

MINUTES OF THE JUNE 13, 2024  
MEETING OF THE  
INTERIM FINANCE COMMITTEE

Chair Daniele Monroe-Moreno called a regular meeting of the Interim Finance Committee (IFC) to order at 9:18 a.m. on June 13, 2024, in 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 Julie Pazina for Senator Nicole Cannizzaro  
Senator Pete Goicoechea  
Senator Dallas Harris  
Senator Dina Neal  
Senator Rochelle Nguyen  
Senator Heidi Seevers Gansert  
Senator Robin Titus  
Assemblywoman Shea Backus  
Assemblywoman Shannon Bilbray-Axelrod for Assemblywoman Sarah Peters  
Assemblywoman Tracy Brown-May  
Assemblyman Max Carter for Assemblywoman Natha Anderson  
Assemblywoman Jill Dickman  
Assemblyman Gregory Hafen II  
Assemblywoman Heidi Kasama  
Assemblywoman Brittney Miller for Assemblywoman Sandra Jauregui  
Assemblywoman Erica Mosca  
Assemblyman Philip P.K. O'Neill  
Assemblywoman Shondra Summers-Armstrong for Assemblyman Howard Watts  
Assemblywoman Angie Taylor for Assemblywoman Michelle Gorelow  
Assemblyman Steve Yeager

**COMMITTEE MEMBERS EXCUSED:**

Senator Nicole Cannizzaro  
Assemblywoman Natha Anderson  
Assemblywoman Michelle Gorelow  
Assemblywoman Sandra Jauregui  
Assemblywoman Sarah Peters  
Assemblyman Howard Watts

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Nicolas C. Anthony, 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  
Natalia Garzoli, 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](#): Meeting Packet – Volume VII
- [Exhibit H](#): Meeting Packet – Volume VIII
- [Exhibit I](#): Meeting Packet – Volume IX
- [Exhibit J](#): Public Comment – Robin Reedy, National Alliance on Mental Illness of Nevada
- [Exhibit K](#): Public Comment – Stacy Hosking, State of Nevada Board of Veterinary Medicine
- [Exhibit L](#): Agenda Item D – Revised Contingency Account Balance
- [Exhibit M](#): Agenda Item M.1 – American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund Funding Obligations
- [Exhibit N](#): Economic Forum Status Update

**A. ROLL CALL.**

MELISSA GARVIN (Secretary, Fiscal Analysis Division, Legislative Counsel Bureau [LCB]), called the roll. All members were present except Senator Nicole Cannizzaro, Assemblywoman Natha Anderson, Assemblywoman Michelle Gorelow, Assemblywoman Sandra Jauregui, Assemblywoman Sarah Peters, and Assemblyman Howard Watts, who were excused.

**B. PUBLIC COMMENT.**

ROBIN REEDY (Executive Director, National Alliance on Mental Illness of Nevada) provided public comment for the record ([Exhibit J](#)).

JENNIFER PEDIGO (Executive Director, Nevada State Board of Veterinary Medical Examiners):

I am testifying in support of Agenda Item H.1, which is a funding section for Senate Bill (S.B.) 342 (82<sup>nd</sup> [2023] Legislative Session), and is much needed to help fund Nevada residents in their veterinary program at Utah State University.

STACY HOSKING (Veterinary Cardiologist; Member, State of Nevada Board of Veterinary Medicine) provided public comment for the record ([Exhibit K](#)).

DILLON MOSS (Director of Government Affairs, Associated Students of the University of Nevada, Reno [UNR]):

I am testifying in support of Agenda Item H.1 that requests an allocation of funds pursuant to S.B. 342 (82<sup>nd</sup> [2023] Legislative Session). This request will allocate \$8.0 million to enter a contract with Utah State University to establish a veterinary medicine program for students in Nevada. I urge the Committee to approve this request. This funding allocation represents a significant opportunity for Nevada to address prevalent student issues, particularly career readiness, ultimately benefiting Nevada and its residents by removing substantial barriers and providing the means to pursue students' futures.

In 2023, the Department of Government Affairs, under the former director, conducted a student needs assessment that reached over 4,000 students on UNR's campus. One of the most common issues identified by students was career readiness after college, with 41% of students highlighting career development as a major concern after college. The funds allocated for this contract will provide ample opportunities for students to pursue career paths that closely align with their goals and ambitions of veterinary medicine. This represents a thoughtful and necessary investment in the future of Nevada and veterinary education and services by ensuring all students can pursue higher education and contribute to their communities beyond college campuses.

JOELLE PICKRELL (Representative, College of Agriculture, Biotechnology, and Natural Resources, UNR):

I am testifying in support of Agenda Item H.1 for the funding of S.B. 342 (82<sup>nd</sup> [2023] Legislative Session) to provide appropriations for stipends for out-of-state tuition to help veterinary students within the State of Nevada pursue a degree in veterinary medicine with the partnership of Utah State University. This bill will help students serving clinics and help with the shortage of veterinarians in Nevada. I believe this bill will also help communities provide necessary veterinary care within the cities and rural areas of Nevada.

DR. JON PENNELL (Veterinarian):

I am testifying in support of Agenda Item H.1. My father was a mixed animal practitioner in southern Idaho, and I am a second-generation veterinarian who has proudly practiced veterinary medicine in Nevada for 43 years. I am a former member of the Nevada State Board of Veterinary Medical Examiners, and the current chair of the Nevada Board of Health. I was very fortunate that at the time I applied for veterinary school, Washington State University had a tri-state agreement with Oregon, Idaho, and Washington residents. It was still very difficult for me to be admitted, but it was not

nearly as difficult as it was and still is for Nevada residents. Applicants must either pay out-of-state tuition at the state university or pay an exorbitant price for four years at a private veterinary school. According to the American Veterinary Medical Association, the most recent median debt for new veterinary graduates is over \$147,000.

Veterinarians are not just important to those who have pets, but in protecting animal and human health. Veterinarians protect the food supply and are the first line of defense against foreign animal diseases because veterinarians are often the first to research and diagnose important zoonotic diseases like West Nile virus. If a foreign animal disease such as foot and mouth disease ever enters America's borders, it would be devastating to the livestock population and the overall economy.

There is no doubt Nevada needs veterinarians, but food animal veterinarians are especially needed. Due to time restrictions, I cannot go into detail about the federal Veterinary Medicine Loan Repayment program, which will pay up to \$25,000 per year to eligible food animal veterinarians to serve in the veterinary shortage area for three years, which Nevada has five such areas. Currently, there are more food animal veterinarians retiring each year than there are new veterinarians to replace them. I humbly ask the Committee support this much needed program as this would be a monumental step forward for the profession and Nevada.

BETSY ALLEN (Attorney):

I am a small business solo practitioner in Nevada who practices law in the rural counties and does a lot of post-conviction work. In March 2024, the State of Nevada said the attorneys would not be paid for at least 90 days. While this apparently has been rectified and the attorneys are supposed to be paid in the next 7 to 10 days, I want this Committee to know how hard it has been for someone like me who has a small business in the state and three kids attending college at UNR. All my money basically goes back to the State of Nevada. There is no reason that this should have happened, and I am asking the Committee to figure out from the Governor's Office why this is happening. I am also concerned that Westlaw is about to be cut off, which is one of the things provided to indigent defense counsel.

KAREN CONNOLLY (Attorney):

I am a solo practitioner who does a great deal of post-conviction work mostly involving death penalty cases. My cases involve experts, some being the foremost experts from around the country, and investigators who have had to wait to be paid. It has been very difficult to manage those cases not knowing when these experts or I would be paid. I appreciate the fact that there was notification that the pay would be coming soon. I agree with all the comments from my colleague, Betsy Allen.

ANGIE WILSON (Tribal Health Director, Reno Sparks Indian Colony):

I am testifying in support of Agenda Item O.90 and the Division of Public and Behavioral Health's efforts to increase communication between tribal nations and the division by asking for a new Health Program Specialist, Cultural Navigator, and tribal liaison. This is such an important move, and I want to applaud the division for strengthening its ability to work with the 28 tribal nations in Nevada. The division has worked closely with the tribal nations thus far and I know that this position is looking to serve as the tribal liaison on a permanent basis. This position will also work with the Office of Minority Health and Equity to reduce health disparities in Nevada, which is a primary concern for all the tribal health directors within Nevada. I would like to applaud the division, the Department of Health and Human Services, and the IFC for this effort.

JEAN SCHWARTZER (Defense Attorney):

I am a defense attorney who does appointed counsel work for the Department of Indigent Defense Services. I am paid by the state for my work. I own my own firm, and I am a sole practitioner. I predominantly practice in the area of post-convictions.

This appointed work makes up about 90% of my income, and I have been doing this for 13 years. The budget that funds indigent defense ran out of money after January 2024. Invoices were submitted, but I along with all other appointed attorneys have not been paid since March 2024. We along with the Department of Indigent Defense Services have reached out numerous times to the Governor's Office regarding when the budget will be replenished and when we will be paid. We were given numerous conflicting responses or no response for weeks. I do appreciate that as of June 12, 2024, we were told we would be receiving payment in 10 days; however, these delays occur frequently—at least once per year—and they happen without warning. These delays wreak havoc on my small business—I cannot pay business expenses, employees, nor the experts and investigators that are needed to do this type of work. I am forced to stop working on cases and switch my time over to cases for which I am getting paid, which negatively impacts my clients and causes a backlog in the district court system for these cases.

On a personal level, I have two children, one with special needs, who requires a lot of services that I pay for out of pocket. I also have my own health issues which require a lot of out-of-pocket expenses. It is very difficult on me professionally and personally to deal with these unexpected and frankly inexcusable delays in payment.

I am asking this Committee to find out from the Governor's Office why this is happening and ask the Governor's Office to please implement the policies and procedures, or at the very least, address the budget shortages in a timely fashion so that the attorneys are not impacted in such a negative way.

BOYD SPRATLING (Veterinarian):

I practice veterinary medicine in a very rural northeastern part of Nevada, a region that has always been rich in natural resources that benefit both wildlife and domestic livestock. In my career, dramatic technological advances have occurred that have changed how food is produced and improved the health of food animals. These practices have matured allowing more efficient production, but also as important, promoted animal wellbeing. I work with cattle and horses. The equine is still a solid tool and close companion of the rancher. Having been raised in the ranching culture by my family in Elko County since 1962, it has been foundational in my ability to successfully provide veterinary medical care to animal agriculture. More veterinarians are needed who are willing to sidestep the lure of companion animal practice and provide care and advice to ranching communities. There is a greater need now more than ever because of the increasing number of services we can provide. Working with multi-generational ranching families has been part of the immense satisfaction that accompanies rural practice. These ranching families are not only my clients, but lifelong friends. This opportunity to work with Utah State University in the initial steps to form an accredited school of veterinary medicine is both timely and beneficial to Nevada's veterinary community and the animals in their care. Providing a tuition subsidy through Western Interstate Commission for Higher Education (WICHE) to eliminate the added cost of out-of-state fees will be a tremendous benefit to promote graduates returning to the State of Nevada. I personally benefited from the WICHE program 49 years ago as a young student pursuing my degree. Both Nevada citizens and their animals will reap the fruits of this endeavor.

ASSEMBLYMAN YEAGER:

I am not interested in getting into a conversation on something that is not on the agenda, but I am disturbed by the public comment relating to the appointed attorneys who have been waiting months to get paid by the state, a lot of whom are small business owners. Although that issue may have been resolved, I would like to suggest that this topic be on the next IFC agenda as an informational item to make sure this is resolved and that attorneys are being paid.

CHAIR MONROE-MORENO:

Hearing this concern, I will ask Fiscal staff to send a letter to the Public Defender's Office asking the agency to present at the July 16, 2024, IFC meeting.

**C. APPROVAL OF MINUTES OF THE OCTOBER 11, 2023, MEETING.**

SENATOR DONDERO LOOP MOVED TO APPROVE THE MINUTES OF THE OCTOBER 11, 2023, MEETING.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

**D. 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 ([Exhibit A](#)); however, there has been a revision to the statement ([Exhibit L](#)). The Committee was provided a copy of the revised statement, and it is also available on the meeting page:

(<https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2023/Committee/1969/Meetings>)

I will begin with the summary of the unrestricted General Fund Contingency Account. Prior to actions taken by the IFC, there is currently \$16,473,951.32. There are five recommendations for FY 2024 totaling \$3,284,441, and two requests for FY 2025 totaling \$218,889. If all recommendations are approved, there will be a balance of \$12,970,721.32 in the unrestricted General Fund Contingency Account.

Regarding the unrestricted Highway Fund, prior to actions taken by the IFC, there is \$1,184,685.35. There are no recommendations for either FY 2024 or FY 2025, so that would also be the balance at the end of the meeting. With regard to the restricted General Fund and Highway Fund IFC contingencies, there is currently \$193,766,202. For FY 2024, there is a total of \$44,695,597 in requests, and for FY 2025, there is a total of \$8,076,132 in requests. If all the recommendations are approved by the IFC, there will be a total of \$159,442,154 in the restricted General Fund and Highway Fund.

There was no further discussion on this item.

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

1. MINERAL COUNTY SCHOOL DISTRICT - Request for an allocation of \$551,601 to support salary increases and benefit costs for certain district staff.

Agenda Items E.1 and E.2 were discussed jointly. Refer to discussion and motion for approval under Agenda Item E.2.

2. PERSHING COUNTY SCHOOL DISTRICT - Request for an allocation of \$761,877 to support salary increases and benefit costs for certain district staff.

Agenda Items E.1 and E.2 were discussed jointly.

STEPHANIE KEUHEY (Superintendent, Mineral County School District [MCSD]):

In the information provided to this Committee for the MCSD's Senate Bill (S.B.) 231 (82<sup>nd</sup> [2023] Legislative Session) plan (page 125, [Exhibit A](#)), the district was able to provide a flat rate increase for teachers of \$3,837.88 for both the 2023-24 and 2024-25 school years. For classified staff, a 7.0% increase was negotiated for the 2023-24 school year and a 6.5% increase for the 2024-25 school year. Regarding the S.B. 231 allocation, the district was able to negotiate with both certified and classified employees to come to a flat rate of \$3,965 per eligible employee. This is Public Employees' Retirement System (PERS) eligible income that will be paid through the employees' regular paychecks. Also included in the information provided to the Committee were letters from the district's certified and classified union presidents in support of this method (pages 127, 128, [Exhibit A](#)).

RUSSELL FECHT (Superintendent, Pershing County School District [PCSD]):

I am pleased to be here today for the opportunity to present for the allocation of \$761,877 to the PCSD through S.B. 231. The district negotiated a 12.0% base salary increase for all groups for the 2024-25 school year, as there were already agreements in place for the 2023-24 school year, which made the district ineligible to sit in front of the Committee without reopening. The plan is to be able to utilize the \$761,867 to provide an 8.25% enhancement during the 2024-25 school year for all eligible employees. The information in the meeting packet (page 133, [Exhibit A](#)) supports that request.



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

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

1. DEPARTMENT OF BUSINESS AND INDUSTRY - Request for an allocation of \$218,889 to continue support of one Deputy Director position and associated costs for FY 2025 pursuant to Senate Bill 431 of the 82<sup>nd</sup> (2023) Legislative Session.

PERRY FAIGIN (Deputy Director, Department of Business and Industry):

I am here to request an allocation of \$218,889 to continue the support of one Deputy Director position and associated costs for FY 2025 pursuant to S.B. 431 (82<sup>nd</sup> [2023] Legislative Session).

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM F.1.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

2. DEPARTMENT OF CORRECTIONS - Request for an allocation of \$3,938,502 to cover a projected shortfall due to increased electricity, natural gas, and water/sewer utility costs.

KRISTINA SHEA (Deputy Director, Nevada Department of Corrections [NDOC]):

Agenda Item F.2 requests an allocation from the IFC Contingency Account to cover projected shortfalls due to increased electricity, natural gas, and water and sewer utility costs departmentwide. Based on updated projections, the requested amount has been amended from \$3,938,502 to \$3,119,234 and was approved by the Board of Examiners.

The primary driving factor for the Contingency Account request and the shortfall in utilities is due to increased electricity, gas, and gas rates. Regarding electricity, the NDOC is experiencing, on average, a 42% rate increase departmentwide compared to FY 2024 budgeted amounts that were approved by the 82<sup>nd</sup> (2023) Legislature. There has been a 51% increase departmentwide in gas and propane compared to FY 2024 budgeted amounts approved by the Legislature.

After a thorough analysis of the department's utilization at each institution, there has been a 5% reduction in electricity departmentwide and a 10% reduction of gas and propane departmentwide compared to the base budgeted year, FY 2022. The primary driving factors for the reduction of the utilization in gas and electricity are primarily due to light-emitting diode (LED) light replacements that have been installed at major institutions and projects that were approved by the Capital Improvement Program (CIP), including new boiler replacements and control system replacements departmentwide.

SENATOR DONDERO LOOP:

Has the department introduced any new measures to reduce energy consumption to help with those rate increases?

MS. SHEA:

As these CIP projects, such as heating, ventilation, and air conditioning (HVAC) and boiler replacements, are completed departmentwide, the equipment will be brought up to standards and cause a reduction of energy. The NDOC is hopeful that some of those reductions will be seen as the department works with the State Public Works Division (SPWD) to finalize all the CIP projects. The LED lighting is also being worked on continually.

However, after reviewing the analysis, one of the driving factors that is most interesting is the changes across all the rates departmentwide. There is an inconsistency around peak usage and many different aspects at each of the institutions. My team is going to work with the department's partners, specifically NV Energy, to learn how the NDOC can better understand which rates are highest and how to operationally utilize lower rates departmentwide.

SENATOR NEAL:

You mentioned that some of the peak usage differs; however, looking at Casa Grande Transitional Housing, there is usage change of -11.3% for electricity, -37.2% for gas, and 8.0% for trash. What is Casa Grande Transitional Housing doing to achieve these percentages?

Ms. SHEA:

Casa Grande Transitional Housing has such a large reduction because half of the facility is shut down currently due to a mold abatement project.

SENATOR NEAL:

Northern Nevada Correctional Center has a rate change of 119.0% for gas and propane, -18.1% for gas, and -7.3% for trash. Carlin Conservation Camp has a rate of -8.0% on trash. What is occurring at each of these facilities to achieve these percentages?

Ms. SHEA:

I will follow up on those questions about the trash reduction later so I can provide the Committee with accurate information.

SENATOR NEAL:

Are trash and sewer not combined at the facilities?

Ms. SHEA:

Most of the institutions have their own waste treatment plants, so the majority of the department's sewers are not on state or city sewer lines.

SENATOR NEAL:

I would appreciate a follow-up to my previous questions about usage change at Northern Nevada Correctional Center and the negative on the trash rate change at Carlin Conservation Camp and Northern Nevada Correctional Center. Also, at High Desert State Prison, there is a rate change of -6.4% and a usage change of 31.7%. The rate change decreased but usage increased. It would be interesting to learn what is happening.

Ms. SHEA:

I would be happy to follow up with Fiscal staff and provide additional details.

CHAIR MONROE-MORENO:

You mentioned a number of active CIP projects that would help mediate the increasing costs that are being seen with some of the items that are requesting funding for today. I have noticed the NDOC has been to every IFC meeting to request funding. Does the NDOC have enough funding to complete all these CIP projects, or should the Committee anticipate the NDOC coming back to request more funds?

MS. SHEA:

That question is more aligned for the SPWD administrator because most of that funding is outside the NDOC budgets and sits in the CIP budgets.

CHAIR MONROE-MORENO:

The NDOC may not have responsibility for those, but it does have conversations with the SPWD and should know if the projects are on target. Is the SPWD on target with the funding?

MS. SHEA:

I do not have the information about all the current projects. Normally, the NDOC receives the SPWD's timelines related to the design or other aspects of the project from a timing perspective because it impacts the NDOC's capacity due to the need to close housing units and relocate offenders. I welcome if anybody from the SPWD is available to approach the table with any information about the current funding for CIP projects and if there are any overages for the NDOC.

JACK ROBB (Director, Department of Administration):

I do not have current information on those projects; however, I will gather that information and follow-up.

CHAIR MONROE-MORENO:

Committee members, there was a stated adjustment to the request and that is listed in the backup documents.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM F.2 IN THE REVISED AMOUNT OF \$3,119,234.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

3. DEPARTMENT OF PUBLIC SAFETY - Nevada Highway Patrol Division - Request for an allocation of \$165,207 to cover costs associated with providing dignitary protection to visiting dignitaries.

PATRICK CONMAY (Chief, Nevada Highway Patrol Division [NHP], Department of Public Safety):

Agenda Item F.3 requests a General Fund allocation of \$165,207 to fund an anticipated shortfall in FY 2024 in the NHP Dignitary Protection category, based on actual and projected costs associated with providing protective services to visiting dignitaries. Presidential and Vice Presidential visits to both Northern and Southern Nevada have already exceeded this fiscal year's budgetary authority in the NHP Dignitary Protection category, which is the only category funded by the General Fund in NHP's budget account 4713.

This request reflects the NHP's best effort to make an accurate estimate of potential FY 2024 costs to include both actual and projected visits for this fiscal year. However, I would note that the unpredictable nature of these events makes exactness difficult in anticipating additional events. Should the actual costs through June 30, 2024, exceed today's projection, the division may need to return to the August 15, 2024, IFC meeting to request additional funds. If the Committee approves this request, any unused appropriation will revert to the General Fund upon fiscal year closing.

CHAIR MONROE-MORENO:

I would like to thank you and all the men and women who work with you. The job of dignitary protection is an important and dangerous job and seems to be even more dangerous in political, heightened tension. Thank you for the work you do and keeping your men and women safe.

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

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

SENATOR DONDERO LOOP:

I want to thank all of you for your service as well, especially the one who just retired who we are sorry to see go—my nephew just retired from the state.

- G. REQUEST FOR REVISION TO PREVIOUS ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND), PURSUANT TO NRS 353.268 - STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES - Division of Forestry** - Request to modify the resolution issued by the IFC on April 11, 2024, in order to revert reimbursement revenues to the IFC Contingency Account at the end of the fiscal year instead of immediately upon receipt of reimbursement.

Agenda Items G and O.140 were discussed jointly. Refer to discussion and motion under Agenda Item O.140.

- H. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SECTIONS 2 AND 3 OF SENATE BILL 342 OF THE 82<sup>ND</sup> (2023) LEGISLATIVE SESSION** (Note: IFC may approve a different amount for an allocation than the amount requested).

1. NEVADA SYSTEM OF HIGHER EDUCATION - Western Interstate Commission on Higher Education - Request for an allocation of \$8,000,000 to enter into a contract with Utah State University for a program in veterinary medicine.

Agenda Items H.1 and H.2 were discussed jointly. Refer to discussion and motion for approval under Agenda Item H.2.

2. NEVADA SYSTEM OF HIGHER EDUCATION - Western Interstate Commission on Higher Education - Request for an allocation of \$76,132 for the salary, benefits and operating costs of a Program Officer position to assist in carrying out the veterinary medicine program.

Agenda Items H.1 and H.2 were discussed jointly.

PATTY PORTER (Director, Western Interstate Commission for Higher Education ([WICHE]):

I would like to acknowledge and thank Senator Pete Goicoechea who presented Senate Bill (S.B.) 342 in the 82<sup>nd</sup> (2023) Legislative Session. The bill, which had several sponsors, passed with overwhelming bipartisan support, and was approved by Governor Joe Lombardo.

Senate Bill 342 provides funding to address the shortage of veterinarians in the State of Nevada. The bill provides an appropriation of \$8.0 million for WICHE to contract with Utah State University (USU) for a program to provide stipends for the difference between in-state and out-of-state tuition for 70 Nevada residents to earn a degree of Doctor of Veterinary Medicine at USU over a period and ending in 2034. There is also an appropriation of \$76,132 for salary, benefits, and operating costs for a Program Officer 1 position to support the program for one year.

WICHE, as required in S.B. 342, negotiated a contract with USU and presents this fully executed contract for allocation of funds appropriated in the bill. The contract sets various benchmarks to address contingencies that may occur in relation to the accreditation process for USU College of Veterinary Medicine and the threshold of 70 Nevada residents to earn a Doctor of Veterinary Medicine degree by 2034. Upon approval by this Committee, WICHE will act as a pass through for the \$8.0 million to be provided to USU.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

How many years after receiving this stipend must a veterinarian in this program practice in Nevada?

MS. PORTER:

All students in WICHE's Health Profession Education Program (HPEP) must sign a contract, stipend agreement, and promissory note. The promissory note is a precaution in case the students do not fulfill their service pay back. For every year a student is given funding—a stipend grant—the participant is required per statute to work full-time for one year in the State of Nevada. The stipend grant converts to a loan with penalties with interest. In this case, this would be a four-year stipend grant for veterinarian school and the students would have to work four years in the State of Nevada upon graduation and obtaining their practice license.

ASSEMBLYWOMAN DICKMAN:

This is such a great program, because the state has a shortage of veterinarians. My dog needs tooth extractions, and I was told my long-time veterinarian is booking out to October for dental work.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEMS H.1 AND H.2.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

SENATOR GOICOECHEA:

I would like to thank the Legislature for approving S.B. 342. It will make a difference in the future to both large and small animal veterinarian students. There is a real shortage, especially in Southern Nevada. Constituents in western Nevada pay upwards of \$3,000 to see a veterinarian, but it is difficult to find one, which is a problem. Once again, a big thank you to this Committee, which signed on and supported the bill.

