-rural communities that still have a need to provide indigent defense services. The department's oversight is not limited to the rural areas, DIDS wanted to improve indigent defense across the state. Allowing these opportunities for recruitment is important. Although individuals may train in one office, they may get an opportunity for employment in another.

With the stipend for the bar training, Nevada is unique. The department wants to have the opportunity for that employer to work with their employee to determine whether they want to set the expectation to remain in a certain area to work for a certain period. Rural Nevada has a step above the urban areas. The rural areas can offer jobs to graduates without them passing the bar and they can work for up to 18 months with a limited license in the rural communities. This is a recent change for which the department advocated to increase the number of attorneys for the rural communities. While individuals are studying for the bar, they can train and work in the rural communities as indigent defense lawyers. As these individuals are in those communities and pass the bar, the department hopes they would like to stay in those areas; that is the goal. The department does not have a timeline that must be agreed to, because the department wants to leave it up to the employer to work with that employee.

SENATOR CANNIZZARO:

It is my understanding individuals could take this stipend, study and take the bar, agree to employment, show up for one day of work, and leave with no recourse for the state to recoup those dollars?

MS. RYBA:

My understanding is this funding source does not require any term of service or term of training; that is between the employer and the employee. There would be no way to recoup those funds. There would need to be an agreement between the employer and employee, and the department hopes individuals would stay in the community while they are taking the bar exam.

SENATOR CANNIZZARO:

This sort of incentive program is seen in a variety of facets such as loan forgiveness that might be available to individuals who want to take on nursing positions or different incentive programs that may be available for first responders. There are multiple instances across the state budget in different programs where

individuals are incentivized, but the goal is for them to stay and work in Nevada. I take some issue with this. If the goal is for those individuals to stay in that employment, the department should be asking these individuals to accept a condition of employment and not just giving them an opportunity to train while the state is paying for their bar prep materials and potentially other compensations.

In relation to how this program is helping the state fulfill those statutory obligations and the obligations in the stipulated consent judgement, these summer placements have a preference for the rural areas, but it is not a restriction. Please speak to that piece.

Ms. RYBA:

In NRS 180.320, I believe it states that DIDS or the board is to work to create pipelines into indigent defense services and with an encouragement of the rural areas. The pipelines set forth in statute are not limited to rural communities, it is a pipeline into indigent defense services. The reasoning for the stipends is to help these individuals who are going into the rural areas. There is limited housing and individuals may have to utilize an Airbnb for the entire summer or something that may be more expensive. The department wants to make sure they have the ability to get there, because that will cost money, and they will have other expenses. The department wanted to be competitive with other stipends that have been seen by private sectors and nonprofits. In looking at the requirements for the board to create pipelines, it is not limited to just the rural areas, and that is why DIDS is working to include all counties that need this assistance.

SENATOR CANNIZZARO:

I agree with the stipends. As someone who has been through law school, it is incredibly difficult during those summer months when an individual might be relying upon student aid to stretch that or to find a place that is paid so that individual can afford to live. I hope the state is staying focused on making sure individuals are given the opportunity to be in a rural community, which is a wonderful and unique opportunity. The ability to provide those services for the communities is substantial and speaks to the calling of a lawyer wanting to help individuals and solve problems. The more students are exposed and encouraged to take on those employment opportunities, the better the state is going to do in terms of maintaining that as a service in the rural communities. The one thing I would ask is that the department track how many of those students accept employment in rural and *Davis* counties, should this be approved.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM L.96.

ASSEMBLYWOMAN BACKUS SECONDED MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

RECLASSIFICATIONS

Refer to motion for approval under Agenda Item L.