- I. **REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT PURSUANT TO SECTIONS 4.3 (GENERAL FUND) AND 4.7 (HIGHWAY FUND) OF ASSEMBLY BILL 468 OF THE 82<sup>nd</sup> (2023) LEGISLATIVE SESSION (Note: IFC may approve a different amount for an allocation than the amount requested) - GOVERNOR'S OFFICE OF FINANCE** - Request for allocation of \$35,139,516 from the General Fund and \$8,242,603 from the Highway Fund for costs associated with the implementation of the CORE.NV Enterprise Resource Planning System project.

Agenda Items I and S.1c were discussed jointly.

BRIAN BOWLES (Project Director, Office of Project Management [OPM], Office of the Governor):

I will begin with Agenda Item S.1c first before moving on to the work program request.

I would like to provide a very high-level list of accomplishments and highlights over the last two reporting periods—quarters two and three. At a high level, some of the OPM's major accomplishments happened on October 30, 2023, when the OPM completed the final steps in data extraction of the state's human resources data from the canceled Silver State Modernization Approach for Resources and Technology in the 21<sup>st</sup> Century (SMART 21) SAP product, thus bringing all work associated with the SMART 21 project to a close and termination.

Shortly thereafter, on November 8, 2023, the official kickoff of the CORE.NV project and commencement of work with the vendor, CGI Technologies and Solutions, Inc. (CGI), began. The envision phase began in December 2023 with discovery workshops where subject matter experts from key agencies across state service were brought together with OPM and CGI project staff to assist in building the configuration requirements for the



Advantage 4 (Enterprise Resource Planning) ERP system. Due to the aggressive timeline for implementation, the planning work of this project was running parallel with these discovery workshops to facilitate the condensed overall timeframe to meet OPM's stated goals. Those planning deliverables such as scope training risk plans, project schedules, and detailed schedules were all completed and delivered on time.

The OPM and the State Controller's Office successfully launched the open checkbook, a project to provide a replacement for the state's [open.nv.gov](https://open.nv.gov) transparent government website, which provided an early glimpse into the modern system functionality that an ERP can deliver.

The OPM replaced the Senior Project Management role with a service contract for a drop-in project management office from industry leader BerryDunn. The OPM was also successful in completing the contract for an independent verification and validation, or IV and V service. The firm Plante Moran was selected to fulfill this contract and is now currently engaged with project staff.

The teams concluded the envision stage in February 2024 and March 2024, respectively, for the finance and human resources work streams and initiated the build phase, which began with the first program increment planning session. The build phase of an agile project methodology began, and as of today, the OPM is halfway through the finance build and on to the program in increment three.

The OPM's technical team focused mostly on pre-built activities including working on conversions and interfaces. The separate training team began work executing the training strategy with training content and building out comprehensive approaches for training both a cadre of state, train-the-trainer individuals, and the full spectrum and user training that all state staff will need to undergo to understand how to use the new system. The organizational change management team continues to implement its planned activities by hosting outreach events, conducting change impact assessments, and releasing statewide communications as necessary to get the good word out about the work that the OPM is doing.

Lastly, the OPM is proud to report that as of today, the CORE.NV project is on schedule to meet its projected go-live dates and is on budget.

BRADY PHILLIPS (Administrator, OPM):

Per Assembly Bill (A.B.) 468 (82<sup>nd</sup> [2023] Legislative Session), Agenda Item I is a request for \$35,139,516 from the General Fund and \$8,242,603 from the Highway Fund for costs associated with the implementation of the ERP system project known as CORE.NV. This request is for FY 2025, cost projections based upon the contracts negotiated with multiple vendors for this project, and the needs of the OPM to ensure successful implementation of CORE.NV. This implementation of the CORE.NV project will be a phased approach focusing on a minimum viable product with delivery of the base system of functionality for finance by January 1, 2025, and delivery of the base system of functionality for the human resources component by June 30, 2025.

ASSEMBLYWOMAN BACKUS:

When A.B. 468 passed, the understanding was that SMART 21 was being replaced with the new CORE.NV system. The previous system had software that the State Controller's Office was using and financing, public licensing, and employees that were working on that system. The new system, the Nevada Open Finance Portal (open checkbook), is now in the open CORE.NV. Will that create an increase? Also, will there be a budgetary change in the 83<sup>rd</sup> (2025) Legislative Session that would reduce the cost to the State Controller's Office if it were switched over to the OPM?

JAMES SMACK (Chief Deputy Controller, Office of the State Controller):

As far as the open checkbook, the engagement with Tyler Technologies will continue, which will be coming in as a budget request from the State Controller's Office for FY 2026 and FY 2027. The approximate dollar amount of that would be for the ongoing software as a service contract, which would be approximately \$78,000 for FY 2026 and approximately \$83,000 for FY 2027, and both will be within the State Controller's Office budgetary request for those fiscal years. The contract was written as a joint contract between the OPM and the State Controller's Office so those costs could be assumed going into the next budgetary request.

ASSEMBLYWOMAN BACKUS:

Since it seemed like that was outside of the intention of A.B. 468, are there plans for the OPM to approve any other type of existing software that goes beyond what was being done with the SMART 21 project?

MR. BOWLES:

Currently, there are no further plans for the OPM to engage with any outside software other than the contracts that are already contemplated.

ASSEMBLYWOMAN BACKUS:

To confirm, the money that is being sought for the open checkbook is going to be a part of the A.B. 468 funding that is in the restricted account; however, in the future it will be captured in the State Controller's budget.

MR. BOWLES:

That is correct.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

I am concerned about the term "base" that was used because base means basic. I am curious as to whether what is being designed or tested is limited to the base functions. Is there any growth potential that will end up costing more money in the future to upgrade or expand either the contracts, training, or capability of the software to be able to incorporate more functions?

MR. BOWLES:

When discussing base, or minimum viable product, this project's intention is that the initial platform deployment of phase one of the project was that base system, the minimum amount that is needed to build to get off the aging legacy systems. There is a massive phase two that is set to begin in September 2024 with its own envision phase, called the "business transformation." That is all the growth potential and addition of all the modules and extra efficiencies and power of a modern ERP system that this project is going to build into the future. It has always been the OPM's intention to get off the old systems as quickly as possible, which is why a phased approach is being done. The documentation shows all the work to modernize and complete that business transformation within the timelines, scope, and budget.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

A problem is that the users who are doing the work every day are often not included in the discussion about how systems work. I understand this was a quick turnaround, but I would like to know more about how employees and end users were incorporated. Oftentimes, when they are not included and it does not work, more money is spent for vendors to address the problem.

MR. BOWLES:

You are correct, and the OPM learned this lesson from the previous failed project. During the discovery workshops during the envision phase, the OPM brought in subject matter experts, the end users, and conducted lengthy interviews with the vendors present to determine exactly how the system needs to be configured for the end user experience. There has been early and often input from end users, which will continue. For example,

the OPM is currently engaged in user acceptance testing. In a traditional waterfall-style project, user acceptance testing is done after all the software is built. The OPM is using an agile methodology, which means that a little of the functionality is being built and then immediately releasing that to the end users on incremental user acceptance testing. This allows the OPM to gain input again early and often to find out if the system is working.

ASSEMBLYWOMAN KASAMA:

Were workshops done for the SMART 21 project? Is there a redundancy and has this added to the cost? If this was already done with SMART 21, why were the outcomes of those workshops not utilized with the new CORE.NV?

MR. BOWLES:

Those workshops are primarily intended so that the vendor can understand state processes. There is a new vendor and a new product, so when the vendor is making decisions about how to configure its product, those discovery workshops are necessary. Therefore, this was not duplicated work, it was work that was necessary to understand how to configure the new product that was being implemented.

ASSEMBLYWOMAN KASAMA:

Is it in the contracts with the new vendors that there are penalties for not providing deliverables on time or for budget overruns? How is this being addressed to avoid the same problems that have occurred in the past?

MR. BOWLES:

Everything in the cost schedule that is compensable within this project is based on a deliverable acceptance criterion. Every dollar is tied to a specific tangible deliverable and there are no specific penalties that are dropped into the contract based on non-performance. However, if the state does not accept the body of work that is represented by the deliverables that are delivered and accepted to the OPM, then the state pays nothing for that deliverable.

ASSEMBLYWOMAN KASAMA:

Does this include cost overruns? Will the OPM withhold payment because the vendor presented the budget incorrectly at the beginning?

MR. BOWLES:

Each of the compensable items is a deliverable; therefore, the OPM is not operating on a time and materials type of contract. Any budget overrun or excess cost to the vendor is borne by the vendor and each one of those deliverables has a dollar figure associated with it directly in the contract. Thus, the OPM has not experienced any cost overruns because of the methodology in which the contract was written.

ASSEMBLYWOMAN KASAMA:

To confirm, the methodology has been improved with the new vendor.

MR. BOWLES:

That is correct.

ASSEMBLYWOMAN BACKUS:

When A.B. 468 was approved, it was done for the CORE.NV project. I am assuming that in that contract, it was also contemplated to add in the other software, the open checkbook. Is that included in the contract with the vendor?

MR. BOWLES:

The OPM is utilizing several vendors for various services and products. One of those vendors is Tyler Technologies for the open checkbook effort. When it comes to an ERP platform of this size and scale, it is a system of systems. The main vendor and product that is being implemented is the Advantage 4 system; however, there are hundreds of interfaces and integrations with various other systems and functionalities that the state has that need to be accounted for, modernized, and have the ability to integrate with the new ERP. That is where this particular contract, vendor, and product fill in.

ASSEMBLYWOMAN BACKUS:

The state is creating a new separate software with continuous licensing fees. I am uncertain whether the prior software had licensing fees and if it will be a wash for the state, or if it is creating new programming dollars going forward for the department.

Does this fit within the contemplation of A.B. 468? Will the OPM stay within the budget, or will more dollars be requested to pay for additional software?

MR. SMACK:

The current open software, the nv.gov program, is all driven from the current data warehouse that is housed in the State Controller's Office and over 20 years old, and it is constantly needing to be updated. That data warehouse is going to be replaced, which means that the feeder system going into the nv.gov will no longer exist. The OPM did not contemplate the cost of updating that because it was not necessarily a modern solution.

When I proposed this to the executive committee, I proposed it as an early win for the project, demonstrating in relatively quick and inexpensive order, a taste of what kind of technology is going to be coming to the state, not only for the taxpayers or the use of this body, but also for the use of all state employees. I use the open checkbook daily to make sure I am balancing spending for the State Controller's Office. It is much easier to use than the current product that most state agencies use. As state agencies are learning about the open checkbook, they are utilizing it in much the same way and can do graphical representations of their spending and see how much a percentage of their departmental spending is, for example, on payroll versus information technology. It was modernizing a solution that would require modernization at some point anyway.

I will admit I proposed it, but it was the choice of the executive committee and all the executive steering committee members that this would represent an early win, something that could be adopted quickly. It was adopted within about six months from contract to going live with the product, having it ready for state employees, and representing it as not only a State Controller's Office project but a CORE.NV project in conjunction with the Office of the Chief Information Officer. All three of those agencies are in partnership, but currently, the small amount of maintenance needs for the open checkbook are being done by the State Controller's Office.

As the product owner for the finance piece of the new project, it is not taking any of the time or effort away from ensuring the January 1, 2025, go-live date is met. There will be some maintenance on the open checkbook at the end of FY 2024, but that is already accounted for in the calendar and is not taking away any of the team's subject matter experts, which there are several, from this project. Getting this project across the finish line is priority one and it will be much better having the Advantage 4 system up and running on January 1, 2025.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

In my previous career, software was often proprietary, which often meant the company was at the mercy of the vendor with how much money was charged each year over and above the previous fiscal period for licensing. Has the OPM considered including some types of governors in the contract, so that the state is not exceeding a reasonable amount each year for increases in licensing to run this project and to ensure the state is not seeing significant increases in licensing fees? How will the OPM ensure that these proprietary vendors are being trustworthy in the long term?

MR. BOWLES:

The current contract with CGI lists the associated yearly software as a service fees for this product. It is a five-year contract and those fees are baked into the contract. At the end of that contract, the OPM will return to negotiations and that is the period at which there will be an answer to that question.

SENATOR SEEVERS GANSERT:

It seems this one piece of software that was added sounds like it has been very advantageous for the State Controller's Office and state government. Process wise, it went through an executive committee, but it was not budgeted. Would this Committee like a notification before the money is spent and another module is implemented? I think the timing is off for this addition because it was approved through a separate process and currently the funds are being covered by the State Controller's Office. In the future, there may be other modules that need to be added. I think it is appropriate to be notified if there will be a future cost to the state.

MR. BOWLES:

The OPM can let the Committee know if there is anything that is completely out of scope from A.B. 468.

SENATOR SEEVERS GANSERT:

If it is beyond the original scope and there is money involved, I think the Committee needs to be aware so there is some sort of approval process before it moves to an implementation stage.

CHAIR MONROE-MORENO:

There are some concerns about things being approved without coming before the Committee. The state has moved from one system that was a pool of money that could have been used on other things in the state that were a great need. The state does not want a repeat situation with CORE.NV. As suggested by Senator Seevers Gansert, I am requesting that any future ideas or anything new that was not a part of the original scope, comes before this body for approval before monies are expended.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM I AND REQUIRE THE OFFICE OF PROJECT MANAGEMENT TO REPORT TO THE INTERIM FINANCE COMMITTEE ANY CHANGES OUTSIDE THE SCOPE OF THE ORIGINAL LEGISLATION THAT WOULD INCUR ADDITIONAL COSTS.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- J. BUDGETARY ACTION REQUEST PURSUANT TO SECTION 12 OF SENATE BILL 503 OF THE 82<sup>ND</sup> (2023) LEGISLATIVE SESSION - NEVADA DEPARTMENT OF EDUCATION** - Request to transfer \$481,892 appropriated for FY 2025 to FY 2024 for expenditures to support the 1/5 Retirement Credit Purchase program for Clark and Washoe Counties. **RELATES TO AGENDA ITEMS O.13 AND O.14.**

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

Agenda Item J is in relation to two companion work programs that request to transfer authority in the amount of \$481,892 from FY 2025 to FY 2024. These funds support funding a 1/5 retirement credit for eligible teachers who work at designated at-risk schools based on at least 65% of the pupils enrolled in that school being eligible to receive free and reduced-price lunch. This transfer is necessary to cover an increase in cost due to increasing Public Employees' Retirement System (PERS) costs, which can be related to the time in a teacher's career path. As the Committee is aware, later in one's career, the cost of retirement credits increase. Additionally, there has been an increase in the number of at-risk school designations, leading to an increase of 106 eligible teachers. As a result, there is an increase of \$481,892 beyond the anticipated original budget amount.

CHAIR MONROE-MORENO:

How many teachers are still in this program?

MS. PETERSON:

There are 214 employees still eligible for this credit.

SENATOR SEEVERS GANSERT:

Did those teachers have to be employed by a certain date to be eligible for the program? To confirm, this program will eventually phase out because those who are eligible based on their hire date will be leaving the system or retiring.



MS. PETERSON:

That is correct. The NDE will be doing an audit in the fall of 2024 to ensure and identify the number of teachers remaining so there can be a more accurate projection of the estimated time of completion for this program.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM J.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

**K. REQUESTS PURSUANT TO SECTION 7(1)(b) OF SENATE BILL 504 OF THE 82<sup>ND</sup> (2023) LEGISLATIVE SESSION.**

1. NEVADA SYSTEM OF HIGHER EDUCATION - University of Nevada, Reno, School of Medicine - Request for an exemption to establish revenue authority to receive academic support payments from Renown Health and to increase expenditure authority. **RELATES TO AGENDA ITEM O.32.**

Agenda Items O.32 and K.1 were discussed jointly. Refer to discussion and motion for approval under Agenda Item O.32.

2. DEPARTMENT OF CORRECTIONS - Request for an exemption to establish revenue authority to receive funds awarded under the State Criminal Alien Assistance Program grant and to increase expenditure authority. **RELATES TO AGENDA ITEM O.110.**

Agenda Items K.2, O.110, O.116, O.118, and O.126 were discussed jointly. Refer to discussion and motion to deny under Agenda Item O.126.

**L. REQUESTS FOR THE TRANSFER OF AMOUNTS BETWEEN FISCAL YEARS, BETWEEN BUDGET ACCOUNTS OR WITHIN DEPARTMENTS PURSUANT TO SECTIONS 36, 50, 52, 54, AND 56 OF SENATE BILL 511 OF THE 82<sup>ND</sup> (2023) LEGISLATIVE SESSION.**

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

There are no items requested for further discussion from Agenda Item L.

1. **Office of the Attorney General - Extradition Coordinator**  
Request to transfer General Fund appropriations in the amount of \$391,337 from FY 2025 to FY 2024 to fund a projected shortfall in extradition costs in FY 2024, pursuant to Section 36 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session.  
**RELATES TO AGENDA ITEMS O.5 and O.6**

Refer to motion for approval under Agenda Item O.

2. **Department of Business and Industry**  
Request to transfer General Fund appropriations in the amount of \$18,106 from the Office of the Labor Commissioner account to the Office of Business Finance and Planning account, and \$86,149 from the Office of the Labor Commissioner account to the Business and Industry Administration account to fund a projected shortfall in the Personnel categories, pursuant to Section 50 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session.

Refer to motion for approval under Agenda Item O.

3. **Department of Health and Human Services - Division of Public and Behavioral Health**  
Request to transfer General Fund appropriations in the amount of \$276,968 from the Northern Nevada Adult Mental Health Services account to fund a projected shortfall in residential services, pursuant to Section 56 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session.

Refer to motion for approval under Agenda Item O.

4. **Department of Health and Human Services - Division of Public and Behavioral Health**  
Request to transfer General Fund appropriations in the amount of \$141,926 from the Northern Nevada Adult Mental Health Services account to the Lake's Crossing Center account to fund a projected shortfall in the Personnel category, pursuant to Section 56 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session.

Refer to motion for approval under Agenda Item O.

5. **Department of Health and Human Services - Division of Welfare and Supportive Services**  
Request to transfer General Fund appropriations in the amount of \$283,190 **\$215,852** from the Welfare Field Services account to the Assistance to Aged and Blind account to fund a projected shortfall in the Payments for Aged and Blind category, pursuant to Section 52 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **REVISED 5-23-24.**

Refer to motion for approval under Agenda Item O.

**6. Department of Health and Human Services - Child and Family Services**

Request to transfer General Fund appropriations in the amount of \$172,024 from the Caliente Youth Center account to the Summit View Youth Center account to fund a projected shortfall in the Youth-Driven Expenses category, pursuant to Section 54 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **Relates to AGENDA ITEM O.100.**

Refer to motion for approval under Agenda Item O.

**M. 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 Analysis Division, LCB):

I will walk through Agenda Item M.1, the statement of American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Fund (CSFRF) obligations and remaining unobligated balance.

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

As the December 31, 2024, federal deadline approaches as well as the August 1, 2024, deadline for the Governor to certify the estimate of funds that will go unexpended pursuant to Assembly Bill 526 (82<sup>nd</sup> [2023] Legislative Session), there has been a significant undertaking by the Governor's Finance Office (GFO) and its ARPA team to reconcile authority within the state budget relating to awards of the CSFRF. The Fiscal Division has continued to meet with the GFO at least once a week to ensure this information is being tracked as consistently and accurately as possible. The volume of work programs submitted on Agenda Item N is a reflection of that work. I will provide a high-level summary of those requests.

I would like to thank the GFO for the ongoing collaboration with the tracking and reconciliation efforts relating to these funds so that we are able to present to this Committee with the most current information as possible.

On the table, at the top of page 1 ([Exhibit M](#)), is a high-level summary displaying expenditures for FY 2022 and FY 2023, the amounts currently authorized (inclusive of the requests before the Committee today), and the remaining unobligated balance. The statement reflects that if all requests submitted for consideration today are approved, there would be a negative unobligated

balance of approximately \$183,000. However, as Ms. Coffman indicated earlier, Agenda Item N.88 has been withdrawn, which was a request for a \$1.0 million allocation. Accounting for the withdrawal of this item, the revised balance would reflect approximately \$817,000 in unobligated authority at this time. We are aware of, and are anticipating, additional savings and deobligations to be identified and requested through work program requests from the GFO for consideration at the July 16, 2024, IFC meeting.

As with prior practice, any revisions or updates to existing rows on the table following the April 11, 2024, IFC meeting are identified in red text. This table generally lists program descriptions and amounts in chronological order based on the budgetary approval date. The items submitted for consideration by the Committee today begin on page 24 of the table document ([Exhibit M](#)).

The GFO has submitted 91 work programs under Agenda Item N, of which, two work programs have been withdrawn: N.27 and N.88. The remaining 89 work programs would facilitate the following:

- 39 work programs to facilitate a reconciliation of budget authority to align with funding awards and do not increase or decrease overall authority for the related projects.
- 2 work programs to facilitate both a reconciliation of budgetary authority and deobligations of approximately \$482,000.
- 27 work programs to facilitate a deobligation of approximately \$47.0 million.
- 21 work programs requesting new allocations of approximately \$52.9 million, several of which the Committee will hear presentations on today.

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, 82<sup>nd</sup> [2023] Legislative Session).

AMY STEPHENSON (Director, GFO):

I would like to thank LCB Fiscal staff, especially Mr. Leiser, for working diligently with the GFO.

The GFO currently shows an unobligated balance of \$933,353. It is off slightly from Mr. Leiser's number due to some deobligations from salary projections, which I am sharing with him as well. The total amount spent for FY 2024 to date is \$403,671,549. Approximately 50.0% has been spent, which is a positive sign.

There was no further discussion on this item.

**N. 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 N.43, Office of the Governor, which will be discussed with N.44, Department of Health and Human Services (DHHS), Division of Child and Family Services (DCFS); N.45, Office of the Governor, which will be discussed with N.46, DHHS, Division of Welfare and Supportive Services (DWSS); N.62, Office of the Governor; N.63, Office of the Governor; N.64, Office of the Governor; N.65, Office of the Governor; N.66, Office of the Governor; N.72, Office of the Governor, which will be discussed with N.73, Department of Agriculture; N.76, Office of the Governor; N.77, Office of the Governor; N.87, Office of the Governor; and N.89, Office of the Governor.

I would note that Agenda Item N.88, Office of the Governor, was withdrawn after the agenda was posted.

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

Deletion of \$2,220,409 **\$937,409** in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds authority balanced forward from FY 2024 to realign FY 2025 authority for the ARPA Projects category. Requires Interim Finance Committee approval since the amount deleted from the ARPA Projects category exceeds \$350,000. **Work Program #25F132716T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$1,558,115 **\$1,814,864** in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds authority balanced forward from FY 2024 to realign FY 2025 authority for the ARPA Community Recovery Grant category. Requires Interim Finance Committee approval since the amount deleted from the ARPA Community Recovery Grants category exceeds \$350,000. **Work Program #25F132717T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

3. **Office of the Governor - COVID-19 Relief Programs - FY 2025**  
Deletion of \$7,942,412 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds authority balanced forward from FY 2024 to realign FY 2025 authority for the ARPA - Assembly Bill 484 category. Requires Interim Finance Committee approval since the amount deleted from the ARPA Assembly Bill 484 category exceeds \$350,000. **RELATES TO ITEM N.4. Work Program #25F132721T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

4. **Department of Employment, Training and Rehabilitation - Employment Security Division - Special Fund - FY 2025**  
Deletion of \$7,942,412 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to align authority in the ARPA Reserve - Unemployment Insurance (UI) Modernization Senate Bill 461 and UI Information System categories. Requires Interim Finance Committee approval since the amount deleted from the ARPA Reserve - UI Modernization Senate Bill 461 category exceeds \$350,000. **RELATES TO ITEM N.3. Work Program #25F477101T**

Refer to motion for approval under Agenda Item O.

5. **Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$383,941 **\$164,099** from the American Rescue Plan Act (ARPA) Revenue Loss Reserve **Administration** category to the ARPA Administration **Revenue Loss Reserve** category to realign FY 2024 authority. Requires Interim Finance Committee approval since the cumulative amount added **deleted** from the ARPA Administration category exceeds \$350,000. **Work Program #24F132752T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

6. **Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$78,891 **\$61,293** from the American Rescue Plan Act (ARPA) Senate Bill 461 category to the ARPA Revenue Loss Reserve category to realign FY 2024 authority. Requires Interim Finance Committee approval since the cumulative amount deleted from the APRA Senate Bill 461 category exceeds 20% of the legislatively approved amount for that category. **Work Program #24F132754T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

7. **Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$2,811 **\$2,812** from the American Rescue Plan Act (ARPA) Assembly Bill 495 category to the ARPA Revenue Loss Reserve category to realign FY 2024 authority. Requires Interim Finance Committee approval since the cumulative amount deleted from the APRA Assembly Bill 495 category exceeds 20% of the legislatively approved amount for that category. **Work Program #24F132755T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

8. **Department of Education - COVID-19 Funding - FY 2024**  
Addition of \$89,929 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to continue funding for the Northern Nevada Literacy Council. Requires Interim Finance Committee approval since the amount added to the Educator Surveys category exceeds 20% of the legislatively approved amount for that category. **Work Program #24F27101T**

Refer to motion for approval under Agenda Item O.

9. **Department of Education - COVID-19 Funding - FY 2024**  
Deletion of \$64,519,982 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the ARPA Assembly Bill 495 category. Requires Interim Finance Committee approval since the amount deleted from the ARPA Assembly Bill 495 category exceeds \$350,000. **Work Program #24F27103T**

Refer to motion for approval under Agenda Item O.