Agency	Agency/ Account Number	Position Number	Present Class, Code, Grade and Salary	Proposed Class, Code, Grade and Salary
Department of Health and Human Services/ Office of Analytics WITHDRAWN 3-14-24	400/3203	0207	Health Program Specialist 2 Code: 10.238 Grade: 37/07 Employee/Employer Paid Retirement: \$82,434.24	Management Analyst 4 Code: 7.612 Grade: 39/07 Employee/Employer Paid Retirement: \$90,180.72
Department of Health and Human Services/ Division of Child and Family Services/ Human Resources	409/3145	0328	Accounting Assistant 2 Code: 2.303 Grade 25/01 Employee/Employer Paid Retirement: \$38,419.20	Personnel Technician 2 Code: 7.535 Grade 27/01 Employee/Employer Paid Retirement: \$41,634.72
Department of Health and Human Services/ Division of Child and Family Services/ Human Resources	409/3145	0287	Accounting Assistant 3 Code: 2.301 Grade: 27/05 Employee/Employer Paid Retirement: \$49,047.12	Personnel Technician 3 Code: 7.523 7.532 Grade: 29/05 Employee/Employer Paid Retirement: \$53,390.16 REVISED 4-1-24

M. STATEMENT OF DISASTER RELIEF ACCOUNT BALANCE.

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

The Statement of the Disaster Relief Account can be found on page 249 in Volume V of the meeting packet ([Exhibit E](#)). The Disaster Relief Account balance as of May 1, 2024, is \$11.7 million. There is one request from the Office of the Military for \$120,689. If this item is approved, the balance for the Disaster Relief Account will be \$11,535,223.

There was no further discussion on this item.

- N. REQUEST FOR APPROVAL OF GRANTS FROM THE DISASTER RELIEF ACCOUNT PURSUANT TO NRS 353.274(2) (Note: IFC may approve a different amount for an allocation than the amount requested) - OFFICE OF THE MILITARY - Division of Emergency Management** - Request for approval of a grant in the amount of \$120,689 to cover emergency response and management costs associated with Hurricane Hilary.

JARED FRANCO (Chief Financial Officer [CFO], Division of Emergency Management [DEM], Office of the Military):

The Office of the Military is requesting a grant from the Disaster Relief Account (DRA) in the amount of \$120,689 to cover expenses incurred during Hurricane Hilary in 2023. The amount was changed during the April 9, 2024, Board of Examiners (BOE) meeting.

CHAIR MONROE-MORENO:

I believe the amount was lowered to \$115,892, correct?

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

Yes.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM N IN THE REVISED AMOUNT OF \$115,892.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- O. DEPARTMENT OF CORRECTIONS** - Request for an exemption to establish revenue authority to receive funds awarded under the State Criminal Alien Assistance Program grant and increase expenditure authority pursuant to Section 7(1)(b) of Senate Bill 504 of the 82nd (2023) Legislative Session. **RELATES TO ITEM L.76.**

Agenda Item L.76 and Agenda Item O were discussed jointly. Refer to discussion and motion for approval under Agenda Item L.76.

P. 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 (Administrator, Housing Division, Department of Business and Industry):

The Home Means Nevada Initiative has expended \$82.3 million of the \$500.0 million allocated. Over 70.0% of the funds allocated for three development projects has been spent; three land projects have fully expended funding; and the Golden Rule Senior Apartments and Decatur and Rome Family Apartments projects are anticipated to financially close this month. Finally, the division's homeownership program has been paused because reservations are full, and 78.0% of that funding has been expended.

Please refer to pages 283 through 287 in Volume V of the meeting packet ([Exhibit E](#)). Projects were photographed in October 2023, and all updates mentioned below are as of April 2024.