10. **State Public Charter School Authority - FY 2024**  
Deletion of \$672,981 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the ARPA Fiscal Recovery Funds Assembly Bill 495 (ARPA FRF AB 495) category. Requires Interim Finance Committee approval since the amount deleted from the ARPA FRF AB 495 category exceeds \$350,000. **Work Program #24F27111T**

Refer to motion for approval under Agenda Item O.

11. **Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$6,092,356 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Assembly Bill 484 category to realign FY 2024. Requires Interim Finance Committee approval since the amount added to the ARPA Assembly Bill 484 category exceeds \$350,000. **Work Program #24F132756T**

Refer to motion for approval under Agenda Item O.

12. **Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$60,000,001 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Broadband Initiatives category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount added to the ARPA Broadband Initiatives category exceeds \$350,000. **Work Program #24F132757T**

Refer to motion for approval under Agenda Item O.

13. **Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$13,258,459 from the American Rescue Plan Act (ARPA) Projects category to the ARPA Revenue Loss Reserve category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount deleted from the APRA Projects category exceeds \$350,000. **Work Program #24F132758T**

Refer to motion for approval under Agenda Item O.

14. **Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2024**  
Deletion of \$620,644 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the Nevada Transplant Institute project. Requires Interim Finance Committee approval since the amount deleted from the ARPA Organ Donor Network category exceeds \$350,000. **Work Program #24F31951T**

Refer to motion for approval under Agenda Item O.

15. **Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2024**  
Deletion of \$2,840,815 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the system enhancements related to the Medicaid Eligibility System Modification project. Requires Interim Finance Committee approval since the amount deleted from the XIX EX-Parte Renewals category exceeds \$350,000. **Work Program #24F32284T**

Refer to motion for approval under Agenda Item O.



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

Deletion of \$3,896,460 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount deleted from the Transfer from ARPA category exceeds \$350,000. **Work Program #24F314510T**

Refer to motion for approval under Agenda Item O.

**17. Department of Health and Human Services - Child and Family Services - Clark County Child Welfare - FY 2024**

Deletion of \$354,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to align grant authority available for operation of an intermediate care facility for youth in Clark County for FY 2024. Requires Interim Finance Committee approval since the amount deleted from the Transfer from ARPA category exceeds \$350,000. **Work Program #24F31421T**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$150,511 ~~\$845,864~~ from the American Rescue Plan Act (ARPA) Revenue Loss Reserve **Community Recovery Grants** category to the **ARPA Revenue Loss Reserve ARPA Community Recovery Grants** category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount added to **deleted from** the ARPA Community Recovery Grants category exceeds \$350,000. **Work Program #24F132759T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

**19. Department of Education - COVID-19 Funding - FY 2024**

Addition of \$308,377 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to continue funding for Spread the Word Nevada. Requires Interim Finance Committee approval since the cumulative amount transferred to the Educator Surveys category exceeds 20% of the legislatively approved amount for that category. **Work Program #24F27102T**

Refer to motion for approval under Agenda Item O.

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

Addition of \$702,368 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority to continue the utilization of existing nonprofit organizations providing direct and immediate community services in the state. Requires Interim Finance Committee approval since the amount added to the Community Recovery Grant category exceeds \$350,000. **Work Program #24F31459T**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$21,750,000 **\$21,980,710** from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Child Care category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount transferred to the APRA Child Care category exceeds \$350,000. **RELATES TO ITEMS N.22 and N.23. Work Program #24F132760T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$21,750,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds authority balanced forward from FY 2024 to realign FY 2025 authority for the ARPA Child Care category. Requires Interim Finance Committee approval since the amount deleted from the ARPA Child Care category exceeds \$350,000. **RELATES TO ITEMS N.21 and N.23. Work Program 25F132723T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

**23. Department of Health and Human Services - Welfare and Supportive Services - Child Assistance and Development - FY 2025**

Deletion of \$21,750,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2025 authority for the ARPA Child Care projects. Requires Interim Finance Committee approval since the amount deleted from the Transfer in Federal ARPA category exceeds \$350,000. **RELATES TO ITEMS N.21 and N.22. Work Program #25F326701T**

Refer to motion for approval under Agenda Item O.

- 24. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$2,100,031 **\$2,168,270** from the American Rescue Plan Act (ARPA) Crisis Care category to the ARPA Revenue Loss Reserve category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount deleted from the ARPA Crisis Care category exceeds \$350,000. **Work Program #24F132761T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

- 25. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$4,051,010 **\$3,056,216** from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Children's Mental Health category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount added to the ARPA Children's Mental Health category exceeds \$350,000. **Work Program #24F132762T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

- 26. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$152,633,643 **\$2,085,071** from the American Rescue Plan Act (ARPA) Public Health category to the ARPA Revenue Loss Reserve category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount deleted from the APRA Public Health category exceeds \$350,000. **Work Program #24F132763T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

- 27. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$24,222,616 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Services for Specific Population category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount added to the ARPA Services for Specific Population category exceeds \$350,000. **Work Program #24F132764T. WITHDRAWN 6-5-24.**

- 28. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$4,132,902 **\$11,323,980** from the American Rescue Plan Act (ARPA) Revenue Loss Reserve **Universal School Meals** category to the ARPA Universal School Meals **Revenue Loss Reserve** category to realign FY 2024 authority. Requires Interim Finance Committee approval since the amount transferred **deleted** from the ARPA Universal School Meals category exceeds \$350,000. **Work Program #24F132767T. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

**29. Office of the Chief Information Officer - Data Communications and Network Engineering - FY 2024**

Deletion of \$810,153 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the Network Core Replacement/End of Life Hardware. Requires Interim Finance Committee approval since the amount deleted from the ARPA Funding category exceeds \$350,000. **Work Program #24F13861T**

Refer to motion for approval under Agenda Item O.

**30. State Department of Agriculture - Commodity Foods Distribution Program - FY 2024**

Deletion of \$332,003 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the Community Food Access and Senior Nutrition and Wellness Program projects, and to account for a deobligation associated with the ARPA Food Insecurity programs of the agency. Requires Interim Finance Committee approval since the amount deleted from the ARPA Food Insecurity category exceeds 20% of the legislatively approved amount for that category. **Work Program #24F136208T**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$991,931 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the ARPA Public Health category. Requires Interim Finance Committee approval since the amount deleted from the ARPA Public Health Systems category exceeds \$350,000. **Work Program #24F32343T**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$573,396 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for child care expansion and subsidies projects. Requires Interim Finance Committee approval since the amount deleted from the Transfer in Federal ARPA category exceeds \$350,000. **Work Program #24F326704T**

Refer to motion for approval under Agenda Item O.

**33. State Department of Conservation and Natural Resources - State Parks - FY 2024**

Addition of \$16,513 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority for the State Parks Reservation System project. Requires Interim Finance Committee approval since the cumulative amount added to the ARPA Reservation System category exceeds 20% of the legislatively approved amount for that category. **Work Program #24F41621T**

Refer to motion for approval under Agenda Item O.

**34. State Department of Conservation and Natural Resources - Water Resources - FY 2024**

Deletion of \$473,918 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to realign FY 2024 authority related to the Water Resource Initiative. Requires Interim Finance Committee approval since the amount deleted from the Water Resource Initiative category exceeds \$350,000. **Work Program #24F417102T**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$2,750,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds balanced forward from FY 2024 to realign FY 2025 authority for the Health Care Workforce Scholarships and support staff. Requires Interim Finance Committee approval since the amount deleted from the ARPA Public Health category exceeds \$350,000. **Work Program #25FR132701**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$3,479,240 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Children's Mental Health category to support allocations to the Department of Health and Human Services, Division of Child and Family Services for oversight of ARPA projects, to support the Children's Behavioral Health Authority program, and to true up to agency's authority. Requires Interim Finance Committee approval since the amount transferred to the ARPA Children's Mental Health category exceeds \$350,000. **RELATES TO ITEMS N.39 and N.41. Work Program #25FR132706**

Refer to motion for approval under Agenda Item O.

- 37. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$649,677 **\$387,835** from the American Rescue Plan Act (ARPA) Children's Mental Health category to the ARPA Revenue Loss Reserve category to deobligate grant funds for the ARPA Children's Behavioral Health Authority program positions and to align the FY 2024 authority within the ARPA Children's Mental Health category. Requires Interim Finance Committee approval since the amount transferred from the ARPA Children's Mental Health category exceeds \$350,000. **RELATES TO ITEMS N.38 and N.40. Work Program #24FR132720. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

- 38. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2024**  
Deletion of \$263,027 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate funding previously approved for the Children's Behavioral Health Authority program. Requires Interim Finance Committee approval since the cumulative amount deleted from the Personnel category exceeds \$350,000. **RELATES TO ITEM N.37. Work Program #24FRF31457**

Refer to motion for approval under Agenda Item O.

- 39. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2025**  
Addition of \$1,014,987 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to provide oversight and compliance with federal and state regulations. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **RELATES TO ITEM N.36. Work Program #25FRF31452**

Refer to motion for approval under Agenda Item O.

- 40. Department of Health and Human Services - Child and Family Services - Family Support Program - FY 2024**  
Deletion of \$701,328 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate funding approved for the Children's Behavioral Health Authority program. Requires Interim Finance Committee approval since the amount deleted from the Personnel category exceeds \$350,000. **RELATES TO ITEM N.37. Work Program #24FRF31466**

Refer to motion for approval under Agenda Item O.

**41. Department of Health and Human Services - Child and Family Services - Family Support Program - FY 2025**

Addition of \$1,499,500 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to continue support of the ARPA Children's Behavioral Health Authority (CBHA) program. Requires Interim Finance Committee approval since the amounts added to the Personnel and ARPA CBHA categories exceed \$350,000. **RELATES TO ITEM N.36. Work Program #25FRF31461**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$77,346 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds authority balanced forward from FY 2024 to align FY 2025 authority in the ARPA Community Recovery Grants category. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Community Recovery Grants category exceeds \$350,000. **Work Program #25FR132710. REVISED 5-30-24.**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$3,888,162 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Children's Mental Health category to support an allocation to the Department of Health and Human Services, Division of Child and Family Services for the Children's Mental Health Building 9 Renovation project. Requires Interim Finance Committee approval since the amount transferred to the ARPA Children's Mental Health category exceeds \$350,000. **RELATES TO ITEM N.44. Work Program #25FR132721**

Agenda Items N.43 and N.44 were discussed jointly. Refer to discussion and motion for approval under Agenda Item N.44.

**44. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2025**

Addition of \$3,888,162 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account for the Children's Mental Health Building 9 Renovation project. Requires Interim Finance Committee approval since the amount added to the ARPA Intermediate Care Facility category exceeds \$350,000. **RELATES TO ITEM N.43. Work Program #25FRF36461**

Agenda Items N.43 and N.44 were discussed jointly.

MARLA MCDADE WILLIAMS (Administrator, Division of Child and Family Services [DCFS], Department of Health and Human Services [DHHS]):

Agenda Item N.43 is the transfer of \$3,888,162 from the American Rescue Plan Act (ARPA), Revenue Loss Reserve category to the ARPA Children's

Mental Health category to support an allocation to the DCFS for the children's mental health renovation of Building 9. Agenda Item N.44 is the addition of \$3,888,162 in federal ARPA dollars for renovation of Building 9 on the West Charleston campus. The purpose of the renovation is to convert from an office building to a residential facility to serve girls with developmental disabilities. The proposal is for a six-room double occupancy to primarily serve children coming from child welfare and in some cases, the juvenile justice system.

ASSEMBLYWOMAN TAYLOR:

As you expand the facilities for mental health, do you anticipate operation dollars being needed to support operations of those facilities?

Ms. MCDADE WILLIAMS:

The plan is to contract out to a private vendor so there will be no General Fund operational dollars in the proposal. In all the facilities maintained by the DCFS, maintenance costs are covered in the budget, so those are continuing obligations in the budget, but there are no General Fund operating dollars for operation of the facility.

CHAIR MONROE-MORENO:

Has the DCFS already identified a possible vendor?

Ms. MCDADE WILLIAMS:

There is currently a vendor operating on the West Charleston campus and providing services to boys. The DCFS is aware of at least one vendor throughout the state that is available and interested in providing services to that population.

SENATOR NEAL:

Does the DCFS have any information on how well the vendor is currently performing with that population?

Ms. MCDADE WILLIAMS:

The contract is with Clark County, which is monitoring oversight. My understanding is that the children going into that program are very successful in managing their behaviors and getting them ready for their next placement.

SENATOR NEAL:

Madam Chair, may the Committee request more detailed information on the treatment at the facility?



CHAIR MONROE-MORENO:

Is your request to get data from Clark County or the DHHS?

SENATOR NEAL:

Through the DHHS.

Ms. MCDADE WILLIAMS:

I am happy to work with the parties and provide the Committee with the information.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEMS N.43 AND N.44 AND REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF CHILD AND FAMILY SERVICES TO PROVIDE A REPORT ON THE SUCCESS OF THE CURRENT VENDOR.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

Transfer of \$6,239,322 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA State Agency Allocations category to support an allocation to the Department of Health and Human Services, Division of Welfare and Supportive Services to provide a one-time state match for the federal United States Department of Agriculture Food and Nutrition Service Summer Electronic Benefits Transfer program. Requires Interim Finance Committee approval since the amount transferred to the ARPA State Agency Allocations category exceeds \$350,000. **RELATES TO ITEM N.46. Work Program #25FR132722**

Agenda Items N.45, N.46, and O.94 were discussed jointly. Refer to discussion and motion for approval under Agenda Item O.94.

**46. Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2025**

Addition of \$6,239,322 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to provide a one-time state match to implement the federal United States Department of Agriculture Food and Nutrition Service Summer Electronic Benefits Transfer (EBT) program. Requires Interim Finance Committee approval since the amount added to the Summer EBT Program category exceeds \$350,000. **RELATES TO ITEM N.45. Work Program #25FRF32281**

Agenda Items N.45, N.46, and O.94 were discussed jointly. Refer to discussion and motion for approval under Agenda Item O.94.

**47. 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 deobligate authority previously approved for 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 N.48. Work Program #24FR132723**

Refer to motion for approval under Agenda Item O.

**48. State 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 funding for 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 N.47. Work Program #24FR269102**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$91,031 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Children's Mental Health category to fund a projected shortfall in the ARPA Intensive Family In-Home Services program. Requires Interim Finance Committee approval since the cumulative amount added to the ARPA Children's Mental Health category exceeds \$350,000. **Work Program #25FR132724**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$256,759 from the American Rescue Plan Act (ARPA) Community Recovery Grants Projects category to the ARPA Projects category to correct an error in the categories' authority. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Community Recovery Grants category exceeds 20% of the legislatively approved amount for that category. **Work Program #25FR132725**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$26,633 from the American Rescue Plan Act (ARPA) Community Recovery Grant category to the ARPA Revenue Loss Reserve category to deobligate funds previously approved for Moxy Up. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Community Recovery Grants category exceeds \$350,000. **Work Program #24FR132732**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$475,000 ~~\$474,500~~ ~~\$474,755~~ from the American Rescue Plan Act (ARPA) Grants to Tribes category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for the Grants to Tribes program. Requires Interim Finance Committee approval since the amount transferred from the ARPA Grants to Tribes category exceeds \$350,000. **RELATES TO ITEM N.53. Work Program #24FR132734. REVISED 5-30-24 and 6-3-24.**

Refer to motion for approval under Agenda Item O.

**53. Department of Tourism and Cultural Affairs - Indian Affairs Commission - FY 2024**

Deletion of \$474,755 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate the authority, and to transfer \$15,000,000 from the ARPA Reserve Grants to Tribes category to the Grants to Tribes Program Subgrant category to fund the Grants to Tribes program. Requires Interim Finance Committee approval since the amount transferred to the Grants to Tribes Program Subgrant category exceeds \$350,000. **RELATES TO ITEM N.52. Work Program #24FRF26001**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$7,314,984 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Children's Mental Health category to align project authority for the provision of wraparound and intensive care services coordination for youth with intensive needs. Requires Interim Finance Committee approval since the amount transferred to the ARPA Children's Mental Health category exceeds \$350,000. **RELATES TO ITEM N.55. Work Program #24FR132736**

Refer to motion for approval under Agenda Item O.

**55. 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 (ARPA), 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 align project authority to provide wraparound and intensive care services 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. **RELATES TO ITEM N.54. Work Program #24FRF31462**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$33,500 **\$31,150 \$33,150** from the American Rescue Plan Act (ARPA) State Agency Allocations category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for Nevada Early Intervention Services. Requires Interim Finance Committee approval since the cumulative amount transferred from the ARPA State Agency Allocations category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.57. Work Program #24FR132737. REVISED 5-30-24 and 6-3-24.**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$33,150 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate funds previously approved for the Nevada Early Intervention Services (NEIS) Analysis project. Requires Interim Finance Committee approval since the amount deleted from the ARPA Analysis of NEIS System category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.56. Work Program #24FRF32082**

Refer to motion for approval under Agenda Item O.

- 58. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$715 from the American Rescue Plan Act (ARPA) State Agency Allocations category to the APRA Revenue Loss Reserve category to deobligate funding previously approved for the awareness of Monkeypox and other health issues affecting gay and bisexual men. Requires Interim Finance Committee approval since the amount transferred from the ARPA State Agency Allocations category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.59. Work Program #24FR132738**

Refer to motion for approval under Agenda Item O.

- 59. Department of Health and Human Services - Public and Behavioral Health - Health Investigations and Epidemiology - FY 2024**  
Deletion of \$715 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs budget to deobligate funds previously approved for the awareness of Monkeypox and other health issues affecting gay and bisexual men. Requires Interim Finance Committee approval since the amount deleted from the ARPA Monkeypox MSM category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.58. Work Program #24FR321902**

Refer to motion for approval under Agenda Item O.

- 60. Office of the Governor - COVID-19 Relief Programs - FY 2024**  
Transfer of \$100,000 from the American Rescue Plan Act (ARPA) State Agency Allocations category to the APRA Revenue Loss Reserve category to deobligate funds previously approved for the study of providers of rare diseases and childhood cancer and clinical centers that render services for children with rare conditions. Requires Interim Finance Committee approval since the amount transferred from the ARPA State Agency Allocations category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.61. Work Program #24FR132739**

Refer to motion for approval under Agenda Item O.

- 61. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2024**  
Deletion of \$100,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate funds previously approved for the study of providers of rare diseases and childhood cancer and clinical centers that render services for children with rare conditions. Requires Interim Finance Committee approval since the amount deducted from the ARPA Rare Disease program category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.60. Work Program #24FR315810**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$1,670,563 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA State Agency Allocations category to provide a subaward to the Nevada System of Higher Education for lost revenues in FY 2024 associated with the Native American Fee Waiver. Requires Interim Finance Committee approval since the amount transferred to the ARPA State Agency Allocations category exceeds \$350,000. **Work Program #24FR132740**

PATTY CHARLTON (Interim Chancellor, Nevada System of Higher Education [NSHE]):

NSHE is requesting approval of Agenda Item N.62, which is related to Assembly Bill (A.B.) 150, that was approved during the 82<sup>nd</sup> (2023) Legislative Session. Assembly Bill 150 provides support to Native American students within NSHE. This bill requires the Board of Regents to grant waivers of registration and other mandatory fees for certain Native American students and allocates funds to NSHE to cover those costs. NSHE is grateful for the Legislature's appropriation of \$457,449 in each year of the current biennium to support the Native American fee waiver. This legislation aligns specifically with the Board of Regents' and NSHE's priorities of promoting access, student success, and equity in the higher education system.

This program has been successful as NSHE has had many more students apply and receive this fee waiver. The preliminary data for FY 2024 shows that over 450 students were eligible to receive these funds. NSHE is requesting the Committee's support of a transfer of \$1,670,563 to support the expenditures that are in excess of the appropriation. The Committee's support is crucial in advancing the educational opportunities and promoting economic prosperity for all Nevadans.

CHAIR MONROE-MORENO:

During the 82<sup>nd</sup> (2023) Legislative Session, legislation was passed that created a grant program for tribal communities. Unfortunately, that money was not used. Senator Dondero Loop and I have been working with the Office of the Governor to ensure that money stayed in that population. It was determined that the best way to do that was to help Native American students with tuition.

ASSEMBLYWOMAN BROWN-MAY:

I appreciate NSHE's efforts. This is a phenomenal program, one that I was proud to work with my colleagues on during the 82<sup>nd</sup> (2023) Legislative Session. I understand the fees are being waived for the Native American population attending Nevada schools. What is NSHE's plan to fund the loss of revenues resulting from the Native American fee waiver in FY 2025 and beyond?

MS. CHARLTON:

NSHE is working with the Joint Interim Standing Committee on Education. In fact, NSHE has a presentation next week to that body regarding fee waivers as a whole and to engage in that conversation. The impact of this specific fee waiver for the 2024-2025 fiscal and academic year is unknown; however, NSHE would love to have the opportunity to provide that information to this Committee. In the interim, institutions will have to absorb the cost of any gap of that funding.

ASSEMBLYWOMAN KASAMA:

To clarify on the fee waivers for Native Americans, are those for Nevada residents only?

JOSE QUIROGA (Research Analyst, Academic and Student Affairs, NSHE):

The expansion that occurred to the fee waiver during the 82<sup>nd</sup> (2023) Legislative Session slightly changed the eligibility of students. Students who become eligible for the waiver become in-state residents for tuition purposes; however, who is eligible? A student must be an enrolled member or a descendant of an enrolled member of any federally recognized Native American tribe or nation in the United States. They must also have a nexus to Nevada, of which there are several ways to establish a nexus. One way is to already be a resident of Nevada, that is the simplest way for tuition purposes. The second way is to have lived in Nevada for a year or more. Another way is to have lived on federally recognized tribal lands that are not necessarily in Nevada, but adjacent to Nevada, for a Nevada tribe. They may be a member of a tribe that is just over the border in California; however, in tribal lands that overlap both states. There are students who would not traditionally be recognized as a Nevada resident; however, due to being eligible for the program, these students would become a Nevada resident for tuition purposes.

ASSEMBLYWOMAN KASAMA:

I am looking at the shortfall and revenues. Do other neighboring states offer these tuition fee waivers for Native Americans in California, Utah, or Idaho?

MR. QUIROGA:

There are other fee waivers throughout the nation, including in California, that offer certain waivers. Each have slightly different provisions that cover slightly different programs and that is part of what NSHE will be including in the presentation to the Joint Interim Standing Committee on Education. The presentation will discuss the Native American fee waiver provisions in Nevada and how they compare nationally.

ASSEMBLYWOMAN KASAMA:

If NSHE is experiencing a shortfall, perhaps NSHE should consider offering it only to Nevada residents or something similar.

CHAIR MONROE-MORENO:

I know Assemblywoman Anderson did a lot of work on this bill during the 82<sup>nd</sup> (2023) Legislative Session. I did discuss this with her, and she was very happy with what is being done with these funds. Thank you to NSHE and Assemblywoman Anderson for their efforts on this matter.

ASSEMBLYMAN YEAGER:

In A.B. 150, approximately \$500,000 was allocated for this purpose and now the state is at \$2.1 million for FY 2024. I am supportive of the program. Sometimes programs are enacted by the Legislature to which no one takes advantage. This seems to be the opposite situation, which is a good thing.

Does NSHE have any sense of why the demand is greater than anticipated? Is NSHE conducting affirmative marketing for this program? If you can speak to that, it might help the Legislature determine an appropriate level of funding in the future.

MR. QUIROGA:

As you have noted, there have been great increases in both the number of students and dollars waived. It is a multi-faceted issue that led to the shortfall. Prior to A.B. 150, the waiver previously only covered the balance of tuition and fees after other aid, such as federal or other state aid, had already been applied. That accounts for a large portion of the increase in dollars. However, there has also been an increase in the population of students, for which I think there are several reasons. One reason is that more people are becoming aware of the waiver. NSHE partners with the Nevada Indian Commission, and other Native American nation groups have asked NSHE to give a presentation. The institutions that work with tribes and nations in Nevada and throughout the nation have reached out to that population. Ultimately, it has been a mixture of increased participation and an increase in the fees waived.

MS. CHARLTON:

The other item that changed was the expansion of the programs that were eligible. Eligible programs include non-credit programs, and undergraduate and professional programs.



SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM N.62.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

Transfer of \$9,000,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide a subaward to the nonprofit SafeNest to purchase buildings and to relocate the Family Justice Center to a centralized location to provide services to stop domestic violence, sexual violence, and human trafficking. Requires Interim Finance Committee approval since the amount transferred to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132741**

LIZ ORTENBURGER (CEO, SafeNest):

As the Committee is aware, domestic violence is the number one cause of death for women in the State of Nevada. Nevada is regularly in the top five most dangerous states in the country for women being murdered by men, and 80% of those homicides occur in Clark County. There are 22,000 cases of domestic violence and over 100,000 domestic 9-1-1 calls every year in Clark County.

The request of \$9.0 million in addition to the loan of \$5.0 million from the State Infrastructure Bank will allow SafeNest to purchase the building that it currently occupies as well as three additional buildings to expand services and build out a Family Justice Center, which SafeNest will call One Safe Place. This center will bring together collaborative services from around the county, and allow SafeNest to serve victims of domestic violence, sexual assault, and human trafficking in one location to get their needs met. This will provide the convenience of having a complete case plan met in one location and avoid unnecessary travel. These models are very successful, both internationally and nationally, in decreasing homicides, increasing prosecution, reducing recidivism, and reducing domestic violence 9-1-1 calls. It is an effective response to domestic violence and sexual assault along with justice system deterrence.

SafeNest's program will have three unique elements: survivor and youth services in one building, Social Enterprise Center in another, and an abuser program with wraparound services in the third. When victims of domestic violence have financial agency, even when they return to the relationship, the violence is greatly diminished or stopped. The abuser program will be the first of its kind in the country with wraparound services so that those perpetrating domestic violence get support in the form of mental health and advocacy. This is important because when judges enforce a temporary protection order, a situation is created, for example, of

homelessness for an abuser, which rarely diminishes anger or domestic violence, yet the abuser population has nowhere to go for support. Couples counseling and support for abusers is the third most requested service by survivors. While the behavior of abusers will never be excused, if the state and county does not start tackling this differently, these high rates of homicide and domestic violence will continue to be seen. SafeNest would like to lead the country in this space. This is how we address this holistically and with services for each.

In the space of a business plan, the combination of buildings has associated revenue. A portion of the approximately 40,000 square feet being added to the SafeNest footprint, which is collaborative, provides rental income, and the Social Enterprise Center provides revenue for the collaborative project. In addition, about \$250,000 a year will be saved in rent because SafeNest will no longer be leasing a building. That is an \$800,000 gross revenue stream each year with \$400,000 net revenue. This was appealing to the State Infrastructure Bank and the loan request is moving forward. However, should that loan fall through because of the revenue streams associated with the business side of this operation, SafeNest is eligible for funding through another company called Lend Donate, which combines not only financial loans as traditionally would be provided, but combines that with donors as well. SafeNest would also be eligible for a traditional bank loan because of the revenue associated with the project. Of course, the State Infrastructure Bank is the priority because the interest rate is much better than what would be received on the open market.

SENATOR NEAL:

I am interested in the youth and child services component. I know there is not a lot of capacity for women who have been in a domestic violence situation, but when I toured the corridor, I heard that if a woman has a son that is 13, the son is not allowed to come into a shelter with their mom. I understand that a communal space is affected by having a male there, but a 13-year-old cannot be on their own. I am worried about this because although women need to be protected, it also hurts the child and makes them vulnerable when separated from the family and placed in an adult unit by themselves. What are the solutions to this and how can it be mitigated?

MS. ORTENBURGER:

This seems to be a policy of a different agency that is on the homeless corridor, not a policy of SafeNest. SafeNest's policy is that children up to age 18 and children with special needs up to age 26 can be housed alongside their mom or dad, because both genders of parents get housed in shelters.

Unrelated to this project, SafeNest had to deny shelter to 5,000 people looking for lethal deterrent shelter in 2023 because there were not enough beds. There is a misalignment of services that are available for those seeking shelter, particularly

the inability to provide those that have lethal indicators, shelter in a confidential location. Markets in similar size to SafeNest have 400 confidential beds whereas Clark County has 150. The projects that SafeNest put forward through the American Rescue Plan Act (ARPA) for increased shelter housing were all denied. That is a conversation that needs to continue.

SENATOR NEAL:

To confirm, there is no “co-advising” on how to mimic and model what SafeNest is doing in the corridor to try to eliminate some of the challenges that are being discussed.

MS. ORTENBURGER:

SafeNest has trained corridor staff on the lethal assessment evaluation to know which victims of domestic and sexual violence are fleeing lethal levels. That type of situation is an 11-point scale, and SafeNest only has beds for people who are at a 9-point or below. Anybody with a score lower than a 9 on a lethality scale cannot get a bed because capacity has been reached. Therefore, it is not a complete lockdown of communication, it is a lack of bed space.

SENATOR NGUYEN:

I had the opportunity to go with SafeNest to see some of these projects that are being done nationwide that Nevada is trying to emulate. You discussed the collaborative and centralized partners and how that will also be a source of potential revenue in rental spaces. Does SafeNest have commitments from those other agencies to make this collaborative and centralized process successful like it has been in other jurisdictions?

MS. ORTENBURGER:

The rental revenue that SafeNest has through phase one (the first three years) is from private entities that are in the space. There is enough of a footprint to do phase one of the One Safe Place—there is a charter school there as well as Sunrise Children’s Foundation’s Women, Infants and Children program—and that provides private revenue. As SafeNest moves forward, agencies that are providing advocacy will not be charged. For example, if the Shade Tree were to provide a homeless advocate, there would be client intersectionality and that would be an appropriate advocate. If smaller nonprofits want to move their entire operation into the location, they would be charged submarket rent. There must be a business model to support this, I cannot come back every year and ask for money, so SafeNest is committed to building out a business plan that matches the need for longevity.

SENATOR NGUYEN:

As far as the expansion of the program, I assume SafeNest wants to have collaborative partnerships with law enforcement agencies and medical facilities to provide treatment and care in the same place. Would that be something that would happen as SafeNest is expanding into the different phases of this project?

MS. ORTENBURGER:

The funding for this project has been up and down. I began talking with collaborative partners this week when I saw this work program was on the agenda. Over the next year, SafeNest will open lines of communication with the Family Justice Center, which is run by the Las Vegas Metropolitan Police Department (LVMPD), about moving existing commitments. Partners from New Orleans are coming in to run a design project with all the collaborative partners so that the space can be built out effectively, ensure systems match, it has best practices in the field, and everyone feels included in the project. While SafeNest is taking the lead role, it is imperative that everyone feels included because the safety net that needs to be built out for this epidemic in the community must be large.

CHAIR MONROE-MORENO:

SafeNest currently has a relationship with the LVMPD in North Las Vegas, but is there one with Henderson as well?

MS. ORTENBURGER:

SafeNest works with Henderson and responds to some of its 9-1-1 calls in the mobile response program, but Henderson largely works with another provider, SAFE House, which SafeNest partners with as well.

ASSEMBLYWOMAN MILLER:

SafeNest is seeking support for the capital project, which is just the facility to support the expanded programming, and staffing and services. How will SafeNest support the increased services, programming, and staff?

MS. ORTENBURGER:

There will be a net benefit from the revenue from increased business activity and \$250,000 savings in rent because SafeNest would no longer be leasing the building, totaling about \$400,000 in net savings after expenses associated with the increased footprint to be used. SafeNest has also been working closely with Nevada Grant Lab and the other funders in Southern Nevada to increase the direct federal grant program, which will bring a lot of money for the entire project and then SafeNest will be able to subgrant some of those funds to partner agencies.

The goal is not to ask partner agencies to do more with less, but to bring more money in for these projects as they are acclaimed nationally and there is funding available. The reason the food banks and Opportunity Village do so well is they have phenomenal business models alongside the great services they provide. SafeNest is increasing its footprint in revenue-generating activity, which will be a third stream.

ASSEMBLYWOMAN MILLER:

To confirm, \$250,000 will be saved each year by building as opposed to renting.

MS. ORTENBURGER:

That is correct. The \$250,000 is received from marriage license fees and is currently used to pay SafeNest's rent. That money will now be used to directly serve survivors instead of paying rent.

ASSEMBLYWOMAN MILLER:

Earlier, you mentioned the difference between interest rates from the State Infrastructure Bank compared to other lenders on the open market. What would be the difference in percentages?

MS. ORTENBURGER:

The \$5.0 million, ten-year loan from the State Infrastructure Bank is about 3.5%, compared to the open market, which would be closer to 9.0%. The reason for that being so high is partly because nonprofits do not have a business footprint in the same way revenue-generating businesses do and partly because current interest rates are high. There is every indication that the loan with the State Infrastructure Bank is moving forward and will be considered at the July 23, 2024, meeting for approval.

CHAIR MONROE-MORENO:

There have been many questions and interest in how this project moves forward. For the 83<sup>rd</sup> (2025) Legislative Session, I would like SafeNest and all nonprofit organizations, whether presenting today or items that have been previously approved, to give a report to the Governor's Finance Office (GFO) that the GFO can present to the Committee in 2025 with the progress of the project. I would like this Committee to be able to see the good works that are going on in the community.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM N.63.

[unknown] SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

Chair Monroe-Moreno called a recess at 12:23 p.m. The meeting reconvened at 1:18 p.m.

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

Transfer of \$2,000,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide a subaward to the Legal Aid Center of Southern Nevada for a portion of the construction costs for a new Resiliency and Justice Center to support survivors of violent crime. Requires Interim Finance Committee approval since the amount added to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132742**

BARBARA BUCKLEY (Former Nevada Assemblywoman [1994-2011], Executive Director, Legal Aid Center of Southern Nevada):

The Legal Aid Center of Southern Nevada is requesting \$2.0 million for the Advocacy and Justice Complex. To refresh the members' recollection, when October 1, 2017, happened, the state and county struggled to provide services to survivors of the nation's worst incident of mass violence both in the short term and long term. Experts from the federal Department of Justice, Office of Mass Violence flew to Nevada and the decision was made to create a resiliency center because virtually no services were being offered in Nevada to survivors of violent crimes such as shootings, arson, home invasion, etc.

Shortly after that tragic day, the Vegas Strong Resiliency Center was born. Six and a half years later, the Vegas Strong Resiliency Center is now the Resiliency and Justice Center. It serves all survivors of violent crime, in addition to those affected by the violence on October 1, 2017. The center stands ready to assist in any incidents of mass violence when activated by the Office of Emergency Management for Clark County, as was recently done for the December 6, 2023, shooting at UNLV as well as the City National Bank shooting.

The request before the Committee today is for a permanent home for the Resiliency and Justice Center, other legal aid programs serving victims of crime, and programs to prevent the exploitation of the elderly, such as the Family Justice Project serving survivors of domestic violence and the Guardianship Advocacy Project, which seeks to prevent the exploitation of the elderly in guardianship. These programs will be housed at the Advocacy and Justice Complex, which is right across the street from the Legal Aid Center of Southern Nevada's main headquarters.

The project will be about 40,000 square feet and include a community action room, which will be a conference room with a capacity of about 3,000 square feet and will be able to hold approximately 200 people. It will also include 30 workstations that can be activated when there is a mass violence incident. These individuals will receive calls from family members of victims so the Office of Emergency Management can provide emergency response. This program has been set up in partnership with the Clark County Office of Emergency Management and Clark County. The center has also been designated as the statewide Victim Assistance Center, and the Resiliency and Justice Center is now receiving calls from victims and law enforcement in other communities.

Services offered at the center include victim navigation, mental health services, and legal aid; all with the goal of promoting healing and resiliency following violent crime. The overall cost of the project is \$30.0 million. The center has received over \$12.0 million in funding from community philanthropists and has currently raised \$25.0 million, leaving \$4.9 million left to raise. This \$2.0 million request will help the center get almost to the finish line. The rest of the funding will be raised by me, anticipating raising that entire amount by the end of this year. The center already has requests for permits pending before the City of Las Vegas Planning Commission, and construction is anticipated to begin once the permits are issued, and bidding is done with subcontractors. Construction of the project is expected to begin January 1, 2025. The architect and general contractor, who have already been selected, anticipate an 18-month timeline. This project will move the state forward and is desperately needed. The Legal Aid Center of Southern Nevada does not have available space at the Resiliency and Justice Center or at the main office to serve victims. It will allow the Legal Aid Center of Southern Nevada to serve from one location, preventing survivors from having to go to multiple locations. It will also allow the Legal Aid Center of Southern Nevada to expand in order to serve both the state and community better, especially as Nevada continues to grow.

SENATOR DONDERO LOOP:

Please explain why the cost to construct the Advocacy and Justice Center has increased from the initial estimate of \$17.5 million to \$30.0 million.

Ms. BUCKLEY:

When I first came before the Committee a couple years ago, the project estimates were provided by an estimator. At the time, the Legal Aid Center of Southern Nevada was just starting to raise money and did not have the funds to get specific estimates from an architect and contractor. Once enough money was secured to know this project was going to happen, the Legal Aid Center of Southern Nevada hired an architect. Unfortunately, in the very beginning, the Legal Aid Center of Southern Nevada was only able to get a concept drawing. Once the actual blueprint drawings were finalized based on the anticipated need, the cost increased.

The other cost increase was due to increases in labor and materials, which have significantly increased since the project began. The Legal Aid Center of Southern Nevada is fortunate to have a wonderful architect and a great contractor who will be performing value engineering to make sure this project comes in under budget.

SENATOR DONDERO LOOP:

I believe you provided the timeline, but please remind the Committee exactly where the building will be located and the timeline to raise that additional \$4.2 million.

Ms. BUCKLEY:

The building will be located at 801 East Charleston, which is right across the street from where the Legal Aid Center of Southern Nevada is located. It was the former U.S. Bank building, and the Legal Aid Center of Southern Nevada was fortunate to receive a deeply discounted price because of U.S. Bank's support of this project.

If there are no problems with the permitting and planning commission process, the project will begin in January 2025 and be complete by August 2026. As of yesterday, there is currently a \$4.9 million gap. If the request before the Committee is approved, it would be a funding gap of \$2.9 million. Fortunately, the Legal Aid Center of Southern Nevada received \$500,000 yesterday, which is one step closer to the goal.

The remainder of the gap will be raised through private fundraising. The Legal Aid Center of Southern Nevada also has a letter of credit should it need to be utilized for the \$4.0 million gap but honestly, the Legal Aid Center of Southern Nevada will



not approach that until probably January 2026 because there is adequate funding to fund the construction of the project through that time. With the generosity of this community and the amazing responses, the Legal Aid Center of Southern Nevada has received over \$12.0 million in private philanthropy donations; I am confident that the remaining funds will be raised.

ASSEMBLYWOMAN KASAMA:

This is a great project, and it is great that there is much support by the community. When money is donated by the state to nonprofit organizations for real estate, not for operations, are there any deed restrictions or anything like that? I do not think the Legal Aid Center of Southern Nevada is going to dissolve, but for other nonprofits that perhaps do not succeed or close down, does the state have any deed restrictions that perhaps that money would come back to the state or is that something that could be looked into?

CHAIR MONROE-MORENO:

I want to remind the Committee that these are ARPA dollars; these are federal dollars that came through the state to be used for this type of purpose.

ASSEMBLYWOMAN KASAMA:

You are correct, and I apologize for that. This is outside of that now that I think about it.

JACK ROBB (Director, Department of Administration):

Thank you for the question, but it is not within the Department of Administration's wheelhouse. That would be a question for the State Department of Conservation and Natural Resources, Division of State Lands and the State Land Registrar to make that type of determination. Even the Department of Administration must go through the Division of State Lands to get permission to build on state land.

CHAIR MONROE-MORENO:

I would like to thank Speaker Buckley for the work you are doing and continuing this project. Hopefully the state does not have many more situations or any more situations that would have to utilize the center, but it is a blessing to have it in the community.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA  
ITEM N.64.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS  
PRESENT.

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

Transfer of \$750,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide a subaward to the Community Kollel of Greater Las Vegas for school safety. Requires Interim Finance Committee approval since the amount added to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132743**

DAVID GOLDWATER (Former Nevada Assemblyman [1995-2003], Partner with Pinyon Public Affairs, Representing Community Kollel):

I am honored to present a request to the Committee for \$750,000 in ARPA funds for a grant program for security for some of the Jewish schools in the state. Following the pandemic shutdown in 2020 and 2021, antisemitic hate crimes rose by 36% in 2022, according to Federal Bureau of Investigation crime data. Jewish K-12 nonprofit schools in Nevada are particularly high profile and attractive targets for those seeking to inflict maximum harm on Nevada's Jewish community. This program will provide assistance to nonprofit K-12 education institutions at risk of attack due to antisemitism to improve their security and reduce risk and impact of any such attacks. The Community Kollel of Greater Las Vegas will administer this program providing financial assistance for local nonprofit schools to invest in those security measures.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA  
ITEM N.65.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS  
PRESENT.

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

Transfer of \$3,000,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide Las Vegas Metropolitan Police Department funds to support costs for a reality-based training facility. Requires Interim Finance Committee approval since the amount added to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132744**

RICH HOGGAN (Chief Financial Officer, Las Vegas Metropolitan Police Department [LVMPD]):

I believe most of the Committee has had some exposure to the project that has been in place for a couple of years, which was initiated in partnership with the City of North Las Vegas and has subsequently expanded to other first responder agencies. Two large facilities have been constructed by the LVMPD Foundation that was about a \$28.0 million project. One of those buildings is in use as a combination of a classroom, office, and multiple mat rooms. The second facility is essentially a large space, which subsequent to its construction, has remained unused due to the increase in construction and material costs during the pandemic, and resulted in insufficient funds to finish the interior buildout of that building. The purpose of that building is to provide a reality-based training center for participating first responder agencies to practice responses to routine events, de-escalation techniques, and joint responses, which has been seen in play unfortunately on October 1, 2017, and most recently with the UNLV event. This building will allow agencies to practice joint response efforts for these types of events.

The LVMPD secured funding, which was assumed to be sufficient between contributions from the LVMPD capital fund and a \$2.0 million contribution from the Department of Public Safety as a result of the 82<sup>nd</sup> (2023) Legislative Session, and a \$1.0 million federal Department of Justice grant. Unfortunately, when the project went out to bid, the increase in construction costs, along with what necessitated some changes in codes from the time the building was constructed until now, the LVMPD did not have sufficient funds to complete the project. The LVMPD is looking for that final amount to move forward and build out the interior space. From a state view, the LVMPD is working with the Department of Public Safety, Nevada State Police, Gaming Control Board, the City of North Las Vegas, UNLV police, and the federal Drug Enforcement Administration

SENATOR HARRIS:

Please discuss any contingency plans or financial controls in place by the LVMPD to ensure the construction of the interior of the reality-based training center would be completed in the event construction costs exceed the projected \$14.7 million.

MR. HOGGAN:

The project has already gone to bid and the LVMPD is confident the resources will be sufficient to cover the cost. However, sometimes unexpected things occur during the course of construction, but the LVMPD will make the necessary adjustments in the budget to absorb those additional costs. The LVMPD does not anticipate them being more than what can be handled by transference if necessary.

SENATOR NEAL:

The \$25.0 million training facility that was built in 2020, is that the one that needs to be built out or a different facility?

MR. HOGGAN:

There are two facilities. It is a regional training center, and one of the facilities is completely constructed and built out, and the second one does not yet have the interior constructed.

SENATOR NEAL:

In 2020, the LVMPD put \$25.0 million towards two facilities, one of which is fully completed and one that still needs the interior built out, correct?

MR. HOGGAN:

Yes, there are two facilities. One facility is completed and occupied. It includes classrooms and mat rooms, essentially a training area. The second facility is entirely constructed but lacks any interior; it will be used as the reality-based training facility. It will give first responders a chance to practice scenarios in a lifelike environment. There were insufficient funds for the LVMPD Foundation to complete the build out.

SENATOR NEAL:

I remember this because at the time, the LVMPD was looking to use the New Markets Tax Credit Program. I believe the LVMPD did not use those tax credits, but instead, broke ground and raised the \$25.0 million.

MR. HOGGAN:

The LVMPD Foundation constructed and donated that for the LVMPD, so it was all private dollars. The LVMPD Foundation was taking the lead on that, so I do not have any background information.

SENATOR NGUYEN:

To clarify, you are not here on behalf of the LVMPD, you are here on behalf of the LVMPD Foundation. The money is being requested to go to the LVMPD Foundation, correct?

MR. HOGGAN:

The LVMPD Foundation completed the construction. Those facilities have now been turned over to the LVMPD, which is operating and maintaining the facilities. There is no longer a relationship to the LVMPD Foundation for the buildings, they are now the responsibility of the LVMPD. The build out of the interior is falling to the LVMPD, meaning the police department as opposed to the foundation, so the request is for the funds to go to the LVMPD not to the LVMPD Foundation.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM N.66.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

Transfer of \$35,000,000 from the American Rescue Plan Act (ARPA) Public Health category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for the Nevada Health and Bioscience Corporation for the construction of an Ambulatory Care Center and Academic Health Center on the campus of the University of Nevada, Las Vegas. Requires Interim Finance Committee approval since the amount deleted from the ARPA Public Health category exceeds \$350,000. **Work Program #24FR132745**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$174,615 from the American Rescue Plan Act (ARPA) Children's Mental Health category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for the Mobile Crisis Response Team. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Children's Mental Health category exceeds \$350,000. **RELATES TO ITEM N.69. Work Program #24FR132746**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$174,615 of federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate funding previously approved for the Mobile Crisis Response Team due to cost savings from vacancies. Requires Interim Finance Committee approval since the amount deleted from the Personnel category exceeds \$350,000. **RELATES TO ITEM N.68. Work Program #24FR364611**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$350,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA State Agency Allocations category to support the Nevada National Guard Resiliency Program. Requires Interim Finance Committee approval since the amount transferred to the ARPA State Agency Allocations category exceeds \$350,000. **RELATES TO ITEM N.71. Work Program #24FR132747**

Refer to motion for approval under Agenda Item O.

**71. Office of the Military - State Active Duty - FY 2024**

Addition of \$350,000 in American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to support the Nevada National Guard Resiliency Program. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.70. Work Program #24FRF36582**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$10,570,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA State Agency Allocations category to support an allocation to the State Department of Agriculture to purchase and renovate a food storage warehouse in Las Vegas. Requires Interim Finance Committee approval since the amount transferred to the ARPA State Agency Allocations category exceeds \$350,000. **RELATES TO ITEM N.73. Work Program #24FR132748**

Agenda Items N.72 and N.73 were discussed jointly. Refer to discussion and motion for approval under Agenda Item N.73.

**73. State Department of Agriculture - Commodity Foods Distribution Program – FY 2024**

Addition of \$10,570,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to purchase and renovate a food storage warehouse in Las Vegas. Requires Interim Finance Committee approval since the amount added to the ARPA LV Warehouse category exceeds \$350,000. **RELATES TO ITEM N.72. Work Program #24FR136209**

Agenda Items N.72 and N.73 were discussed jointly.

J.J. GOICOECHEA (Director, State Department of Agriculture):

This request is for \$10,570,000 of ARPA funds to purchase and renovate approximately 27,925 square feet (sf) of warehouse space in Las Vegas for use by the department's Food and Nutrition Program. This will include about 15,000 sf of dry, 2,000 sf of cold, and 10,000 to 14,000 sf of freezer space. The department is currently utilizing the dry storage warehouse at the aging facility on St. Louis Avenue and is leasing cold and frozen space from Ready Ice in Las Vegas. The Department of Agriculture hopes this will better enable the department to more rapidly meet the needs of the Las Vegas area and Southern Nevada—the department also delivers to Lincoln and Nye Counties out of this warehouse.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

Please clarify how much total space the department is currently leasing.

MR. GOICOECHEA:

The department leases approximately 2,000 square feet of space from Ready Ice on a rolling basis. The department must call when it needs a pickup or delivery and accommodate Ready Ice's delivery schedules in addition to the department's schedules. The department tends to roll a lot of products through that small, limited space.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

This is a significant change and increase in what the department has readily available. Is the department going to need additional staff, and if so, how will those staff be paid? If not from ARPA dollars, which is one-time funding, will this affect the department's budget and future requests for more funding in order to employ more individuals?

MR. GOICOECHEA:

No, the department does not anticipate any increase in staff. The department is hoping to see a more efficient workforce. Currently, the department spends several hours a week crisscrossing Las Vegas to make pickups and deliveries. Being centralized in one location and being able to lean on the Purchasing Division—which has an adjacent warehouse—should the department have a need for additional forklift operators, etc. in the area, the department hopes to be more efficient. Regarding the ongoing budget, the department will be utilizing the State Authorized Expense (SAE) through the department’s federal partners and that will pay for ongoing power, utilities, etc. in this building. That is what the department currently utilizes, and it does not foresee an increased need in the budget.

ASSEMBLYMAN YEAGER:

This project is \$10.6 million. What would the cost be if the department were to construct its own building for the same purpose?

JACK ROBB (Director, Department of Administration):

If the department constructed a building, it would be approximately \$40.0 million, and the department is requesting \$10.5 million. That is with the current build, and the only way this current build works is directly adjacent to the Purchasing Division’s warehouse that was funded by the 82<sup>nd</sup> (2023) Legislature. Both buildings are being constructed simultaneously, one of which will close in July, at which time the state will own that building. The building proposed today will close in mid-November. If the state did not operate those two buildings jointly, it would need a larger footprint to accommodate the trucks. As Mr. Goicoechea said, the Purchasing Division and the Department of Agriculture will share staff when necessary and the department’s efficiencies will improve. Vehicle utilization is within a quarter mile of the campus. Again, it would cost more than \$40.0 million because the department would need a larger footprint.

ASSEMBLYWOMAN BACKUS:

How were the costs estimated for the building purchase and improvements, and how do these costs compare to similar properties?



MR. ROBB:

The base price was based off the Purchasing Division warehouse next door. It is the exact equivalent price per square foot. Regarding tenant improvements, because it is new construction, there will not be anything unforeseen with this project. The owner/developer of this project has a very hard bid for the tenant improvements going forward because there will not be any unforeseen situations with this property. The department is confident in the price based on prior appraisals. The department has money in escrow but has not yet closed.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEMS N.72 and N.73.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED WITH THE MEMBERS PRESENT.  
(Senator Goicoechea abstained from the vote.)