- Washoe Housing Authority Project in Carson City - Houses are currently being built on the land just south of U.S. Highway 50 on the Stewart Indian Colony.
- West Care Project (not pictured) – Groundbreaking occurred in March 2024. The contractor will begin May 7, 2024.
- Sierra Flats Project in Carson City – Four or five separate buildings have been constructed to date.
- Ridge at Sun Valley Project – Groundwork has been laid and work has begun on the foundations.
- Vintage at Redfield Project – Construction has begun.
- Pinyon Apartments Project in Reno (Interstate 580 and Neil Road) – Groundwork has been done and foundations are now being poured.
- Marvel Way Development – Phase one has been completed. Phase two will begin soon.
- Eddy House Project in Carson City – Construction has begun.
- Eagles Landing Project – Construction has begun.
- Dick Scott Manor from the Reno Housing Authority – This will likely be the first project to have a grand opening using these funds.
- Nevada Cares Campus in Reno – Construction has begun.
- Ovation Project in Las Vegas (Buffalo Drive and Cactus Avenue) – Groundbreaking has begun.

There was no further discussion on this item.

Q. KENNY C. GUINN CENTER FOR POLICY PRIORITIES - INFORMATIONAL ONLY - Status report on the statewide study on affordable housing, as requested during the March 13, 2024, meeting of the Interim Finance Committee.

MICHAEL STEWART (Research Director, Guinn Center for Policy Priorities [Guinn Center]):

The Guinn Center is an independent nonpartisan policy research center that seeks data-driven policy solutions as well as well-researched best practices in numerous topic areas.

The Guinn Center is thankful for the Committee's support of the affordable housing study approved by this body in March 2024. The Guinn Center appreciates the comments, suggestions, and ideas provided by the Committee at the previous meeting. The Guinn Center is in the beginning stages of this work and is looking forward to providing the final report containing well-researched, data-driven policy recommendations for the Committee's consideration prior to the 83rd (2025) Legislative Session.

As a follow-up to the March 2024 meeting, the Committee requested further information regarding plans for stakeholder engagement, an update on the progress of this study, and any anticipated changes to the scope of work based on comments and suggestions. Meredith Levine, Director of Economic and Fiscal Policy, Guinn Center, is serving as a principal investigator for this study and she will discuss the follow-up information.

MEREDITH LEVINE (Director of Economic and Fiscal Policy, Guinn Center):

The Guinn Center is in the foundational and building stage of this project. The Guinn Center responded to the Committee's requests, part of which was to provide stakeholder information; however, the organization is currently building out the stakeholder engagement strategy and does not want to commit any stakeholders for the record at this early stage. The Guinn Center has intermittently updated the Committee with additional information, which is a continuously updated list. Part of the efforts to build out the stakeholder engagement strategy is to conduct focus groups, community listening sessions, and one-on-one interviews. In addition, a survey element has also been added to hear from as many people as possible, which will address the Committee's concerns regarding seniors aged 62 and older, and other individuals who have supportive needs regarding housing. Every Nevadan is affected by housing, so it is important to hear from everyone, which will ultimately inform the next part of the report. Again, the Guinn Center built out the stakeholder component and elaborated on it within the scope of work.

An important question was raised during the previous meeting about whether this study is about affordable housing; however, the Guinn Center clarified that the study is about housing affordability. The Guinn Center clarified within the scope of work that it has expanded into the question of housing affordability, because in NRS 278, the definition of “affordable housing” would not reflect the scope that would affect housing for every Nevadan. This study will not solve housing for every Nevadan, but the goal is to ensure as many groups as possible can benefit from the policies proposed within the report.

The Guinn Center has also elaborated on the policy piece within the scope of work, which will be beneficial during the 83rd (2025) Legislative Session. The idea is to identify barriers experienced by stakeholders, and assess the policy solutions that have been proposed, implemented, and enacted in other jurisdictions to see which of those solutions have had demonstrable results. The Guinn Center will then determine what can be done, if it has been done in the past, and how it intersects with policy at the state and local levels. Finally, the Guinn Center will use this information to formulate a set of actionable recommendations, which will be included in a report that will be provided to this Committee in advance of the 83rd (2025) Legislative Session.

ASSEMBLYMAN WATTS:

I would like to thank the Guinn Center for reaching out, sharing information with Committee members in advance of this meeting, and soliciting feedback from the Committee. The Guinn Center has been receptive to the comments made by the Committee, along with a passion for this issue and expertise. I look forward to continued communication as the project moves forward.

MS. LEVINE:

The Guinn Center would like to maintain an open dialogue. Many members have reached out, and these conversations are welcomed and will help the Guinn Center produce a report that is effective and helpful.

There was no further discussion on this item.

R. INFORMATIONAL ITEMS.

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

Agenda Item R.2, Office of the Secretary of State has been pulled for further discussion. Agenda Item R.13, DMV has been pulled for further discussion and will be heard with Agenda Item L.78, DMV.

- 1) OFFICE OF THE ATTORNEY GENERAL - Annual report of the Statewide Substance Use Response Working Group, pursuant to NRS 458.480(2)(b).

There was no discussion on this item.

- 2) OFFICE OF THE SECRETARY OF STATE - Semiannual report detailing the progress made in establishing and maintaining a centralized, top-down database relating to voter registration for the period ending December 31, 2023, pursuant to Section 39.5 of Assembly Bill 422 of the 81st (2021) Legislative Session.

GABRIEL DI CHIARA (Chief Deputy Secretary of State, Office of the Secretary of State [SOS]):

Agenda Item R.2 is a presentation on the updated timeline for the Voter Registration and Election Management Solution (VREMS), a top-down voter registration project, which had its initial implementation delayed from April 1, 2024, until July 2024. In addition to providing updated timelines, the report on pages 322 through 362 in Volume II of the meeting packet ([Exhibit B](#)) provides an overview of the budget. The SOS is on track to be under budget for this project, while still delivering the updated top-down registration system before the general election in November 2024.

CHAIR MONROE-MORENO:

Coming in under budget is always good, but what are the assurances that the system will be operational by the revised July 31, 2024, go-live date?

MR. DI CHIARA:

This delay was requested by the county clerks that are participating with the VREMS project. The county clerks asked for this delay, because of statutory and statistical timelines related to the June 2024 primary election. The county clerks would not have enough time to carry out their end of the project load, while also preparing for and running the primary election. The delay was requested only until after the primary election, rather than a delay until after the general election. In response, the SOS looked at how to adjust the timeline, and the state team took over some of the testing that would have fallen to the county clerks. In terms of assurances, this project is not just a priority for the Secretary of State and the entire SOS but moving to a top-down VREMS is important to maintain election integrity and security in Nevada. The SOS is moving this forward with every resource available.

CHAIR MONROE-MORENO:

It sounds like the SOS was able to address the concerns of county clerks to allow them to get through the June 2024 primary, while maintaining assurances that the project will not have any further delays for completion, since there was not a work stoppage.

MR. DI CHIARA:

That is correct. This top-down system is vitally important. There is an election management and voter registration vendor, VOTEC Corporation (VOTEC), and 12 of the state's rural counties are using VOTEC systems. Last week, a news story broke that VOTEC was reaching out to all its customers in Texas and requesting a one-time 35.0% surcharge, because the company was in financial distress. If the voter registration system vendor for 12 Nevada counties was to go under, those counties would be in a difficult position, and there would be logistical and security concerns; therefore, it is vitally important to move to this new system. The SOS is confident with the new vendor, KNOWiNK. The Secretary of State has been in touch with its Chief Executive Officer on a regular basis, and the project team has been in touch with the KNOWiNK team every day. Although there are concerns about moving to a new system before a presidential election, because it is a presidential election, this project is vital for election integrity in Nevada.

CHAIR MONROE-MORENO:

This system needs to go live by July 31, 2024. The 35.0% surcharge is not an expense these counties should face.

MR. DI CHIARA:

None of the counties in Nevada were approached for the surcharge, but it is not a sign of a company that is doing well.

CHAIR MONROE-MORENO:

Although the target dates are specific for phase one of the project, are there any specific target dates for phases two and three, or is the SOS waiting until June or July 2024 to get closer to targeted dates for those phases?