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

Transfer of \$88,821 from the American Rescue Plan Act (ARPA) Services for Specific Populations category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for the Latency Age Day Treatment project. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Services for Specific Populations to the ARPA category exceeds \$350,000. **RELATES TO ITEM N.75. Work Program #24FR132749**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$88,821 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate authority previously approved for the Latency Age Day Treatment project. Requires Interim Finance Committee approval since the cumulative amount deleted from the Personnel category exceeds \$350,000. **RELATES TO ITEM N.74. Work Program #24FR364610**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$3,478,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide a subaward to Carson Tahoe Health to support the Mental Health Unit. Requires Interim Finance Committee approval since the amount added to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132750**

MICHELLE JOY (Chief Executive Officer, Carson Tahoe Health [CTH]):

Carson Tahoe Health is requesting \$3,478,000 for the Healing Our Kids Crusade. The CTH has been the local not-for-profit independent hospital and health care provider for Carson City and the surrounding rural areas for the past 75 years. The CTH is committed to improving the health and well-being of communities. Everyone has either personally experienced or knows someone who has faced the current mental health crisis affecting youth.

The hospital has gone from seeing a small handful of children a year coming to the emergency room (ER) in crisis to now a near daily occurrence. I do not know what is worse than a crisis, but that is what has been witnessed at the CTH. Over the last five months, there has been an exponential increase in children presenting to the ER, often filling the eight-bed, inpatient medical pediatric unit and still having one or two children holding in the ER. The hospital ER and inpatient medical unit are not the right place for children to heal.

In 2016, the CTH faced a similar situation with adults in the community, which prompted the hospital to quickly stand up a crisis stabilization unit in Carson City, which has been operational for seven years. It has successfully reduced legal holds in the ER and jails, allowing these individuals to get the right care in the right setting.

The CTH is seeking infrastructure dollars to do the same thing and more for children. Guided by the direction of two child psychiatrists, this request will enable the CTH to create the following services for children: a 10-bed inpatient behavioral health unit, a 12-bed crisis stabilization unit, expanded outpatient community-based services, and retro fit two RVs for mobile services to the outlying rural communities in Douglas, Lyon, and Storey Counties. The CTH is already taking care of these children at the highest level of care and cost in the behavioral health continuum. These funds will allow services to be provided in the continuum in a more appropriate and safe setting.

CHAIR MONROE-MORENO:

Thank you for the work that you are doing to address this statewide need.

ASSEMBLYMAN YEAGER:

I am supportive of this request. I think every Committee member hears from constituents all the time about the importance of mental health for youth and adults. It really is an area of need in the state. I think this request brings the state closer to meeting that need.

You mentioned in the presentation that the CTH serves Douglas, Lyon, and Storey Counties as well as Carson City. If this request were to be approved, what is the composition in terms of service to those counties? I assume Carson City is probably the largest population but if you could give the Committee a sense of that breakdown. Are there any other counties other than the four that were discussed that the CTH anticipates would use the services as well?

Ms. JOY:

When looking at the projected numbers on the mobile outreach component, the CTH anticipates roughly 12 encounters a day, which would be a little over 3,000 touchpoints in a year in those communities. I think one of the challenges for the CTH is the distance to some of those further outlying communities. When looking at the CTH primary service area—Carson City, and Douglas, Lyon, and Storey Counties—75% of patients come from those four counties. The CTH anticipates seeing that same need and service area.

ASSEMBLYMAN O'NEILL:

I would like to make a disclosure on Agenda Item N.76 since it is a transfer of funds to the CTH. I sit on the Board of Directors for Carson Tahoe Regional Medical Center. Under legal advice, I think it would be best to abstain from voting on this item.

SENATOR PAZINA:

This is so necessary, and I am thrilled to read more into this. In the last few years since the pandemic, has the need risen even more among youth in the community?

KITTY MCKAY (Vice President, Community and Patient Experience, CTH):

I would say that is unquestionable. It is important to be clear that the fundamentals of this have been here for quite some time and was just exasperated by the pandemic. When we say that all eight medical beds are filled, they are filled with children on legal holds rather than appendicitis and tonsillitis. There are no facilities in the state to give a higher level of care to these children on legal holds. To look a mother in the eye and tell her that her child could receive care in Montana is not something that the CTH can do. Certainly, the pandemic, social media, diet, exercise, being outdoors, all those things contribute. A lot of the programming is focused on trying to speak to the root causes, as well as healing the emergent nature of the situation.

SENATOR TITUS:

I have referred patients to the ER in Carson City many times. I appreciate that pathway and the ability to do so. The CTH has always been there when beds were available. You provided a good timeline on the construction side; however, I am interested in the operation and personnel side. Many times there is money for buildings and beds, but sometimes the facility considers itself full because it does not have enough personnel. Does the CTH anticipate it will have the appropriate number of personnel to operate?

Ms. JOY:

One of the things the CTH has been proud about from an organizational perspective is that the CTH has not had a nursing traveler within the organization for over a year and a half despite nursing shortages. The CTH has been able to successfully grow its pipeline, staff the facilities, and keep all beds open. Currently, the CTH has two child psychiatrists on staff, a nurse practitioner for children on the behavioral health side (and actively recruiting a second one), and a number of interns currently training through the UNR School of Public Health that are coming to the facility to help grow that pipeline. The CTH has added staff within the current behavioral health services, anticipating being able to receive funding and get this operational. Overall, the CTH has been successful on the recruitment and retainment of staff.

SENATOR TITUS:

I would like to know how the CTH has been so successful, because most facilities are using traveling nurses. The CTH is doing something right in retaining health care professionals.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM N.76.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED WITH THE MEMBERS PRESENT.  
(Assemblyman O'Neill abstained from the vote.)

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

Transfer of \$4,000,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide a subaward to the Shaquille O'Neal Foundation for a portion of construction costs for the Youth Development Complex to support Communities in Schools of Nevada and the Boys and Girls Clubs of Southern Nevada. Requires Interim Finance Committee approval since the amount transferred to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132751**

LISA MORRIS HIBBLER (Executive Director, Shaquille O'Neal Foundation):

On behalf of the Shaquille O'Neal Foundation, I am before the Committee today to request \$4.0 million from the ARPA Revenue Loss Reserve category to provide the gap funding needed to cover costs associated with the project. The development costs are estimated to exceed \$16.0 million with the facility being funded in part by the Shaquille O'Neal Foundation based on a \$6.0 million gift for construction, as well as other philanthropic donations and New Markets Tax Credit program financing.

The COVID-19 pandemic profoundly impacted education in Southern Nevada, exacerbating existing disparities and widening the achievement gap among students. The social and emotional well-being of students have been significantly affected with isolation, anxiety, and uncertainty, taking a toll on their overall learning experience.

The proposed Shaquille O'Neal Youth Development Complex, through an operational partnership with Communities in School of Nevada, and the Boys and Girls Club of Southern Nevada, will offer key programs and services including K-12 educational support, social and emotional learning, behavioral support, a teen tech hub, and a Communities in Schools (CIS) alumni center. The CIS alumni center will serve young adults ages 18 to 24 to prepare for college and/or career readiness. This is believed to be the first alumni center in the nation.

I would note that the statewide Boys and Girls Club Alliance was awarded funding from the IFC, with \$3.5 million of that funding allocated to the Boys and Girls Club of Southern Nevada to support the development of a pre-K center that will be located on this campus but is a separate project in an adjacent building. This project will make a significant impact on the educational landscape in

Southern Nevada, with the focus of students living in and around northeast Las Vegas. On behalf of children in the community, I want to thank the Office of the Governor for supporting this application and we are respectfully asking for the support of the IFC.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM N.77.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

Transfer of \$9,716 from the American Rescue Plan Act (ARPA) Children's Mental Health category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for Mobile Crisis Response Team services for the Washoe County School District. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Children's Mental Health category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.79. Work Program #24FR132766**

Refer to motion for approval under Agenda Item O.

**79. Department of Health and Human Services - Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2024**

Deletion of \$9,716 in federal American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate funding previously approved for Mobile Crisis Response Team services for the Washoe County School District due to staff vacancies. Requires Interim Finance Committee approval since the cumulative amount deducted from the Personnel category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM N.78. Work Program #24FRF32818**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$20,006 from the American Rescue Plan Act (ARPA) Children's Mental Health category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for the Workforce Development program. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Children's Mental Health category exceeds \$350,000. **RELATES TO ITEM N.81. Work Program #24FR132768**

Refer to motion for approval under Agenda Item O.

**81. Department of Health and Human Services - Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2024**

Deletion of \$20,006 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate authority previously approved to support the Workforce Development program. Requires Interim Finance Committee approval since the cumulative amount deleted from the Personnel category exceeds \$350,000. **RELATES TO ITEM N.80. Work Program #24FRF32816**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$21,389 from the American Rescue Plan Act (ARPA) Children's Mental Health category to the ARPA Revenue Loss Reserve category to deobligate funding previously approved for the Workforce Development program. Requires Interim Finance Committee approval since the cumulative amount deleted from the ARPA Children's Mental Health category exceeds \$350,000. **RELATES TO ITEM N.83. Work Program #24FR132769**

Refer to motion for approval under Agenda Item O.

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

Deletion of \$21,389 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate authority previously approved to support the Workforce Development program due to staff vacancies. Requires Interim Finance Committee approval since the cumulative amount deleted from the Personnel category exceeds \$350,000. **RELATES TO ITEM N.82. Work Program #24FRF36469**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$275,603 from the American Rescue Plan Act (ARPA) Projects category to the ARPA Community Recovery Grants category to correct a category misclassification. Requires Interim Finance Committee approval since the cumulative amount added to the ARPA Community Recovery Grants category exceeds \$350,000. **Work Program #24FR132770**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$903,303 from the American Rescue Plan Act (ARPA) Crisis Care category to the ARPA Revenue Loss Reserve category to deobligate grant funds previously approved for Emergency Crisis Care Services. Requires Interim Finance Committee approval since the amount deleted from the ARPA Crisis Care category exceeds \$350,000. **RELATES TO ITEM N.86. Work Program #24FR132771**

Refer to motion for approval under Agenda Item O.

**86. Department of Health and Human Services - Public and Behavioral Health - Crisis Response - FY 2024**

Deletion of \$903,303 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to deobligate grant funds previously approved for emergency crisis care services. Requires Interim Finance Committee approval since the amount deleted from the ARPA FRF Crisis Billing Funds category exceeds \$350,000. **RELATES TO ITEM N.85. Work Program #24FR316504**

Refer to motion for approval under Agenda Item O.

**87. 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 provide a subaward to St. Jude's Ranch for Children for a portion of the construction costs of a Healing Center for sex-trafficked children. Requires Interim Finance Committee approval since the amount added to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132772**

CHRISTINA VELA (Chief Executive Officer, St. Jude's Ranch for Children):

St. Jude's Ranch for Children is an agency that has been providing critical services to thousands of victims of abuse and neglect with young individuals, as well as young individuals experiencing homelessness, for over 57 years in the State of Nevada. Over many years of service, St. Jude's Ranch for Children has worked diligently to identify gaps in services, primarily for children and young individuals most in need. Over the past several years, it was identified alongside the community and state that addressing sex trafficking was of critical importance, and of particular interest is supporting child victims of the heinous crime of sex trafficking.

With support from the many state and county partners, as well as law enforcement, judicial representatives, and community partners, we identified a much-needed solution, one of the many that will act as an alternative to the juvenile justice detention center, or Child Haven. With the experience of providing residential care



for children for more than 50 years and the resource of land, St. Jude's Ranch for Children has identified the need to create the healing center, a residential care program with a holistic array of services to include 6 homes or 60 beds, 2 additional emergency shelter beds that will be available 24 hours a day, 7 days a week, 365 days a year, gardens, and a very special onsite school in partnership with the Clark County School District.

While St. Jude's Ranch for Children had started planning prior to the COVID-19 pandemic, the project costs nearly doubled after the pandemic. The construction project for the ten acres is \$23.0 million and to date, St. Jude's Ranch has raised approximately \$18.0 million, \$5.0 million of which is specifically for the school. The remaining \$13.0 million has covered construction to date. Construction has outpaced fundraising efforts, which is something that you generally do not hear. While St. Jude's Ranch is grateful for the incredible funding received from amazing partners like casinos, Clark County, foundations, and very generous philanthropists, there is still a gap.

At this time, construction is slated to be completed by October 3, 2024. The nearly \$10.0 million funding gap is planned to be filled with a \$4.0 million loan to support cash flow needs, which has already been secured, continued aggressive fundraising strategies, and if this \$5.0 million request is approved, it would go a long way to help fill the gap. St. Jude's Ranch is additionally working aggressively on New Markets tax credits, both state and federal, and several organizations are excited to partner on the New Markets tax credit.

My guess is that the Committee would like to know what happens if the funding is not secured in such a short timeframe. If funding is not secured or a pledge of funding is not received to complete the construction phase, St. Jude's Ranch may have to consider slowing construction or even stopping it; however, the school, which is on the property, is fully developed with a principal and eight teachers ready to receive students. St. Jude's Ranch is assertively working to find funding to prevent slowing down construction.

Post-construction, St. Jude's Ranch has a funding model that supports the operation of the program through expanded contracts with county partners such as Clark and Washoe Counties. St. Jude's Ranch is looking to ask for heightened reimbursement rates. Additionally, St. Jude's Ranch is a Medicaid provider and will use grants and other donations to sustain the operational budget.

I am respectfully requesting the approval of the \$5.0 million that will provide a foundation for quality programming for hope and healing for children in need of care for generations to come.

CHAIR MONROE-MORENO:

Thank you for the work you are doing. Far too often these children are seen as criminals when they are actually victims. This work will change lives.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM N.87.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

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

Transfer of \$1,000,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide a subaward to the Lou Ruvo Center for Brain Health to support construction costs for the Cleveland Clinic Nevada Concierge Medicine facility to expand access to care and physician recruitment in Nevada. Requires Interim Finance Committee approval since the amount transferred to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132773**

This item was withdrawn.

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

Transfer of \$300,000 from the American Rescue Plan Act (ARPA) Revenue Loss Reserve category to the ARPA Projects category to provide a subaward to Expertise Cosmetology New Path for cosmetology training programs at the Nevada Department of Corrections' Florence McClure Women's Correctional Center. Requires Interim Finance Committee approval since the cumulative amount added to the ARPA Projects category exceeds \$350,000. **Work Program #24FR132774**

GWEN BRAIMOH (Executive Director, Expertise Cosmetology Institute):

Thank you for allowing me to come before the Committee today to request \$300,000 from the ARPA funds for the cosmetology program located inside the Florence McClure Women's Correctional Center. Due to the overwhelming number of participants waiting to begin the program, the Expertise Cosmetology Institute is requesting the funding to continue training, licensing, and preparing individuals for work readiness and self-sufficiency.

ASSEMBLYWOMAN MILLER:

If the request is approved, when will the actual certification be administered through the Pearson VUE system?

MS. BRAIMOH:

The Expertise Cosmetology Institute has an emergency board meeting this coming Monday with the Nevada Board of Cosmetology because the institute has been working diligently with Pearson VUE to become a written testing facility. In September 2023, the Nevada Board of Cosmetology adopted the Pearson VUE Testing Center to be able to test the licensees on a daily basis. In the past, the Nevada Board of Cosmetology has always come inside the facility for the written exam. Because Pearson VUE does not have a written exam, the Nevada Board of Cosmetology is supporting the Expertise Cosmetology Institute in becoming a testing site.

ASSEMBLYWOMAN MILLER:

To clarify, are you saying the actual test for the cosmetology certification will be on paper, but the \$300,000 request includes supplies and technology? Is that for the training portion of the program, which would be separate from the Pearson VUE testing application?

MS. BRAIMOH:

Yes, that is correct. There are 36 ladies waiting to be tested through Pearson VUE, and a new class that is waiting to begin training. Three of the ladies have been released already and have been licensed on the outside. The idea of the program is to make sure individuals complete the program and receive their license before they are released.

ASSEMBLYWOMAN MILLER:

The state wants to make sure that individuals are provided training and opportunity to obtain those licenses and jobs upon release. I assume you will be tracking how many individuals who complete the training program pass the certification test. Then again, passing the certification test and obtaining the license from the state are still two different things. Will that also be tracked?

Ms. BRAIMOH:

Yes, that is correct. That has been done from the beginning. The program was initially started in 2016, and I believe the first class graduated in 2017 or 2018. The written test is administered by the institution. The State Board of Cosmetology testing proctors have always gone inside the institution to administer the written exam to the ladies, and they receive their license upon release, which is how the program is set up. However, there was a glitch with not knowing that Pearson VUE did not furnish written tests, which is better for the facility in the long run because the institution will be able to administer the written test on computers inside the facility moving forward.

I can confirm there is tracking through a program manager. When individuals are released, the institute has networked and partnered with Foundation for an Independent Tomorrow and chain salons. One individual who was recently released was hired by Great Clips about two months after her release. The institute has also been partnering with Ulta Beauty and Great Clips and trying to get as many core establishments as possible so they are receiving actual W-2 wages.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

My experience is that a stylist or nail technician who works at a salon is often an independent contractor. Is that correct?

Ms. BRAIMOH:

I am a licensed cosmetologist and instructor. I like to recommend they go into a chain salon for experience and to build their skillset and ensure they have a paycheck rather than worrying about marketing to clients. They will be monitored under the management of a chain salon. One of the reasons for the post-release funding is to make sure that areas such as housing and job placement are covered. Because the institute has a cosmetology and barber school in Las Vegas, relationships with local salons and chain salons have been established. Most of the individuals try to remain in an area where the institute can provide assistance with job placement. The Institute is working hard to make improvements in that area so the individuals earn actual W-2 wages.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

I am happy to hear that. I cannot imagine having been incarcerated and trying to figure out how to be an independent contractor at a salon without help. Have you tried to build relationships with any local chambers, Nevada partners, or others to help those ladies who are unable to find work in a chain salon or want to graduate from that and be independent; someone to help them learn the ins and outs of starting their own business such as paying taxes, maintaining their licenses, and paying shop fees every week?

MS. BRAIMOH:

Inside that proposal is a program that the institute has incorporated called Growing Oaks. It is an elevated station, a four-level financial literacy program used in post-release systems in the Oklahoma prisons. The institute wanted to bring that 12-week component into the cosmetology program as well.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM N.89.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

**90. Department of Health and Human Services - Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2024**

Transfer of \$2,457 in American Rescue Plan Act (ARPA) federal grant authority from the Personnel category to the ARPA Day Treatment category to address a shortfall for the Day Treatment Playground project. Requires Interim Finance Committee approval since the cumulative amount deleted from the Personnel category exceeds \$350,000. **Work Program #24FRF32817**

Refer to motion for approval under Agenda Item O.

**91. State Department of Conservation and Natural Resources - Water Resources – FY 2024**

Addition of \$193,782 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to align authority for the Digitization of Water Records program. Requires Interim Finance Committee approval since the amount added to the Digitization Initiative category exceeds 20% of the legislatively approved amount for that category. **Work Program #24FR417101**

Refer to motion for approval under Agenda Item O.

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

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

The following items have been pulled for further discussion: Agena Items O.32, Nevada System of Higher Education (NSHE), University of Nevada, Reno (UNR), School of Medicine, which will be discussed with K.1, NSHE, UNR School of Medicine; O.68,

DHHS, Division of Health Care Financing and Policy (DHCFP), which will be discussed with O.69, DHHS, DHCFP, O.71, DHHS, DHCFP, and O.72, DHHS, DHCFP; O.94, DHHS, DWSS, which will be discussed with N.45, Office of the Governor, and N.46, DHHS, DWSS; O.105, DHHS, DCFS; O.110, Nevada Department of Corrections (NDOC), which will be discussed with O.116, NDOC, O.118, NDOC, O.126, NDOC, and K.2, NDOC; O.134, Department of Motor Vehicles; and O.140, State Department of Conservation and Natural Resources (DCNR), Division of Forestry, which will be discussed with Agenda Item G, DCNR, Division of Forestry.

SENATOR DONDERO LOOP MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS UNDER AGENDA ITEMS L, N, AND O.

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 \$157,916 from the Reserve category to the Information Services category to cover the increased cost of the Barracuda Premium Support software. Requires Interim Finance Committee approval since the cumulative amount transferred to the Information Services category exceeds \$350,000. **Work Program #C68060**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$345,642 from the Reserve category to the Information Services category to cover the increased cost of the Azure Active Directory Premium licenses. Requires Interim Finance Committee approval since the cumulative amount transferred to the Information Services category exceeds \$350,000. **Work Program #C68117**

Refer to motion for approval under Agenda Item O.

**3. Office of the Governor - Office of the Chief Information Officer - Network Transport Services - FY 2024**

Transfer of \$62,158 from the Digital Microwave category to the Operating 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 Operating category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68336**

Refer to motion for approval under Agenda Item O.

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

Addition of \$9,200,547 in federal National Telecommunications and Information Administration State Digital Equity Capacity grant funds to assist Nevadans in connecting to the internet by addressing gaps statewide in affordability, device access, digital skills, or digital literacy. Requires Interim Finance Committee approval since the amount added to the National Telecommunications and Information Administration Digital Equity category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 of the 82<sup>nd</sup> (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 #C68580**

Refer to motion for approval under Agenda Item O.

**5. Office of the Attorney General - Extradition Coordinator - FY 2024**

Transfer of \$391,337 in General Fund appropriations to FY 2024 from FY 2025 to fund a projected shortfall in the Extradition Costs category for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Extradition Costs category exceeds \$350,000. **RELATES TO AGENDA ITEMS L.1 and O.6. Work Program #C68494**

Refer to motion for approval under Agenda Item O.

**6. Office of the Attorney General - Extradition Coordinator - FY 2025**

Transfer of \$391,337 in General Fund appropriations to FY 2024 from FY 2025 to fund a projected shortfall in the Extradition Costs category for the remainder of FY 2024. Requires Interim Finance Committee approval since the amount deleted from the Extradition Costs category exceeds \$350,000. **RELATES TO AGENDA ITEMS L.1 and O.5. Work Program #C68505**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$616,611 from the Reserve category to the General/Fleet Tort 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 General/Fleet Tort Claims category exceeds \$350,000. **Work Program #C68495**

Refer to motion for approval under Agenda Item O.

8. **Department of Administration - Mail Services - FY 2024**  
Addition of \$1,335,946 in Postage revenue due to increased mail volume, with an equal increase in Mail Services Postage expenditures due to a projected shortfall in those costs. Requires Interim Finance Committee approval since the amount added to the Postage category exceeds \$350,000. **Work Program #C67676**

Refer to motion for approval under Agenda Item O.

9. **Department of Administration - State Public Works Division - Buildings and Grounds - FY 2025**  
Addition of \$2,613,165 in Rental Income Non-Executive Budgets revenue and \$2,964,641 in Building Rent - Executive Budgets revenue to continue funding for 6 new positions and associated operating expenses needed to support the 17 newly acquired properties. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **RELATES TO AGENDA ITEM O.136. Work Program #C67998**

Refer to motion for approval under Agenda Item O.

10. **Department of Administration - State Public Works Division - Buildings and Grounds - FY 2024**  
Transfer of \$7,143 from the Personnel category to the Operating category to fund contract personnel expenses incurred due to a vacant position during the period of September 2023 through October 2023. Requires Interim Finance Committee approval since the cumulative amount transferred from the Personnel category exceeds \$350,000. **Work Program #C68072**

Refer to motion for approval under Agenda Item O.

11. **Department of Administration - State Public Works Division - Buildings and Grounds - FY 2024**  
Addition of \$3,683,098 in Building Rent revenue to cover a projected shortfall in the Operating, Maintenance of Buildings and Grounds, Conservation Crew and Utility categories due to the acquisition of additional properties and associated increased expenses and costs. Requires Interim Finance Committee approval since the amount added to the Maintenance of Buildings and Grounds category exceeds \$350,000. **Work Program #C68115**

Refer to motion for approval under Agenda Item O.



**12. Cannabis Compliance Board - Marijuana Regulation and Control Account - FY 2025**

Transfer of \$75,843 from the Operating category to the In-State Travel category to support inspections, attendance at hearings, and to conduct administrative, fiscal, and information technology duties. Requires Interim Finance Committee approval since the amount transferred to the In-State Travel category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68330**

Refer to motion for approval under Agenda Item O.

**13. Department of Education - 1/5 Retirement Credit Purchase Program - FY 2024**  
Transfer of \$481,892 in General Fund appropriations from FY 2025 to FY 2024 to continue supporting the 1/5 Retirement Credit Purchase program for Clark and Washoe Counties. Requires Interim Finance Committee approval since the amount added to the Licensed Ed Incentive Grants category exceeds \$350,000. **RELATES TO AGENDA ITEMS J and O.14. Work Program #C68341**

Refer to motion for approval under Agenda Item O.

**14. Department of Education - 1/5 Retirement Credit Purchase Program - FY 2025**  
Transfer of \$481,892 in General Fund appropriations to FY 2024 from FY 2025 to continue supporting the 1/5 Retirement Credit Purchase program for Clark and Washoe Counties. Requires Interim Finance Committee approval since the amount deleted from the Licensed Ed Incentive Grants category exceeds \$350,000. **RELATES TO AGENDA ITEMS J and O.13. Work Program #C68666**

Refer to motion for approval under Agenda Item O.