MARK WLASCHIN (Deputy Secretary of State for Elections, SOS):

Data has been updated based on the shifted timeline. It is important that phase one is done properly and completed prior to the general election. To that effect, July 31, 2024, is the anticipated go-live date for phase one, which will be the Minimum Viable Product (MVP). Phase two begins immediately afterwards and is anticipated to continue through February 2025. The MVP essentially is the base model of the VREMS with a few additional features added through phase two. Some of those features will include election night reporting, petition management, and the automatic voter registration expansion as directed by Assembly Bill 432 from the 81st (2021) Legislative Session. Phase three, anticipated to start in March 2025, will encompass merging the systems in all 17 counties, to create a true statewide system. There are considerable logistics such as contracting and management for that to be successful. Additional modules will be incorporated, including, but not limited to, poll work management and campaign finance.

ASSEMBLYMAN O'NEILL:

If the county clerks are still having problems after the July 31, 2024, phase, will the SOS delay the project again?

MR. DI CHIARA:

July 31, 2024, is the targeted go-live date. Elections in Nevada are run by the county clerks, and if one of them were to refuse to go live, there would be some difficult conversations. However, the county clerks have agreed that going live on July 31, 2024, works for them and the state.

ASSEMBLYMAN O'NEILL:

Will a stress test be run on the system to ensure it is working, and what would happen if the system fails this test?

MR. DI CHIARA:

There will be a series of mock elections between now and the actual go-live date, and one of those mock elections will be open-press and open-public, so if members of the Committee or any other legislator would like to attend, they will be welcome to do so. There is no IT project that goes perfectly but going live with the MVP, having a product where the clerks can register voters, fulfill all their statutory and regulatory duties, and run an election is the top priority. Which is not to say that everything will be perfect, and some things will not require change, but a system that can go live on that date will be delivered.

ASSEMBLYMAN O'NEILL:

I hope the system works well and that I do not hear from the county clerks in my district about system problems.

SENATOR TITUS:

Is this system going to help expedite cleaning up the state's voter rolls? One of the concerns is that the counties' records do not match what the state has on record, and this should be able to help the state quickly verify different voter rolls.

MR. DI CHIARA:

Yes, however, it can be complicated with 17 different counties, 17 different systems, and 17 different voter rolls. Moving to a statewide database in phase one, with Clark County along with the other 16 counties moving to that system in which all counties will be cross-matching with each other on a real-time basis, will be incredibly important for voter roll maintenance.

SENATOR TITUS:

Why is Clark County separate from the other 16 counties?

MR. DI CHIARA:

Clark County is presently running its version of the KNOWiNK system. The other 16 counties are being brought into a statewide system that will be set up to exchange data with Clark County, which is to ensure everything works smoothly. Even though Clark County will still be on its own database, it is the same platform, same vendor, and the same system. This will streamline voter list maintenance, and all the other considerations for running elections and registering voters, while building that direct bridge between Clark County and the statewide system.

SENATOR TITUS:

Ultimately, the system will still be able to quickly detect that a voter registered in Clark County is also registered in other counties.

MR. DI CHIARA:

Yes, much more quickly than now because those systems will communicate directly.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

The term “Minimum Viable Product” has been used a couple of times. Please provide a brief explanation of that term.

MR. WLASCHIN:

An MVP is a technical term used in project management and IT-type systems. The term does not indicate a low-end product. The MVP references the capabilities of that system. During the project development, which began over a year ago, and in understanding the operational requirements of county election officials, one of the first questions was about the minimum requirements for the system to be successful. County clerks provided hundreds of different requirements, including the following:

- Registering voters.
- Enabling voters to update their registration.
- Enabling county clerks to send notices to voters in an acceptable way.
- Managing overseas and military voters.
- Building an election through the system.
- Tracking vote history
- Comparing voters and looking for duplicate registrations across the state.
- Detecting individuals who attempt to vote more than once.

After evaluating the full spectrum of functions the system must perform, those functions were pared down to the basic requirements, and the additional features were set aside for future phases. For example, although petition modules are a useful tool, for Esmerelda County, with only 625 registered voters, it is not a necessity. However, the county clerk in Esmerelda County must be able to register voters and perform similar activities. The MVPs are the minimum requirements the system must do to execute the November 2024 election.

FRANCISCO AGUILAR (Secretary of State, SOS):

The SOS does not anticipate any last-minute issues from the county clerks. The SOS has regular contact with each county clerk and is aware of the situation in their respective counties, and the dynamics they are facing. The SOS is working with them every day to ensure the system is ready to go live on that date.

There was no further discussion on this item.

- 3) JUDICIAL BRANCH - Report detailing salaries for the period ending December 31, 2023, pursuant to Section 13 of Senate Bill 58 of the 82nd (2023) Legislative Session.

There was no discussion on this item.

- 4) DEPARTMENT OF ADMINISTRATION
- a) Hearings and Appeals Division - Information on the hiring of one new permanent unclassified FTE Appeals Officer position.
 - b) Division of Human Resource Management - Information on the hiring of one new permanent unclassified Deputy Administrator position.
 - c) State Public Works Division
 - 1) Report on Veterans with Service-Connected Disabilities Bidders' Preference for the period July 1, 2023, through December 31, 2023, pursuant to NRS 338.13846.
 - 2) Report on the status of CIP Projects 23-C35 and 23-C36 for the period ending December 31, 2023 (Letter of Intent, 82nd (2023) Legislative Session).
 - 3) Information regarding the Project Status Exception Report, pursuant to NRS 341.100(8)(g).

There was no discussion on these items.

- 5) DEPARTMENT OF TAXATION - Quarterly Report on the status of the Unified Tax System modernization project for the period ending December 31, 2023 (Letter of Intent, 82nd (2023) Legislative Session).

There was no discussion on this item.

- 6) NEVADA DEPARTMENT OF EDUCATION - Quarterly report summarizing the approved projects associated with the Elementary and Secondary School Emergency Relief II, Elementary and Secondary Emergency Relief III (ARP/ESSER), and the Governor's Emergency Education Relief II Funding for the quarter ending December 31, 2023 (Letter of Intent, 82nd (2023) Legislative Session).

There was no discussion on this item.

- 7) NEVADA SYSTEM OF HIGHER EDUCATION
- a) Semiannual report on any additional fees and any additional non-resident tuition fees received by each institution beyond the authorized amounts for the period ending December 31, 2023, pursuant to Section 8(2) of Senate Bill 504 of the 82nd (2023) Legislative Session.

There was no discussion on this item.

- b) Annual report of differential program fees for the period ending June 30, 2023, pursuant to NRS 396.542(3). **WITHDRAWN 3-20-24.**

- c) Reconciliation report of staffing levels approved and funded by the Legislature compared to actual staffing levels funded by each institution as approved by the Board of Regents. This report is a comparison between the legislatively approved budget and the Board of Regents approved budget for Fiscal Year 2024 (Letter of Intent, 82nd (2023) Legislative Session).

There was no discussion on this item.

- d) Report on the use of consultants for the period July 1, 2023, through December 31, 2023, pursuant to NRS 333.705(7). **WITHDRAWN 3-21-24.**

- 8) DEPARTMENT OF AGRICULTURE - Semiannual report on the status of the department's Livestock Inspection budget reserve level for the period ending December 31, 2023 (Letter of Intent, 82nd (2023) Legislative Session).

There was no discussion on this item.

- 9) DEPARTMENT OF BUSINESS AND INDUSTRY - Division of Industrial Relations - Annual report on the audits conducted by the Workers' Compensation Section for the period ending December 31, 2023, pursuant to NRS 616B.003(4).

There was no discussion on this item.