**15. Department of Education - Standards and Instructional Support - FY 2024**  
Addition of \$271,253 in federal State Assessment grant funds to support the development of additional state assessments and standards. Requires Interim Finance Committee approval since the amount added to the State Assessment Administration 84.369 category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66910. WITHDRAWN 5-31-24.**

**16. Department of Education - Assessments and Accountability - FY 2024**  
Addition of \$3,720,540 in federal State Assessment grant funds to fund contract obligations to support the development of state assessments and standards. Requires Interim Finance Committee approval since the amount added to the State Assessments Contracts category exceeds \$350,000. **Work Program #C66818. WITHDRAWN 5-31-24.**

- 17. Department of Education - Data Systems Management - FY 2024**  
Addition of ~~\$155,664~~ **\$155,775** in federal Statewide Longitudinal Data System grant funds to continue to fund longitudinal data systems infrastructure improvements. Requires Interim Finance Committee approval since the cumulative amount added to the Statewide Longitudinal Data System category exceeds \$350,000. **Work Program #C66803. REVISED 6-3-24.**

Refer to motion for approval under Agenda Item O.

- 18. Department of Education - Data Systems Management - FY 2024**  
Addition of \$218,789 in federal State Assessment grant funds to support the development of additional state assessments and standards. Requires Interim Finance Committee approval since the amount added to the State Assessment 84.369 Administration category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67534. WITHDRAWN 5-31-24.**

- 19. Department of Education - Educator Effectiveness - FY 2024**  
Addition of \$11,779,236 in federal Title II, Part A, Teacher and Principal Training and Recruiting grant funds to continue attracting, preparing, training, recruiting, developing, and retaining high-quality teachers, principals, and other school leaders throughout Nevada. Requires Interim Finance Committee approval since the amount added to the Teacher Quality - Aid to Schools category exceeds \$350,000. **Work Program #C66522**

Refer to motion for approval under Agenda Item O.

- 20. Department of Education - Office of Early Learning and Development - FY 2024**  
Addition of \$1,352,151 in federal Child Care and Development Block Grant Quality funds transferred from the Department of Health and Human Services, Division of Welfare and Supportive Services and transfer of \$1,002,314 from the Child Care and Development Quality Aid category to the Child Care and Development Quality Administration category and transfer of \$34,985 from the Child Care and Development Quality Aid category to the Reserve for Reversion to General Fund category to meet the requirements outlined in Nevada's Child Care Plan. Requires Interim Finance Committee approval since the amount added to the Child Care and Development Quality Administration category exceeds \$350,000. **Work Program #C67482. REVISED 6-3-24.**

Refer to motion for approval under Agenda Item O.

- 21. Department of Education - Safe and Respectful Learning - FY 2024**  
Addition of \$150,000 in federal Substance Abuse and Mental Health Services - Project Aware grant funds to increase mental health awareness, screenings, and connections for community-based mental health services. Requires Interim Finance Committee approval since the amount added to the Now is the Time Initiative category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66811**

Refer to motion for approval under Agenda Item O.

- 22. Department of Education - Safe and Respectful Learning - FY 2024**  
Addition of \$11,461 in federal School Climate grant funds and transfer of \$263,840 from the New School Climate Aid to Schools 84.184A category to the New School Climate Admin 84.184A category to develop, enhance, and expand statewide systems of support in Nevada's local education agencies by using a multitiered behavioral framework. Requires Interim Finance Committee approval since the amount added to the New School Climate Admin 84.184A category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66817**

Refer to motion for approval under Agenda Item O.

- 23. Department of Education - Continuing Education - FY 2024**  
Addition of \$594,714 in federal Supporting and Advancing Nevada's Dislocated Individuals (SANDI) grant funds transferred from the Office of Workforce Innovation to support adult education students pursuing postsecondary credentials. Requires Interim Finance Committee approval since the amount added to the SANDI Project Aid to Schools category exceeds \$350,000. **Work Program #C67921**

Refer to motion for approval under Agenda Item O.

- 24. Department of Education - Individuals with Disabilities Education Act - FY 2024**  
Addition of \$369,509 in federal Personnel Development grant funds for improving personnel preparation and professional development in early intervention, educational, and transition services to improve results for children with disabilities. Requires Interim Finance Committee approval since the cumulative amount added to the Federal State Personnel Development Grant Aid 84.323 category exceeds \$350,000. **Work Program #C66820**

Refer to motion for approval under Agenda Item O.

**25. Department of Education - Individuals with Disabilities Education Act - FY 2024**

Addition of ~~\$35,234,773~~ **\$13,973,351** in federal Grants to States for Education of Children with Disabilities Grant program funds to assist the state in meeting excess costs of providing special education and related services to children with disabilities. Requires Interim Finance Committee approval since the amount added to the Special Education - Aid to Schools category exceeds \$350,000. **Work Program #C66828. REVISED 6-3-24.**

Refer to motion for approval under Agenda Item O.

**26. Department of Education - Individuals with Disabilities Education Act - FY 2024**

Addition of ~~\$63,008~~ **\$27,339** in federal Disability Innovation Fund grant funds to support the Pathways to Partnerships Innovative Model Demonstration Project, deletion of \$4,766 in the Nevada Roadmap Transitions Roadmap through Innovative Partnerships Aid 84.421E category and addition of \$32,105 to the Reserve for Reversion to General Fund category. Requires Interim Finance Committee approval since the cumulative amount added to the Nevada Transitions Roadmap through Innovative Partnerships Aid category exceeds \$350,000. **Work Program #C67083. REVISED 6-3-24.**

Refer to motion for approval under Agenda Item O.

**27. State Public Charter School Authority - FY 2024**

Addition of \$654,884 in federal American Rescue Plan (ARP) Act - Elementary and Secondary School Emergency Relief (ESSER) funds transferred from the Nevada Department of Education to provide support for state education agencies and local education agencies in addressing disruptions to teaching and learning resulting from the pandemic. Requires Interim Finance Committee approval since the amount added to the ARP ESSER category exceeds \$350,000. **Work Program #C68175**

Refer to motion for approval under Agenda Item O.

**28. State Public Charter School Authority - FY 2025**

Addition of \$578,007 in state Career and Technical Education funds transferred from the Nevada Department of Education to increase the number of students enrolled in and completing Career and Technical Education programs. Requires Interim Finance Committee approval since the amount added to the State CTE category exceeds \$350,000. **Work Program #C68342**

Refer to motion for approval under Agenda Item O.

**29. State Public Charter School Authority - FY 2025**

Addition of \$3,700,568 in Early Childhood Innovative Literacy Program (ECILP) funds transferred from the Early Childhood Literacy and Readiness account to support early childhood literacy and readiness programs for children less than six years of age. Requires Interim Finance Committee approval since the amount added to the Pre-K ECILP category exceeds \$350,000. **Work Program #C68516**

Refer to motion for approval under Agenda Item O.

**30. State Public Charter School Authority - Public Charter School Loan Program - FY 2024**

Transfer of \$90,000 from the Reserve category to the Charter School Loan category to fund loans to charter schools approved by the State Public Charter School Authority Board. Requires Interim Finance Committee approval since the amount transferred to the Charter School Loan category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68374**

Refer to motion for approval under Agenda Item O.

**31. State Public Charter School Authority - Public Charter School Loan Program - FY 2024**

Addition of \$400,000 in federal Workforce Innovation and Opportunity Act funds to provide loans to charter schools as approved by the State Public Charter School Authority Board. Requires Interim Finance Committee approval since the amount added to the Charter School Loan category exceeds \$350,000. **Work Program #C68405**

Refer to motion for approval under Agenda Item O.

**32. Nevada System of Higher Education - University of Nevada Reno School of Medicine - FY 2024**

Addition of \$12,000,000 in ~~Medicaid Intergovernmental Transfer (IGT) revenue~~ **academic support payments from Renown Health and** to authorize the University of Nevada Reno School of Medicine to pay the ~~IGT~~ **nonfederal share of** certain to the State Medicaid **Supplemental** office under the Practitioner Upper Payment Limit programs. Requires Interim Finance Committee approval since the amount added to the Medicaid IGT category exceeds \$350,000. **RELATES TO AGENDA ITEM K.1. Work Program #C66455. REVISED 5-7-24.**

Agenda Item O.32 and K.1 were discussed jointly.

ANDREW CLINGER (Vice President, Administration and Finance, University of Nevada, Reno [UNR]):

Agenda Item O.32 requests the movement of \$12.0 million in state funding to allow the transfer of the non-federal share to Medicaid to match with federal funds to provide services through UNR's affiliate Medicaid programs through Renown Health. The \$12.0 million, which currently supports salaries, benefits, and

operating costs, is being transferred to Medicaid. The work program also brings in \$12.0 million in academic support payments from Renown Health that will pay those salary, benefits, and operating costs.

Agenda Item K.1 requests an exception to the reversion process of the state funds, which will allow the agency to bring in the revenue and continue to fund the positions at the medical school and use that state funding for that non-federal share to match the Medicaid. That is important just given the benefits this will have, not only for the School of Medicine, but also for the Medicaid population that will be receiving these services.

ASSEMBLYWOMAN MOSCA:

Please share more about the discussion that took place at the Board of Regents meeting regarding changing the General Fund appropriation to this Medicaid supplemental payment program.

MR. CLINGER:

This item was presented to the Board of Regents in June 2023. The conversation was focused on the benefits to the Medicaid population and the medical school. At the June 8, 2023, meeting, the board approved a request for authority to move \$13.0 million in instructional funds into the Transfer to Medicaid Funds for FY 2024 and to move \$16.0 million from instructional funds into the Transfer to Medicaid Funds in FY 2025.

ASSEMBLYWOMAN MOSCA:

Which providers would receive the Medicaid supplemental and directed payments? Also, how would this benefit both the UNR School of Medicine as well as the health care system in Northern Nevada?

PAUL HAUPTMAN (Dean, UNR School of Medicine):

The payments will be going to Renown Health instead of the providers because the providers are Renown-employed physicians. There are many ways this program will help such as allowing for increased access to patients who have Medicaid throughout the Renown Health system. I would like to point out that Medicaid accounts for almost 27% of the admissions to Renown Health. This will bring up reimbursement to near market value. It will also allow the school to expand its Graduate Medical Education (GME) programs and will increase the likelihood that patients with Medicaid will also access UNR's clinical trials and advanced care options.

ASSEMBLYWOMAN KASAMA:

I am supportive of this request. I think it is great when the state develops partnerships and can bring money in and not be penalized having to send it back to the General Fund. It increases it for the good of the communities.

Do the other schools of medicine have partnerships like this, and should those be addressed at the same time? I want to make sure all schools with programs like this are supported.

MR. HAUPTMAN:

My knowledge is that the faculty practice plan with the University of Nevada, Las Vegas does have such a program ready; however, the affiliation that UNR School of Medicine has with Renown Health is unique to the state.

SENATOR NEAL:

In this new partnership, is there any data showing how many patients have been served and the categories in which this has benefited the underserved populations? My attention was piqued when clinical trials were mentioned, but you said you were hopeful they would engage in clinical trials. I would like to understand that in terms of the Medicaid portion.

MR. HAUPTMAN:

With regard to clinical trials, it is an issue of providing access. Patients cannot be forced to participate in clinical trials, it is an autonomous choice by patients; however, it does allow for patients who have advanced cancers, heart disease, etc. to engage in something new and innovative.

Regarding your first question, the affiliation is relatively new. However, there are an increasing number of providers in the program. The program has grown, and Renown has redoubled its efforts to provide improved access for the patients in the system.

SENATOR NEAL:

Madam Chair, is this something that the Committee will be monitoring as it goes forward and have an opportunity to request certain data to be associated with the monitoring as this partnership goes forward?

CHAIR MONROE-MORENO:

The Committee can request reporting.

SENATOR NEAL:

I would be interested in how many patients are receiving access under this partnership, the categories in which patients are coming in and being serviced and the needs, and the Medicaid dollar allotment that is being used for those patients. If this is a good thing, positive outcomes should be seen in terms of access and care. With the increased medical providers, there should be a continuity of treatment. If General Fund appropriations are not going to be reverted, I am looking for something more quantifiable in terms of the benefits of this partnership.

MR. CLINGER:

I will provide that information to the Committee.

MR. HAUPTMAN:

The growth of GME programs is one area where the advantage will be seen. There is a great need in Nevada for providers. The current plan is to launch a new obstetrics/gynecology residency in July 2026. The university anticipates that these academic support payments will go in part to support such programs. The UNR residents are the ones who are often the front line in the care of these patients.

ASSEMBLYWOMAN BROWN-MAY:

There has been a lot of time spent during the interim learning about GME and the need for improvement. One of the issues that has come to light was the wages of graduate medical students. Students noted that there was a need to focus on the issue of wages. Please confirm whether it is the intent of UNR to use this funding, instead of reverting it back to the General Fund, and apply it to GME.

MR. HAUPTMAN:

It is certainly UNR's anticipation that some part of the academic support payment will support the growth of GME, but the amount is to be determined. Salaries and operations still need to be paid for with these monies. However, growth is a fundamental mission. I will say that UNR's residents are currently in a much better place from a compensation standpoint. They have received multiple pay raises in the last several years. When the university compared its residents' pay to similar programs, the pay is in the midrange point. In years past, these students were in the lower range, but that is no longer the case.

ASSEMBLYWOMAN BROWN-MAY:

How many potential GME slots would be able to be funded with this reversion?



MR. HAUPTMAN:

I do not have a precise number. The university is intentionally looking to grow programs one by one, with a goal of five new programs by 2030. It takes two and a half to three years to start up a program, so this must be done very methodically. Another program that may launch in 2026 is an addiction medicine fellowship.

ASSEMBLYWOMAN BROWN-MAY:

There is clearly a significant need with regard to substance use disorder and recovery.

Mr. Clinger, are these the General Fund dollars that were set aside by the bill from the 82<sup>nd</sup> (2023) Legislative Session that are currently sitting in the Office of Science, Innovation and Technology (OSIT) budget?

MR. CLINGER:

Those are not the same funds. These are funds that are appropriated to UNR's School of Medicine for the operation of the school. Those funds are being moved to make those payments. I believe the OSIT funding to which you are referring is separate funding for GME programs for which students must apply.

SENATOR SEEVERS GANSERT:

Thank you for bringing this program forward. I think there is always some confusion about the upper payment limit and how these types of programs work. With UNR putting in \$12.0 million, the net will be another \$24.0 million, which will significantly enhance access because more providers can be included in the programs and the types of care will be expanded. This partnership with Renown is unique and it could potentially be a model for other institutions across the state. The state is constantly looking for other opportunities to bring in federal dollars, and this is a great example. The state will grow \$12.0 million into \$36.0 million to provide enhanced and expanded care for Nevadans.

MR. HAUPTMAN:

These are federal programs that provide matching dollars to states. The university is not unique in doing this and it is a common arrangement requiring state funds to be put forward along with an affiliated teaching hospital, because these teaching hospitals generally provide a disproportionate amount of care to Medicaid patients.

CHAIR MONROE-MORENO:

If this work program is not approved today, how will the university pay for this program?

MR. HAUPTMAN:

The UNR School of Medicine will be required to re-budget its salaries and operational expenses to self-supporting accounts for the current year to free up funding to support the intergovernmental transfer payments. This would be less desirable because it will make the status of the school's finances less transparent. If the UNR School of Medicine does not provide state-appropriated General Fund dollars to support these programs, the Department of Health and Human Services and the Medicaid office are still contractually obligated to the federal government to provide such supporting dollars, and the matching dollars will need to be found from somewhere including the Medicaid office.

CHAIR MONROE-MORENO:

Would UNR have the \$1.2 million in FY 2024 and FY 2025 in its state-funded accounts to cover the requests before the Committee?

MR. CLINGER:

The university has the affiliation agreement with Renown. The university had a choice on the affiliation payments that come through, putting them in either self-supporting budgets or the School of Medicine budget. Through discussions with Fiscal staff, it made sense from a transparency standpoint and to really see the whole program, to run them through the School of Medicine budget. Those funds are not currently in self-supporting, but if this was not approved, the affiliation payments would have to be run through the self-supporting accounts.

CHAIR MONROE-MORENO:

How many positions are now funded with academic support payments?

MR. CLINGER:

I do not have an answer at this time, but I will follow up with the Committee.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEMS K.1 and O.32 AND REQUIRE THE UNIVERSITY OF NEVADA TO REPORT TO THE 83<sup>RD</sup> (2025) LEGISLATURE ON THE NUMBER OF PATIENTS ACCESSING THE PROGRAM, NUMBER OF MEDICAID CLIENTS SERVED, AND THE METRICS DEMONSTRATING HOW THE PROGRAM BENEFITS THE MEDICAID POPULATION.

ASSEMBLYWOMAN MOSCA SECONDED THE MOTION.

ASSEMBLYMAN HAFEN:

I would like clarification on the motion. I am aware the hospitals can write-off bad debt, and I believe the Public Option was supposed to cover that in the future. Is that part of the reporting requirements in the motion, or just the Medicaid portion?

CHAIR MONROE-MORENO:

Just what is included in the items before the Committee today related to these payments.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

**33. Nevada System of Higher Education - Great Basin College - FY 2025**

Addition of \$568,321 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 \$350,000. **Work Program #C68178. REVISED 5-7-24.**

Refer to motion for approval under Agenda Item O.

**34. Nevada System of Higher Education - Truckee Meadows Community College - FY 2025**

Addition of \$523,643 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 \$350,000. **Work Program #C68204**

Refer to motion for approval under Agenda Item O.

**35. Nevada System of Higher Education - Nevada State University - FY 2025**

Addition of \$3,394,121 in General Fund appropriations transferred from the Nevada System of Higher Education Special Projects account to expand undergraduate and graduate nursing programs. Requires Interim Finance Committee approval since the amount added to the Senate Bill 375 Nursing Program Expansion category exceeds \$350,000. **Work Program #C68197**

Refer to motion for approval under Agenda Item O.

**36. State Department of Agriculture - Administrative Services - FY 2024**

Transfer of \$97,322 from the Reserve category to the Information Services category, \$6,629 from the Reserve category to the Operating Expenses category, and \$1,920 from the Reserve category to the Nevada Board of Agriculture category

to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Information Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68423**

Refer to motion for approval under Agenda Item O.

- 37. State Department of Agriculture - Nutrition Education Programs - FY 2024**  
Addition of \$5,492,726 in federal United States Department of Agriculture (USDA) - Child Nutrition Program grant funds, \$32,626 in federal USDA - National School Lunch Program Special Milk Program grant funds, and \$9,393 in federal USDA - Child and Adult Care Food Program Cash-In-Lieu grant funds to align federal authority with state authority. Requires Interim Finance Committee approval since the amount added to the Child and Adult Care Food Category exceeds \$350,000. **Work Program #C67472**

Refer to motion for approval under Agenda Item O.

- 38. State Department of Agriculture - Nutrition Education Programs - FY 2024**  
Addition of \$104,354 in federal United States Department of Agriculture Food and Nutrition Service grant funds to support various child nutrition programs. Requires Interim Finance Committee approval since the cumulative amount added to the Department Cost Allocation category exceeds \$350,000. **Work Program #C68412**

Refer to motion for approval under Agenda Item O.

- 39. State Department of Agriculture - Commodity Foods Distribution Program - FY 2024**  
Addition of \$3,116,003 in Direct Sales Processing revenues to fund food distribution for the department's various food programs. Requires Interim Finance Committee approval since the amount added to the Food Processing Program category exceeds \$350,000. **Work Program #C67385**

Refer to motion for approval under Agenda Item O.

- 40. State Department of Agriculture - Commodity Foods Distribution Program - FY 2024**  
Addition of \$243,000 in federal United States Department of Agriculture - The Emergency Food Assistance Program (TEFAP) - Commodity Credit Corporation (CCC) grant funds to fund supply chain challenges and elevated food costs. Requires Interim Finance Committee approval since the cumulative amount added to the TEFAP CCC Bonus category exceeds \$350,000. **Work Program #C67709**

Refer to motion for approval under Agenda Item O.

**41. State Department of Agriculture - Commodity Foods Distribution Program - FY 2024**

Addition of \$78,026 in federal State Administrative Expenses grant funds to fund personnel and shipping expenses. Requires Interim Finance Committee approval since the cumulative amount added to the Shipping Expense category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67840**

Refer to motion for approval under Agenda Item O.

**42. State Department of Agriculture - Dairy Fund - FY 2024**

Addition of \$47,282 in federal Association of Food and Drug Officials (AFDO) grant funds to support the National Grade "A" Milk Safety and National Shellfish Sanitation program. Requires Interim Finance Committee approval since the cumulative amount added to the AFDO Training Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C66886**

Refer to motion for approval under Agenda Item O.

**43. Commission on Mineral Resources - Division of Minerals - FY 2024**

Transfer of \$375,895 from the Reserve category to the Abandoned Mine Land Enhancements category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Abandoned Mine Land Enhancement category exceeds \$350,000. **Work Program #C68195**

Refer to motion for approval under Agenda Item O.

**44. Department of Business and Industry - Office of Business and Planning - FY 2024**

Addition of \$18,106 in Budgetary Transfers to cover a projected shortfall in personnel costs. Requires Interim Finance Committee approval pursuant to Section 50 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **RELATES TO AGENDA ITEMS O.45 and O.46. Work Program #C68441. WITHDRAWN 5-30-24.**

**45. Department of Business and Industry - Administration - FY 2024**

Addition of \$86,149 in Budgetary Transfers to cover a projected shortfall in personnel costs. Requires Interim Finance Committee approval pursuant to Section 50 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **RELATES TO AGENDA ITEMS O.44 and O.46. Work Program #C68442. WITHDRAWN 5-30-24.**

**46. Department of Business and Industry - Labor Commission - FY 2024**  
Deletion of \$104,255 in Budgetary Transfers from the Personnel category to fund projected shortfalls in personnel costs within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval pursuant to Section 50 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **RELATES TO AGENDA ITEMS O.44 and O.45. Work Program #C68434. WITHDRAWN 5-30-24.**

**47. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2024**  
Transfer of \$55,544 from the Reserve category to the Transfer to Tourism category to cover unbudgeted expenses primarily due to new office space and information technology needs. Requires Interim Finance Committee approval since the cumulative amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.56. Work Program #C68258**

Refer to motion for approval under Agenda Item O.

**48. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**  
Transfer of \$2,142,500 from the Reserve category to the Transfer to Tourism category to support marketing efforts focused on integrated domestic efforts. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.58. Work Program #C68440**

Refer to motion for approval under Agenda Item O.

**49. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**  
Transfer of \$751,375 from the Reserve category to the Transfer to Tourism category to support marketing efforts focused on branding and research. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.57. Work Program #C68449**

Refer to motion for approval under Agenda Item O.

**50. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**

Transfer of \$4,925,900 from the Reserve category to the Transfer to Tourism category to support marketing efforts focused on paid and earned domestic media. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.59. Work Program #C68450**

Refer to motion for approval under Agenda Item O.

**51. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**

Transfer of \$584,000 from the Reserve category to the Transfer to Tourism category to support marketing efforts focused on international marketing initiatives. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.60. Work Program #C68452**

Refer to motion for approval under Agenda Item O.

**52. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**

Transfer of \$425,000 from the Reserve category to the Transfer to Tourism category to support marketing efforts focused on Commission on Tourism initiatives. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.62. Work Program #C68457**

Refer to motion for approval under Agenda Item O.

**53. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**

Transfer of \$290,200 from the Reserve category to the Transfer to Tourism category to support marketing efforts focused on industry development. Requires Interim Finance Committee approval since the cumulative amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.61. Work Program #C68467**

Refer to motion for approval under Agenda Item O.

**54. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**

Transfer of \$119,679 from the Reserve category to the Operating category to cover additional office lease expenses and furnishings. Requires Interim Finance Committee approval since the cumulative amount added to the Operating category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68506**

Refer to motion for approval under Agenda Item O.

**55. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2025**

Transfer of \$1,450,000 from the Reserve category to the Transfer to Tourism category to cover a projected funding gap for the two new Adventure Centers. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Tourism category exceeds \$350,000. **RELATES TO AGENDA ITEM O.63. Work Program #C68536**

Refer to motion for approval under Agenda Item O.

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

Addition of \$55,544 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to cover unbudgeted expenses primarily due to new office space. Requires Interim Finance Committee approval since the cumulative amount added to the Operating category exceeds 20% of the legislatively approved budget for that category. **RELATES TO AGENDA ITEM O.47. Work Program #C68126**

Refer to motion for approval under Agenda Item O.

**57. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2025**

Addition of \$751,375 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to support marketing efforts focused on branding and research. Requires Interim Finance Committee approval since the amount added to the Promotion and Advertising category exceeds \$350,000. **RELATES TO AGENDA ITEM O.49. Work Program #C68436**

Refer to motion for approval under Agenda Item O.



**58. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2025**

Addition of \$2,142,500 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to support marketing efforts focused on integrated domestic efforts. Requires Interim Finance Committee approval since the amount added to the Promotion and Advertising category exceeds \$350,000. **RELATES TO AGENDA ITEM O.48. Work Program #C68437**

Refer to motion for approval under Agenda Item O.

**59. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2025**

Addition of \$4,925,900 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to support marketing efforts focused on paid and earned domestic media. Requires Interim Finance Committee approval since the amount added to the Promotion and Advertising category exceeds \$350,000. **RELATES TO AGENDA ITEM O.50. Work Program #C68447**

Refer to motion for approval under Agenda Item O.