- 10) DEPARTMENT OF HEALTH AND HUMAN SERVICES

- a) Director's Office - Annual report concerning the findings, recommendations made, and money expended based on the statewide needs assessment, pursuant to NRS 433.734 to 433.740.
- b) Aging and Disability Services Division
 - 1) Semiannual report on the status of the Nevada Early Intervention Services program for the period ending November 30, 2023 (Letter of Intent, 82nd (2023) Legislative Session).
 - 2) Semiannual report on the status of provider rate increases and associated provider capacity and waitlists for intellectual and developmental disabilities waiver services for the period ending November 30, 2023 (Letter of Intent, 82nd (2023) Legislative Session).
 - 3) Annual report on Independent Living Grants for the period ending June 30, 2023, pursuant to NRS 439.630(3)(f).
- c) Division of Health Care Financing and Policy - Report for the period beginning July 1, 2023, and ending March 31, 2024, on the Disproportionate Share Hospital Supplemental Payment Program pursuant to NRS 422.390.
- d) Division of Child and Family Services - Southern Nevada Child and Adolescent Services - Semiannual report regarding Staffing at the Desert Willow Treatment Center, average bed census, and an update on the hardening project for the period ending December 31, 2023 (Letter of Intent, 82nd (2023) Legislative Session).

There was no discussion on these items.

- 11) DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION - Employment Security Division - Semiannual report on the implementation of the unemployment insurance system modernization project for the period ending December 31, 2023 (Letter of Intent, 82nd (2023) Legislative Session). **RECEIVED 3-15-24, AFTER THE 3-13-24 SUBMITTAL DEADLINE.**

There was no discussion on this item.

- 12) DEPARTMENT OF CORRECTIONS - Prison Industries - Report concerning the status of accounts receivable related to a program for the employment of offenders through the period ending February 29, 2024, pursuant to NRS 209.461(1)(i).

There was no discussion on this item.

- 13) DEPARTMENT OF MOTOR VEHICLES - Semiannual report on the status of the DMV Transformation Effort project for the period ending December 31, 2023 (Letter of Intent, 82nd (2023) Legislative Session).

Agenda Items L.78 and R.13 were discussed jointly. Refer to discussion under Agenda Item L.78.

- 14) DEPARTMENT OF PUBLIC SAFETY - Office of Traffic Safety - Quarterly report on the oral fluid mobile analyzer systems for the period ending February 12, 2024, as requested at the September 28, 2023, meeting of the Interim Finance Committee.

There was no discussion on this item.

- 15) STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
a) Annual report concerning all programs and projects that received money from the Conserve Nevada program for the period ending December 31, 2023, pursuant to Section 3 of Assembly Bill 84 of the 80th (2019) Legislative Session. **WITHDRAWN 3-19-24.**

b) Water Conservation and Infrastructure - Quarterly report regarding the allocation of \$100.0 million in American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds for the period ending December 31, 2023, as requested during the October 20, 2022, meeting of the Interim Finance Committee.

There was no discussion on this item.

- c) Division of State Parks - Notification of the addition of one new permanent classified Park Aide position. **REVISED 3-19-24.**

There was no discussion on this item.

- 16) DEPARTMENT OF WILDLIFE - Annual report from the Community Foundation of Northern Nevada concerning the Dream Tags program for the period ending December 31, 2023, pursuant to NRS 502.219(5).

There was no discussion on this item.

- 17) TAHOE REGIONAL PLANNING AGENCY - Annual report of audited expenditures and progress achieving performance measures and benchmarks for the period ending June 30, 2023, pursuant to NRS 277.220(3).

There was no discussion on this item.

S. PUBLIC COMMENT.

There was no public comment.

T. ADJOURNMENT.

Chair Monroe-Moreno adjourned the meeting at 8:37 p.m.

Assemblywoman Daniele Monroe-Moreno, Chair
Interim Finance Committee

Roger Wilkerson, Deputy Director, Legislative Counsel Bureau