**60. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2025**

Addition of \$584,000 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to support marketing efforts focused on international market initiatives. Requires Interim Finance Committee approval since the amount added to the Promotion and Advertising category exceeds \$350,000. **RELATES TO AGENDA ITEM O.51. Work Program #C68451**

Refer to motion for approval under Agenda Item O.

**61. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2025**

Addition of \$290,200 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to support marketing efforts focused on industry development. Requires Interim Finance Committee approval since the cumulative amount added to the Promotion and Advertising category exceeds \$350,000. **RELATES TO AGENDA ITEM O.53. Work Program #C68456**

Refer to motion for approval under Agenda Item O.

**62. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2025**

Addition of \$425,000 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to support marketing efforts focused on Nevada Commission on Tourism approved initiatives. Requires

Interim Finance Committee approval since the amount added to the Promotion and Advertising category exceeds \$350,000. **RELATES TO AGENDA ITEM O.52. Work Program #C68468**

Refer to motion for approval under Agenda Item O.

**63. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2025**

Addition of \$1,450,000 in Transfer from Commission on Tourism funds transferred from the Cultural Affairs Administration account to cover a projected funding gap for the two new Adventure Centers. Requires Interim Finance Committee approval since the amount added to the Adventure Centers category exceeds \$350,000. **RELATES TO AGENDA ITEM O.55. Work Program #C68545**

Refer to motion for approval under Agenda Item O.

**64. Department of Health and Human Services - Director's Office - Fund for Resilient Nevada - FY 2025**

Transfer of \$318,036 from the Reserve category to the Opioid Allocation category to support statewide projects assisting individuals with opioid and other substance use disorders. Requires Interim Finance Committee approval pursuant to NRS 433.732. **RELATES TO AGENDA ITEM O.67. Work Program #C68043**

Refer to motion for approval under Agenda Item O.

**65. Department of Health and Human Services - Director's Office - Developmental Disabilities - FY 2024**

Addition of \$198,990 in federal Developmental Disabilities Act - State Councils on Developmental Disabilities grant funds to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Developmental Disabilities Council category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68171**

Refer to motion for approval under Agenda Item O.

**66. Department of Health and Human Services - Director's Office - Upper Payment Limit Holding Account - FY 2024**

Addition of \$1,108,609 in Transfers to Other State Agency funds and transfer of \$187,729 from the Reserve for Reversion to General Fund category to the Transfer Tobacco to BA 1090 category to reconcile with projected reversions for FY 2024. Requires Interim Finance Committee approval since the amount added to the Transfer to Division of Health Care Finance and Policy category exceeds \$350,000. **Work Program #C68057**

Refer to motion for approval under Agenda Item O.

**67. Department of Health and Human Services - Division of Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2025**

Addition of \$351,636 in federal Title XIX and \$318,036 in Opioid Settlement funds transferred from the Department of Health and Human Services, Director's Office, Fund for Resilient Nevada account to support two Social Services Program Specialists to serve as the 1115 Waiver Program Support Specialists for the division's Federal Waiver Program Unit. Requires Interim Finance Committee approval since the amount added to the Assembly Bill 389 - Incarcerated Individuals category exceeds \$350,000. **RELATES AGENDA TO ITEM O.64. Work Program #C68031**

Refer to motion for approval under Agenda Item O.

**68. Department of Health and Human Services - Division of Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2025**

Addition of \$750,000 in federal Title XIX and \$750,000 in ~~Centrally Assessed Property Tax~~ **hospital provider assessment tax** funds transferred from the Improve Health Care Quality and Access account for a consultant to assist with the development of a request for proposal for a new specialized managed care organization. Requires Interim Finance Committee approval since the amount added to the Operating category exceeds \$350,000. **RELATES TO AGENDA ITEM O.71. Work Program #C68019. Revised 5-29-24.**

Agenda Items O.68, O.69, O.71, and O.72 were discussed jointly. Refer to discussion and motion for approval under Agenda Item O.72.

**69. Department of Health and Human Services - Division of Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2025**

Addition of \$576,900 in federal Title XIX funds and \$576,900 in ~~Centrally Assessed Property Tax~~ **hospital provider assessment tax** funds transferred from the Improve Health Care Quality and Access account to fund 11 positions to improve access to behavioral health care for Medicaid-eligible children with serious behavioral health conditions. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **RELATES TO AGENDA ITEM O.72. Work Program #C68271. REVISED 5-29-24.**

Agenda Items O.68, O.69, O.71, and O.72 were discussed jointly. Refer to discussion and motion for approval under Agenda Item O.72.

70. **Department of Health and Human Services - Division of Health Care Financing and Policy - Increased Quality of Nursing Care - FY 2024**  
Addition of \$2,615,512 in Long Term Care Provider Fees and \$441,421 in Treasurer's Interest distribution to align authority with additional anticipated revenue collections for the remainder of FY 2024. Requires Interim Finance Committee approval since the amount added to the Transfer to Medicaid category exceeds \$350,000. **Work Program #C68021**

Refer to motion for approval under Agenda Item O.

71. **Department of Health and Human Services - Division of Health Care Financing and Policy - Improved Health Care Quality and Access - FY 2025**  
Transfer of \$750,000 from the Division of Health Care Financing and Policy (DHCFP) Reserve category to the Transfer to DHCFP Administration category for a consultant to assist with the development of a request for proposal for a new specialized managed care organization. Requires Interim Finance Committee approval since the amount transferred to the Transfer to DHCFP Administration category exceeds \$350,000. **RELATES TO AGENDA ITEM O.68. Work Program #C68016. Revised 5-29-24.**

Agenda Items O.68, O.69, O.71, and O.72 were discussed jointly. Refer to discussion and motion for approval under Agenda Item O.72.

72. **Department of Health and Human Services - Division of Health Care Financing and Policy - Improved Health Care Quality and Access - FY 2025**  
Transfer of \$576,900 from the Division of Health Care Financing and Policy (DHCFP) Reserve category to the Transfer to DHCFP Administration category to fund 11 positions to improve access to behavioral health care for Medicaid-eligible children with serious behavioral health conditions. Requires Interim Finance Committee approval since the amount transferred to the Transfer to DHCFP Administration category exceeds \$350,000. **RELATES TO AGENDA ITEM O.69. Work Program #C68270. Revised 5-29-24.**

Agenda Items O.68, O.69, O.71, and O.72 were discussed jointly.

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

The DHCFP is here to present four work programs. Agenda Items O.68 and O.70 request the transfer of \$750,000 from the assessed property tax for hospitals and matches that with \$750,000 in federal Medicaid funds to support the division with hiring a vendor to assist with reforming the delivery system for children with behavioral health needs and foster care children. The DHCFP is looking at establishing a new specialized managed care organization over the next two years and can elaborate about that if there are questions.

The other two items are Agenda Items O.69 and O.70. The first one, O.69, is transferring \$576,900 in property tax funds to support the division and will be federally matched to support the division with hiring new staff and filling positions to support reforms needed to come into compliance with the Americans with Disabilities Act (ADA) for children with behavioral health needs in the state. This is part of phase two for the Department of Justice (DOJ) settlement agreement.

I would note, the DHCFP came back after attending in April and the division is very grateful for the Committee's support of those programs and the funding received from that for new services and additional staff. I think this is the division's last effort to come forward and ask for funding to support this work. I cannot speak to the details because negotiations are still underway, but I will say the DHCFP believes this funding, support, and the new delivery system is necessary to comply with the DOJ settlement agreement.

SENATOR NGUYEN:

Part of this is about specialized managed care plans for children's behavioral health and I know there were references to similarly implemented plans in Washington, Arizona, and Ohio. Please describe what kind of success those other states have experienced following the implementation of these specialized managed care plans.

Ms. Weeks:

The DHCFP has been looking nationally at how children are covered generally on Medicaid, and I will say, 47 states cover children across the board with special needs and managed care. What the division has found nationally as a best practice, is there are about 15 states that have a specialized program for children. In doing research, the DHCFP found, and the consultants agree, that when a specialized entity is done and there is one plan focused on serving that population, these children do better, which is why the division is looking at doing a specialized product and not rolling them into the mainstream product.

The division wants to make sure it can hold an entity accountable. Arizona and Ohio are good examples, Ohio I would really raise up, because it has done a lot of work with its stakeholders and shine nationally for best practice in this area. That is something the DHCFP wants to follow and emulate. Ohio brought stakeholders to the table in building the contract for these plans and designing the new system and also working with localities in a way where a partnership was created with a plan to support the localities. What has been found at the state and county levels is that there are limited resources to serve these children. Having more of that larger entity to help is what the division needs. Arizona, Washington, and Ohio are the three states that the division is going to model with the vendor.

SENATOR NGUYEN:

When you look at a program such as Ohio, is that something that Nevada will be able to emulate? Does Nevada have similar challenges as those faced in Ohio, or is the state trying to emulate something that might not be able to be replicated in Nevada?

Ms. WEEKS:

I think the state can emulate the Ohio program. I think states are struggling nationally with how to ensure these children have a network of providers and are receiving quality services. The fee-for-service model is failing these children, and the state must find a different model. It is helpful to look at some of the challenges Ohio has faced with this population and how successful Ohio has been in these efforts compared to other states. Washington has had this model for some time now, and it has also been successful, especially with some of its larger counties. Washington has been able to create a hybrid where it still holds the case management service in one county and the managed care entity supports them in that work. The DHCFP knows there are other states that can do this and the division believes it can be emulated and ultimately do better by children in the state.

SENATOR NGUYEN:

I have a follow-up question regarding the private hospital provider tax, which was implemented nearly a year ago. What additional supports or services funded with private hospital provide tax revenue are anticipated before or during the 83<sup>rd</sup> (2025) Legislative Session?

Ms. WEEKS:

One of the questions this Committee raised previously was making sure this account was viable. The DHCFP is trying to be very mindful and not spend down the entire 15.0% to ensure General Funds are not needed. I think once another fiscal year is complete, more can be added. The division is trying to be fiscally responsible with that funding knowing that year two could look different than year one. The division is considering other opportunities to improve behavioral health care in Medicaid.

SENATOR NGUYEN:

Is there a strategic plan on how the state will potentially implement priority points assuming that in years two, three, and four, this is a long-term viable plan?

Ms. WEEKS:

Currently, the division is focusing on the funds needed to comply with the DOJ report, which is the key priority. I believe part of the purpose of this legislation was to support children's behavioral health. Once the division thinks that has been resolved and possibly needs more provider rate increases in other areas, the other area for which the division could use the funding is access issues related to behavioral health, especially in the care continuum, such as early prevention and outpatient services, which both need to be expanded. It is important to invest in those areas so people can remain in their community and not end up inpatient or at a residential treatment center.

The strategy is focusing first on getting this stood up and support the provider system and then invest the remaining funds to expand behavioral health.

SENATOR TITUS:

This information is very encouraging. Regarding the hospital provider tax revenue, one of the arguments you presented before the legislation was passed was that the state was leaving federal monies on the table whereas if the state implemented this provider tax, the state could be receiving those funds. How much revenue has been collected to date from the hospital provider tax and what federal dollars has the state been able to bring in as a result of the tax?

LYNNETTE AARON (Administrative Services Officer, DHCFP, DHHS):

I apologize, I do not have those specific numbers with me, but I can provide that information to the Committee.

JENNIFER KRUPP (Deputy Administrator, DHCFP, DHHS):

The DHCFP projects a total of \$193.0 million will be invested into this program over the next biennium; however, about \$45.0 million of that will be from that 15.0% drawdown received from the hospital provider tax.

SENATOR TITUS:

To clarify, how much have providers put into this and how much money has been brought in from the federal government because of the tax? As you mentioned, the state does not want to leave anything on the table. The hospitals and providers are willing to put money there so the state can draw back. I want to ensure this has proven to be a truly positive resource. It appears to be, but I would like to see the actual numbers.

MS. AARON:

I wanted to give some projections. The state did pay out approximately \$550.0 million but I will provide specific numbers to the Committee.

SENATOR NEAL:

I am encouraged to hear about accountability. As it relates to young adults in foster care from ages 0 to 25 and building a stronger network of providers, what kind of accountability is the division seeking? Having the funds is good. However, I have been looking into the foster care world in terms of how foster children receive complex diagnoses, the fact that they are not reassessed in the system, and that it appears they are being used as a "mule" in the system. Is the state trying to crack down on that?

Also, I feel there is a gap in the system, which I think is a poverty response. Young mothers and some young mothers of color find out they can get additional money if their child has complex diagnoses. Sometimes they will push for this and take the extra cash assistance, which I believe comes from the county. I heard a very disturbing story recently that some behavioral health providers are being offered sexual favors from mothers for providing a complex diagnosis. This means that parents know their child does not have that diagnosis, but due to poverty, they wanted the child to have that complex diagnosis to receive more cash assistance. This was an ongoing issue for about seven years. That is a problem in the system.

MS. WEEKS:

When talking about case management from the division's perspective, it may be different from what the county does in terms of cases managing a child placement with a foster care family and all those pieces. The DHCFP is paying Clark County and Washoe County as well as the new entity to support the division by helping children get assessed and screened appropriately. The division can track with the managed care plan better than how it is currently done. The counties will have to report to the division on the children who are getting assessed and receiving services or if they are being placed in an institution. A residential treatment center is an institution, and everyone needs to move away from them. This will give the division the opportunity to penalize in those instances. That needs to be in the system in order to end the cycle. The DHCFP is hopeful the new entity and delivery system will improve the ability to know what is going on and helping children find outpatient services.

I admit that a managed care entity is not perfect, and my team spends a lot of their time holding them accountable. But when a managed care entity is held accountable, there are good outcomes, which is something the state wants to do for these children. That is why the DHCFP wants one entity to do this work; so, the division can really oversee that program. I would note that Nevada is one of



the first states in the country to require for-profit managed care plans to reinvest their profits back into their communities. The division would want the same thing for this specialized plan—that they are not just profiting off the situation, but instead, investing that money back into families to support foster care families and other services that support children with behavioral health needs.

I hope that answers your accountability question. The division's contracts have multiple provisions in them that provide many tools to hold them accountable and to better track outcomes. I will also say, the Centers for Medicare and Medicaid Services (CMS) just came out with a new federal rule with a quality rating system that the DHCFP is going to have to put together over the next three years to really show how these managed care plans are performing. Although it will be more work for the division, I am excited about that, because it will give more transparency in the program.

On your follow-up question, a couple thoughts. If a provider is diagnosing someone improperly, that is unethical and violates all their standards under a board. If that is happening, I would hope someone would report that to the board. The DHCFP would be able to find that because all the providers that would be contracting with the managed care entity have to follow state and federal law; that is criminal in my opinion, what is going on to those children, if that is occurring.

That is something the health plans would be tracking. The DHCFP also has a surveillance and utilization review team, which is the fraud unit. The fraud unit keeps me very busy; unfortunately, I regularly sign terminations and other things. The DHCFP does report crime and fraud to the Office of the Attorney General. If there is anything you can send to the division that can be reported to the Office of the Attorney General, I would welcome that.

SENATOR NEAL:

It is my understanding, if a child was improperly diagnosed, there is no way to revoke that diagnosis and re-examine. I do not know if that is true, but that worried me even more if there was abuse within the system. I appreciate that you are pushing for reassessment. I heard that there was no reassessment and that a child who ages out of the system with that complex diagnosis is then unable to join the military or police; their life is limited. It raised a concern for me because there is a population of individuals that may have an inappropriate diagnosis, and there is no way to reverse that diagnosis. They will not be able to join the workforce because someone used them as a mule. Is there something in this process where the state can identify, find, reassess, and determine if it is the correct diagnosis? That is more concerning for me because the state is creating an underground and a subpopulation that will not be able to survive without these checks that have been provided to them.

Ms. WEEKS:

My division does not process cash assistance, but I do know Robert Thompson, the Administrator at the Division of Welfare and Supportive Services takes that very seriously. I would like to take that back to him and also talk to the DHHS Director about whether there are any restrictions on removing an incorrect diagnosis. I cannot imagine they could not reverse the diagnosis if it was improperly placed on an individual.

What I failed to mention earlier is that in this system that the DHCFP is trying to create, the division recognizes there is a stigma around diagnoses, and there are a lot of federal and state law protections around that. Those protections do not always work, but people are not supposed to discriminate based on that, however, it does happen. One of the things the division is going to try to do is create a tier of coverage for children at risk. Children do not have to be diagnosed but they meet certain types of indicators and can qualify for a subset or most of these services that are being added—wraparound services, respite care for families, etc. The DHCFP is looking at creating that new tier that I hope moves away from families and children having to be diagnosed early and creating that stigma for the rest of their life. I apologize that I do not have the answer on the law on the other question, but I will follow up with the Committee.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEMS O.68, O.69, O.71, and O.72.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- 73. Department of Health and Human Services - Division of Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2025**  
Addition of ~~\$82,614,690~~ **\$82,640,619** in federal Title XIX funds to fund a projected shortfall in certified public expenditures for ground emergency transportation services through the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Pass Thru to Local Government category exceeds \$350,000. **Work Program #C68008. REVISED 5-31-24.**

Refer to motion for approval under Agenda Item O.

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

Addition of \$3,988,041 in federal Title XIX funds and transfer of \$2,739,962 from the Parents and Children category to the Child Welfare Services category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Child Welfare Services category exceeds \$350,000. **Work Program #C68357**

Refer to motion for approval under Agenda Item O.

**75. Department of Health and Human Services - Division of Public and Behavioral Health - Radiation Control Program - FY 2024**

Transfer of \$236,240 from the Reserve category to the Division Cost Allocation category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Division Cost Allocation category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68086**

Refer to motion for approval under Agenda Item O.

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

Addition of \$276,968 in Budgetary Transfers to transfer General Fund appropriations from the Northern Nevada Adult Mental Health Services account to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Transitional Living category exceeds \$350,000. **RELATES TO AGENDA ITEMS L.3 and O.80. Work Program #C67752**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$350,000 from the Mobile Outreach Safety Team category and \$350,000 from the Food Service Center category to the Transitional Living category to fund a projected shortfall for residential services. Requires Interim Finance Committee approval since the amount transferred to the Transitional Living category exceeds \$350,000. **Work Program #C67961**

Refer to motion for approval under Agenda Item O.

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

Transfer of \$75,984 from the Personnel category to the Operating category and \$240,014 from the Personnel category to the Professional Services category to

fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Professional Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67824**

Refer to motion for approval under Agenda Item O.

- 79. Department of Health and Human Services - Division of Public and Behavioral Health - Northern Nevada Adult Mental Health Services - FY 2024**  
Transfer of \$117,537 from the Community Triage Center category to the Community Diversion category to fund a projected shortfall for the remainder of the fiscal year due to caseload increase. Requires Interim Finance Committee approval since the amount transferred from the Community Triage Center category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67873**

Refer to motion for approval under Agenda Item O.

- 80. Department of Health and Human Services - Division of Public and Behavioral Health - Northern Nevada Adult Mental Health Services - FY 2024**  
Deletion of \$276,968 in Budgetary Transfers to transfer General Fund appropriations to the Southern Nevada Adult Mental Health Services account to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred from the Personnel category exceeds \$350,000. **RELATES TO AGENDA ITEMS L.3 and O.76. Work Program #C67953**

Refer to motion for approval under Agenda Item O.

- 81. Department of Health and Human Services - Division of Public and Behavioral Health - Northern Nevada Adult Mental Health Services - FY 2024**  
Deletion of \$141,926 in Budgetary Transfers to transfer General Fund appropriations to the Lake's Crossing Center account to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred from the Personnel category exceeds \$350,000. **RELATES TO AGENDA ITEMS L.3 and O.92. Work Program #C68064**

Refer to motion for approval under Agenda Item O.

**82. Department of Health and Human Services - Division of Public and Behavioral Health - Crisis Response - FY 2025**

Transfer of \$9,120,215 from the Substance Abuse Mental Health Services Administration Build 988 Capacity Grant category to the 988 Telecom Fees category to support the implementation of the 988-hotline, the National Suicide Prevention Lifeline Program Crisis Center, and the Crisis Response System program. Requires Interim Finance Committee approval since the amount transferred to the 988 Telecom Fees category exceeds \$350,000. **Work Program #C67711**

Refer to motion for approval under Agenda Item O.

**83. Department of Health and Human Services - Division of Public and Behavioral Health - Immunization Program - FY 2024**

Addition of \$573,265 in federal Center for Disease Control and Prevention - Immunization and Vaccines for Children grant funds ~~to coordinate the distribution of publicly funded COVID-19 vaccines and provide a variety of supporting education to underserved populations~~ **to support the modernization of Nevada's Immunization Information Program, NV WebIZ.** Requires Interim Finance Committee approval since the amount added to the Vaccines for Children category exceeds \$350,000. **Work Program #C67834. REVISED 5-23-24.**

Refer to motion for approval under Agenda Item O.

**84. Department of Health and Human Services - Division of Public and Behavioral Health - Health Care Facilities Regulation - FY 2024**

Transfer of \$952,538 from the Reserve category to the Division Cost Allocation category to fund an increase in the federal indirect rate. Requires Interim Finance Committee approval since the amount transferred to the Division Cost Allocation category exceeds \$350,000. **Work Program #C67764**

Refer to motion for approval under Agenda Item O.

**85. Department of Health and Human Services - Division of Public and Behavioral Health - Health Investigations and Epidemiology - FY 2024**

Addition of \$166,766 in federal Centers for Disease Control and Prevention - Nevada Tuberculosis Elimination and Laboratory Program grant funds to continue to provide Tuberculosis and latent Tuberculosis infection services. Requires Interim Finance Committee approval since the amount added to the Tuberculosis Elimination category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67528**

Refer to motion for approval under Agenda Item O.

**86. Department of Health and Human Services - Division of Public and Behavioral Health - Chronic Disease - FY 2025**

Addition of \$900,000 in federal Strategic Approach to Advancing Health Equity for Priority Populations with or at Risk for Diabetes grant funds to improve the management and prevention of diabetes in certain populations. Requires Interim Finance Committee approval since the amount added to the Federal Diabetes Grant category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 of the 82<sup>nd</sup> (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 #C67551**

Refer to motion for approval under Agenda Item O.

**87. Department of Health and Human Services - Division of Public and Behavioral Health - Chronic Disease - FY 2024**

Addition of \$21,780 in federal Centers for Disease Control and Prevention - Building Our Largest Dementia Public Health Program funds and transfer of \$25,826 from the Personnel category to the Building Our Largest Dementia Grant category to continue to advance the capacity to address Alzheimer's Disease and related dementias. Requires Interim Finance Committee approval since the cumulative amount added to the Building Our Largest Dementia Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67600**

Refer to motion for approval under Agenda Item O.

**88. Department of Health and Human Services - Division of Public and Behavioral Health - Maternal Child and Adolescent Health Services - FY 2024**

Addition of \$82,281 in federal Centers for Disease Control and Prevention - Early Hearing Detection and Intervention grant funds to continue to provide hearing detection and intervention services for infants. Requires Interim Finance Committee approval since the amount added to the Nevada Early Hearing Detection and Intervention category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67812**

Refer to motion for approval under Agenda Item O.

**89. Department of Health and Human Services - Division of Public and Behavioral Health - Community Health Services - FY 2024**

Transfer of \$17,087 from the Personnel category to the Operating category, \$6,964 from the Personnel category to the Community Health Nursing category, and \$141,164 from the Personnel category to the Division Cost Allocation category to cover projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Division Cost Allocation category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67251**

Refer to motion for approval under Agenda Item O.

**90. Department of Health and Human Services - Division of Public and Behavioral Health - Public Health Improvements - FY 2025**

Addition of \$7,846,011 in federal Centers for Disease Control and Prevention - Strengthening and Sustaining Nevada's Public Health Infrastructure grant funds to strengthen and sustain the public health infrastructure and support data modernization efforts. Requires Interim Finance Committee approval since the amount added to the Public Health Infrastructure category exceeds \$350,000. **Work Program #C67637**

Refer to motion for approval under Agenda Item O.

**91. Department of Health and Human Services - Division of Public and Behavioral Health - Lake's Crossing Center - FY 2025**

Transfer of \$1,151,257 from the Personnel category to the Professional Services category to fund contract psychiatric services. Requires Interim Finance Committee approval since the amount transferred to the Professional Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67723**

Refer to motion for approval under Agenda Item O.

**92. Department of Health and Human Services - Division of Public and Behavioral Health - Lake's Crossing Center - FY 2024**

Addition of \$141,926 in Budgetary Transfers to transfer General Fund appropriations from the Northern Nevada Adult Mental Health Services account to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Personnel category exceeds \$350,000. **RELATES TO AGENDA ITEMS L.4 and O.81. Work Program #C67851**

Refer to motion for approval under Agenda Item O.

**93. Department of Health and Human Services - Division of Public and Behavioral Health - Lake's Crossing Center - FY 2024**

Transfer of \$2,001 from the In-State Travel category to the Personnel category, \$1,466 from the Operating category to the Personnel category, \$135,000 from the Professional Services category to the Personnel category, \$200,661 from the Food Service category to the Personnel category, and \$1,781 from the Training category to the Personnel category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred from the Professional Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68073**

Refer to motion for approval under Agenda Item O.

**94. Department of Health and Human Services - Division of Welfare and Supportive Services - Administration - FY 2024**

Transfer of \$905,206 from the Operating category to the Summer Electronic Benefit Transfer (EBT) Program category to provide the state match for the Summer EBT Program. Requires Interim Finance Committee approval since the amount transferred to the Summer EBT Program category exceeds \$350,000. **Work Program #C67986**

Agenda Items N.45, N.46, and O.94 were discussed jointly.

KELLY CANTRELL (Deputy Administrator, Division of Welfare and Supportive Services [DWSS], DHHS):

These work programs are to request the transfer and addition of \$6.2 million in ARPA funds to secure a state match to implement the Summer EBT program. The program will provide \$40 to eligible children for each of the summer months—June, July, and August—and approximately 350,000 children will be served by this program with \$42.0 million coming into the Nevada economy.

ASSEMBLYWOMAN BROWN-MAY:

As you know, this is an issue this Committee has been long following as this program is established to feed families and children. I am curious to know when the agency anticipates issuing the benefits to recipients who are not currently enrolled in the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF) programs. What is the timeframe?

MS. CANTRELL:

Any child that is not receiving SNAP or TANF will need to be issued a Summer EBT card. The EBT vendor has indicated it will take five weeks to issue cards for eligible children who are not on SNAP or TANF. The DWSS plans to issue the benefits on September 16, so approximately five weeks later the cards should go out to



individuals who do not currently have an EBT card. The agency anticipates those cards will be received no later than the week of October 14. Children who are not directly certified through the free and reduced-price lunch program will also need to apply for benefits.

There is a group of children who are automatically enrolled and a group who will have to apply. The DWSS can receive applications through November 30 and then the division has 15 days to make an approval or denial decision on that application. Those benefits will go out on a flow basis based on when the division received the application. Since those cards are not going out all at once, it should take no longer than a week for the individual to receive it once eligibility has been determined.

ASSEMBLYWOMAN BROWN-MAY:

Does the agency have the infrastructure or a plan in place to help individuals complete the applications? Also, are the applications available in multiple languages?

Ms. CANTRELL:

The online application is currently under development. When it is ready, the division is going to do an outreach plan with the Department of Agriculture, Department of Education, community partners, and the agency's internal outreach individuals to get the word out. As of now, the application will be available in English and Spanish.

ASSEMBLYWOMAN BROWN-MAY:

If the DWSS is going to do outreach and knows that additional individuals are going to enroll, that is also included in the request, correct?

Ms. CANTRELL:

Yes, it is.

CHAIR MONROE-MORENO:

For those children of families who are not currently receiving SNAP or TANF, how are those families being identified; what is that process?

Ms. CANTRELL:

SNAP, Medicaid, or TANF children are automatically identified through the DWSS system. The DWSS will receive files from the Department of Education for any child enrolled in the school free or reduced-price lunch program, that is certified. The DWSS will be able to automatically issue the benefits to those families without an application.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEMS N.45, N.46, and O.94.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- 95. Department of Health and Human Services - Division of Welfare and Supportive Services - Assistance to Aged and Blind - FY 2024**  
Addition of \$283,190 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval pursuant to Section 52 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **RELATES TO AGENDA ITEM O.96. Work Program #C67898. WITHDRAWN 5-17-24.**
- 96. Department of Health and Human Services - Division of Welfare and Supportive Services - Welfare Field Services - FY 2024**  
Deletion of \$283,190 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval pursuant to Section 52 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **RELATES TO AGENDA ITEM O.95. Work Program #C67899. WITHDRAWN 5-17-24.**
- 97. Department of Health and Human Services - Division of Welfare and Supportive Services - Child Assistance and Development - FY 2024**  
Addition of \$64,424,235 in federal Childcare and Development Fund - American Rescue Plan Act (ARPA) grant funds to continue to provide childcare assistance to health care sector employees, emergency responders, sanitation workers, and other essential personnel responding to the COVID-19 pandemic. Requires Interim Finance Committee approval since the amount added to the Federal ARPA Childcare and Development Block Grant category exceeds \$350,000. **Work Program #24AR32671**

Refer to motion for approval under Agenda Item O.

**98. Department of Health and Human Services - Division of Child and Family Services - Victims Services - FY 2024**

Addition of \$744,378 in federal American Rescue Plan Act (ARPA) - Family Violence Prevention and Service Act (FVPSA) grant funds to assist with the transition to virtual and remote crisis centers and provide victims of family and domestic violence with critical services. Requires Interim Finance Committee approval since the amount added to the FVPSA ARPA SA category exceeds \$350,000. **Work Program #24AR489401**

Refer to motion for approval under Agenda Item O.

**99. Department of Health and Human Services - Division of Child and Family Services - Victims Services - FY 2024**

Addition of \$1,630,278 in federal Family Violence Prevention and Services Act (FVPSA) - American Rescue Plan Act (ARPA) Testing grant funds to continue to provide COVID testing, vaccines, and mobile health units to mitigate the spread of COVID-19 and increase supports for domestic violence survivors and their dependents. Requires Interim Finance Committee approval since the amount added to the FVPSA ARPA Testing category exceeds \$350,000. **Work Program #24AR489403**

Refer to motion for approval under Agenda Item O.

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

Addition of \$172,024 in Budgetary Transfers to transfer General Fund appropriations to the Caliente Youth Center account to fund a projected shortfall in the Youth Driven Expenses category. Requires Interim Finance Committee approval since the amount added to the Youth-Driven Expenses category exceeds 20% of the legislatively approved amount for that category. **RELATES TO AGENDA ITEM L.6. Work Program #C67730**

Refer to motion for approval under Agenda Item O.

**101. Department of Health and Human Services - Division of Child and Family Services - Caliente Youth Center - FY 2024**

Transfer of \$78,215 from the Personnel 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 #C66558**

Refer to motion for approval under Agenda Item O.

**102. Department of Health and Human Services - Division of Child and Family Services - Caliente Youth Center - FY 2024**

Deletion of \$172,024 in Budgetary Transfers to transfer General Fund appropriations from the Summit View Youth Center account to fund projected shortfalls within the division for the remainder of the fiscal year. Requires Interim Finance Committee approval pursuant to Section 54 of Senate Bill 511 of the 82<sup>nd</sup> (2023) Legislative Session. **RELATES TO AGENDA ITEM O.100. Work Program #C67807. WITHDRAWN 5-30-24.**

**103. Department of Health and Human Services - Division of Child and Family Services - Nevada Youth Training Center - FY 2025**

Transfer of ~~\$262,950~~ **\$82,702** from the Personnel category to the Professional Contract Services category to fund contracted employees. Requires Interim Finance Committee approval since the amount transferred to the Professional Contract Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67742. REVISED 5-21-24.**

Refer to motion for approval under Agenda Item O.

**104. Department of Health and Human Services - Division of Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2025**

Transfer of \$545,516 from the Personnel category to the Professional Contract Services category to fund contracted employees. Requires Interim Finance Committee approval since the amount transferred to the Professional Contract Services category exceeds \$350,000. **Work Program #C67704**

Refer to motion for approval under Agenda Item O.

**105. Department of Health and Human Services - Division of Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2025**

Deletion of \$5,031 in Medicaid Federal Medical Assistance Percentages and transfer of \$2,405,648 from the Personnel category to the Mobile Crisis Unit category to fund the transfer of the Mobile Crisis Response program to the Washoe County Human Service Agency. Requires Interim Finance Committee approval since the amount transferred to the Mobile Crisis Unit category exceeds \$350,000. **Work Program #C68063. REVISED 5-29-24.**

MARLA MCDADE WILLIAMS (Administrator, DCFS, DHHS):

The DCFS is here today to present a work program that would remove \$5,031 in Medicaid federal assistance and transfer \$2,405,648 from the Personnel category in the Mobile Crisis Unit to fund the transfer of the Mobile Crisis Response program to Washoe County Human Services Agency (HSA). The division has administered Mobile Crisis Response in Northern Nevada and in the state since about 2013.

I became the Administrator in September 2023 and the division began discussions with Washoe County to transfer services due to significant vacancies in the program and responses were decreasing significantly. The first set of numbers that I saw reflected the program having 20 calls for a community of 400,000 in Washoe County. That number has increased slightly. As a result of the discussion of transfers, the program is down ten staff. Washoe County has recently made an investment in its behavioral health programs, and it made sense for Washoe County to take over this activity. The division stands up programs as a safety net provider, and as programs mature and are able to take on these services and meet the needs directly in their community, it makes sense to make those transfers.

This seems somewhat accelerated. Discussions began in December 2023 and when Washoe County made the changes in April, it became more feasible for the transfer to move forward sooner rather than later to ensure the county could get situated. The DCFS has vacancies around 48% and Washoe County has maybe 5% or 10% vacancies. Washoe County does not face the same challenges as the DCFS with hiring staff. The county recognizes that it has the ability to do this, and it would be beneficial to the community.

When the division makes moves like this, it has obligations under state law to ensure employees are protected in the process. Part of that process requires the division to issue layoff notices to employees, but it is part of the process. Positions have been identified for every employee to step into, with the individuals moving into a qualified position within the agency. If this request is approved, those employees have positions they can take immediately, if necessary.

The division is working with these employees to help them understand the process and Washoe County has offered a very generous employment package. The county is taking those employees without the need to apply or compete for positions—it is a straight transfer. It really is something that does not have a detrimental effect on employees because there are positions available to them either in Washoe County or with the DCFS. It is my understanding that seven of the ten employees have indicated a desire to transfer. They will be asked to commit to that so the division can ensure an appropriate transfer to the county.

Again, there are processes involved in the transfer. At some point the DCFS will need a formal resignation notice so paperwork can be started. It is not detrimental to their personnel packet. The reason for transfer is due to the transfer of the program. The DCFS is working with the collective bargaining organization as well to ensure that each employee's needs are met through the process.

ASSEMBLYMAN YEAGER:

I did want to say first that I had a very productive conversation with our former colleague Senator Julia Ratti (Former Nevada State Senator [2016-2021]) last week about this proposal and it answered many of my questions. I really appreciated that communication. I think of utmost importance to me and many members of this Committee is the fact that no one is going to be displaced—they are not going to lose their job, they are going to be able to transfer within the state system or be employed by Washoe County. I know that can be tricky between the state and county, so I wanted to acknowledge and recognize the work that went into that effort.

Please discuss how this transfer from the state to Washoe County will increase both the availability and timeliness of both the telephone-based and in-person crisis response services? I think that will be helpful for the Committee.

RYAN GUSTAFSON (Director, Washoe County HSA):

To answer your question, Washoe County, out of necessity and recognizing the need for behavioral health services, already has a fairly robust clinical unit baked into the agency comprised of more 20 staff. The goal is to bring this team over to combine with the current clinical team to provide services in Washoe County and continue to partner with the state to ensure the rural and other areas are served. The Washoe County HSA staff vacancy rate is about 3.5%. Washoe County has a successful track record of filling positions and keeping the positions filled.

I was with the state when the program started and I actually started the program in Northern Nevada in Washoe County, so I know some of how the mobile crisis response works. What I would like to do is bring those employees over who want to come over to Washoe County. The county is not going to completely reinvent the wheel because the things the program was built to do it has historically done well. I think one of the issues, as was stated, is vacancies. It makes it difficult to have an adequate number of teams to be able to operate the program and I know currently the program is not operating optimally and is limited on its hours and days. For example, I know on the weekends some of the business gets shifted down to Clark County. That is not optimal when it comes to crisis response for children and families. Optimal behavioral health crisis response services should be in person when it is a crisis.

I understand that cannot happen all the time and many lessons were learned during the COVID-19 pandemic on how to do business via telehealth, but that is not the best way to do business. If Washoe County can bring over the employees that want to come over, I think Washoe County could utilize its current team along with the new positions and teams to get the program kick started again to where it can really offer not just robust services but be able to do it expeditiously.

The other sort of “secret sauce” to crisis response is how fast someone can respond to the crisis at hand. When the program began, when there was a high-priority crisis, the goal was to be in that house within 60 minutes. I would like to get back to some semblance of that. Obviously, Washoe County is bigger now than it was ten years ago when the program began, but it is still a community that is a size that can still be responded to very expeditiously. The goal is to keep children out of the hospitals. As many on the Committee know, the behavioral health hospital for children, West Hills, closed, which left only one hospital remaining. Having a program that can offer a diversion rate of 85% to 90% hospitalization is key in the continuum of care.

ASSEMBLYMAN YEAGER:

It makes sense financially and is the right thing to do for the community. I was not aware that you were on the ground level starting that program, which is a benefit to the state and Washoe County for that sort of continuity.

Will there be a gap in service as the program transitions from the state to the county? When the program is transferred to Washoe County, will it service adjacent areas in addition to Washoe County?

MR. GUSTAFSON:

The goal is for no gaps in service. Timing is key when it comes to mobile crisis and by and large the biggest referral and caller of mobile crisis response are the school districts. Timing is essential right now because the county has time to do that program transfer while school is out. When the school year begins, business picks up mightily. Business is slow right now and that is a good thing. It is good that there are not many crises, but Washoe County plans to do a lot more marketing to ensure the community knows there is a robust system and can respond expeditiously.

The county anticipates it will pick up significantly, but again, there is a full clinical unit that is excited and prepared to cover any gaps. For example, if half of the current employees choose to come over to the county, that is five out of ten positions. This is where the county will leverage the current clinical teams to handle the responses as the units are ramped up. I do not anticipate there will be any service gaps in the interim while the program is transferred.

Secondarily, to the surrounding areas, when mobile crisis started it was a partnership because the DCFS handles children’s mental health in the urban counties and much of the other services are pushed to the Division of Public and Behavioral Health (DPBH). There was a strategic partnership with the rural areas to have the DCFS help and do much of the cross training and telehealth. A lot of those services are still provided by the DPBH with the state.

Washoe County intends to provide any assistance and partnership that the rural areas need because I recognize it is faster for one of Washoe County's teams to drive to Carson City, Fernley, Fallon, or Lovelock than a team that perhaps sits in Elko. I would also rather have someone drive for a half hour to do a face-to-face response than for an individual to be seen via telehealth. Washoe County is on board with a partnership and assisting with the rural areas.

ASSEMBLYMAN YEAGER:

I noticed when you said 3.5% vacancy rate that Ms. McDade Williams looked stunned, and rightfully so. There have been discussions in the Legislature for a long time about state vacancy rates and I think the state has made progress in that regard. It makes sense to me in terms of why the state would want to transfer the program to Washoe County. Should the state consider this transfer to be a long-term transfer for budgeting purposes? Have there been discussions about whether this program is intended to stay in Washoe County or if it may be transferred back to the state if the vacancy rate improves?

MS. MCDADE WILLIAMS:

Currently, the DCFS plans for it to be a long-term transfer as long as the program is successful with Washoe County. The division will be doing a subgrant and in that subgrant it will ask for some data and accounting because the division has expectations of response times and other things. The DCFS will monitor the program, and if things start to fail, then yes, the division would consider transferring the program back to the state.

The state does not anticipate adding to the amount to transfer into the future, it is the amount that is transferring today that would be included in the agency's budget in the future. The DPBH used a similar model to transfer adult crisis response to Las Vegas Fire a number of years ago and that contract has stayed in place with some monitoring, but the amount has not changed over that time.

ASSEMBLYWOMAN TAYLOR:

Thank you for being innovative in your thinking and for taking advantage of an area that needs improvement. Regarding transferring staff members, will those employees have any loss or see any difference between pay, benefits, retirement, any of those things? I know you have talked with the collective bargaining units, but what is the status?

MR. GUSTAFSON:

It has been a very arduous process determining how to transfer employees from the state to the county; much more difficult than I had anticipated. Between the fantastic human resources units at the county and state, both of which have done



a tremendous amount of work, the answer to your question is no. The county will consider the employees' current status. The way the pay scale works is that people are in a specific job classification, for example, a case worker, and that has a salary range. The individual then works through the steps over their time working for the state, which is similar to the county. The county has looked at the current pay rate for those employees, and those employees have been assured that they will not receive a pay cut, they will be at the very closest level, but not lower.

The county has also been able to figure out how to avoid probation for employees who are no longer on probation at the state. The county has been able to work out how to transfer annual leave. There are some insurance details being worked out, and fortunately the county's insurance system has just recently changed in that benefits kick in at 30 days rather than a much lengthier time period, so the county is still working through some of those details.

ASSEMBLYWOMAN TAYLOR:

That is great to hear because those are the details that get in the way sometimes. Does the state currently have similar positions to the county so employees will be performing the same position but making different amounts of money?

MR. GUSTAFSON:

The positions are titled differently but they are similar. For example, with the state, a position might be called a psychiatric case worker; at the county the equivalent position would be called a human services case worker. The therapist positions have the same title—they are mental health counselors.

ASSEMBLYMAN O'NEILL:

I would like to say, I am disappointed the state cannot meet their requirements due to staffing and must pass off a state service to a local county. I would like some clarification, I want to make sure, expanding on the last two questioners. You discussed pay and vacation time, what about things such as seniority? Do the employees understand that some of the retirement benefits may be different? Do these employees understand there are differences between the two agencies?

LISA ALFRED (Human Resources Officer, DCFS, DHHS):

Regarding retirement, the state has been in conversation with these employees letting them know there are different options and also referred them to the Public Employees' Retirement System (PERS) so they can get answers directly from PERS as the subject matter experts. In relation to retirement, yes, the DCFS has spoken with employees and given them the differences and the different pay classes and what that looks like if they were to transfer. Regarding seniority, the state is going to give them the seniority calculations and that is part of the program that Washoe County has given these employees to be able to carry their state seniority over with them.

ASSEMBLYMAN O'NEILL:

Very good, I appreciate that. I want to make sure that these employees are fully knowledgeable of this program, and the state does not hear about issues later.

From prior experiences where Washoe County has taken responsibility for statewide services, where it has said first come, first served, the county has not always lived up to that. I would like it on the record that if Pershing County or Lyon County calls before Washoe County for an incident, they will be served first—first come, first served.

Ms. MCDADE WILLIAMS:

I do want to make a clarification before I answer. As Mr. Gustafson noted, the state has mobile crisis response services in the rural counties currently, so 12 of the 15 rural counties have those services provided out of clinics in those counties, that is a current service. There is no change to that current service. Mr. Gustafson was indicating that Washoe County will be a supplemental service. Currently, the DCFS mobile crisis response team only serves Washoe County. These other services were already provided so they were never primary on the rural services, they were only primary for Washoe County services.

ASSEMBLYMAN O'NEILL:

To ensure I understand that correctly because it was initially explained differently, this transfer and financial support from the state will only be for services provided within Washoe County. Mr. Gustafson talked about response to Pershing County—that Washoe County would be responding—so I am confused.

Ms. MCDADE WILLIAMS:

Washoe County will fill a gap if needed in that area. I do not anticipate those needs coming up. The DCFS has mobile crisis response teams in Southern Nevada as well, so this has been managed by the state for Washoe County and

Southern Nevada, and then again, the rural counties were managed by the DPBH and there is no change to that process. Washoe County is being generous in saying it will provide backup if needed but it is not an expectation of the contract that the state is transferring. Washoe County is just offering and recognizing if there is a need that the county can fill when others cannot, Washoe County said it would be willing to assist.

CHAIR MONROE-MORENO:

Thank you for that clarification because at the beginning of this meeting, it appeared the services throughout the state were all being sent to Washoe County.

During the 82<sup>nd</sup> (2023) Legislative Session, a lot of work was done to help with salaries and benefit packages for state employees. The state was hurting for quite some time, because the state did not compensate individuals for the work they were doing and they found jobs elsewhere. With those changes, has it made it easier to bring in employees? As the state looks towards the future, what things should be considered to help with employee recruitment and retention so that services the state should be providing can actually be provided?

RICHARD WHITLEY (Director, DHHS):

I would like to give a broader denominator. In general, the vacancy rate has dramatically improved. The Division of Welfare and Supportive Services has been able to fill eligibility worker positions. Where the DHHS still has a vacancy rate that is a challenge is in clinical services, similar to the Department of Corrections and the Department of Veterans Services nursing home. There is a national crisis of workforce shortage with nurses and physicians. Adding to that are complications like juvenile justice or child welfare and those are challenges that will continue for some time. Hopefully during the 83<sup>rd</sup> (2025) Legislative Session, the DHHS can look at strategies to grow its own and make it easier for licensure and certification. Pay is a factor as well, but in clinical services it is specific. The agency will provide the Committee with a breakdown of those specifics down to the disciplines that are most challenging.

CHAIR MONROE-MORENO:

After hearing at so many meetings where the state is lacking, I think the members of this Committee will be very energetic to work with the DHHS and other departments throughout the state to ensure the state is able and in a position to provide the services that the state is supposed to be providing to the communities.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM O.105.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

**106. Department of Health and Human Services - Division of Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2024**

Transfer of \$112,317 from the Youth Driven Expenses 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 #C67634**

Refer to motion for approval under Agenda Item O.

**107. Department of Health and Human Services - Division of Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2025**

Transfer of \$5,355,399 from the Personnel category to the Professional Contract Services category to fund contracted employees. Requires Interim Finance Committee approval since the amount transferred to the Professional Contract Services category exceeds \$350,000. **Work Program #C67733**

Refer to motion for approval under Agenda Item O.

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

Addition of \$318,230 in federal Pandemic Emergency Unemployment Compensation (PEUC) program funds to continue providing administrative assistance in implementing PEUC for Nevadans that qualified for additional Coronavirus Aid, Relief, and Economic Security Act during the 2020 pandemic. Requires Interim Finance Committee approval since the cumulative amount added to the PEUC category exceeds \$350,000. **Work Program #C67799**

Refer to motion for approval under Agenda Item O.

**109. Department of Corrections - Director's Office - FY 2024**

Transfer of \$457,638 from the Personnel category to the Operating Expenses category to fund contracted services for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred from the Personnel category exceeds \$350,000. **Work Program #C68229**

Refer to motion for approval under Agenda Item O.

**110. Department of Corrections - Director's Office - FY 2024**

Addition of \$2,175,000 in Alien Assistance Grant funds and deletion of \$2,175,000 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount deleted exceeds \$350,000. **RELATES TO AGENDA ITEMS K.2, O.116, O.118, and O.126. Work Program #C68513**

Agenda Items K.2, O.110, O.116, O.118, and O.126 were discussed jointly. Refer to discussion and motion to deny under Agenda Item O.126.

**111. Department of Corrections - Director's Office - FY 2024**

Addition of \$405,430 in funds appropriated pursuant to Section 4(1), \$46,734 in funds appropriated pursuant to Section 3(1), and \$1,945 in funds appropriated pursuant to Section 1(1) of Senate Bill 510 of the 82<sup>nd</sup> (2023) Legislative Session. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **Work Program #24CBA37101**

Refer to motion for approval under Agenda Item O.

**112. Department of Corrections - Prison Medical Care - FY 2024**

Addition of \$548,370 in revenue authority for funds transferred from the Inmate Welfare account for projected reimbursements for qualifying medical claim expenditures as defined in NRS 209.221 and NRS 209.246. Requires Interim Finance Committee approval since amount added to the Inmate Drivens category exceeds \$350,000. **RELATES TO AGENDA ITEMS O.130 and O.132. Work Program #C67447**

Refer to motion for approval under Agenda Item O.

**113. Department of Corrections - Prison Medical Care - FY 2024**

Transfer of \$1,392,042 from the Hepatitis C Virus Program category to the Inmate Drivens category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred to the Inmate Drivens category exceeds \$350,000. **Work Program #C68163**

Refer to motion for approval under Agenda Item O.

**114. Department of Corrections - Prison Medical Care - FY 2024**

Transfer of \$684,400 from the Personnel category to the Professional Services category to fund projected contract services for licensed healthcare professionals through the remainder of the fiscal year. Requires Interim Finance Committee approval since amount transferred from the Personnel category exceeds \$350,000. **Work Program #C68165**

Refer to motion for approval under Agenda Item O.

**115. Department of Corrections - High Desert State Prison - FY 2024**

Transfer of \$74,553 from the Uniform Allowance category to the Operating category and \$45,000 from the Uniform Allowance category to the Inmate Drivens category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred from the Agency Issue Uniform category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68011**

Refer to motion for approval under Agenda Item O.

**116. Department of Corrections - High Desert State Prison - FY 2024**

Addition of \$987,238 in Budgetary Transfers to the Inmate Drivens category to cover projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Inmate Drivens category exceeds \$350,000. **RELATES TO AGENDA ITEMS O.110, O.118, and O.126. Work Program #C68534**

Agenda Items K.2, O.110, O.116, O.118, and O.126 were discussed jointly. Refer to discussion and motion to deny under Agenda Item O.126.

**117. Department of Corrections - High Desert State Prison - FY 2024**

Addition of \$418,927 in funds appropriated pursuant to Section 4(1), \$6,333 in funds appropriated pursuant to Section 3(1), and \$24,169 in funds appropriated pursuant to Section 1(1) of Senate Bill 510 of the 82<sup>nd</sup> (2023) Legislative Session. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **Work Program #24CBA37621**

Refer to motion for approval under Agenda Item O.

**118. Department of Corrections - Northern Nevada Correctional Center - FY 2024**

Addition of \$535,459 in Budgetary Transfers to the Inmate Drivens category to cover projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Inmate Drivens category exceeds \$350,000. **RELATES TO AGENDA ITEMS O.110, O.116, and O.126. Work Program #C68508**

Agenda Items K.2, O.110, O.116, O.118, and O.126 were discussed jointly. Refer to discussion and motion to deny under Agenda Item O.126.

- 119. Department of Corrections - Northern Nevada Correctional Center - FY 2024**  
Addition of \$2,783,537 in funds appropriated pursuant to Section 4(1), \$2,840 in funds appropriated pursuant to Section 3(1), and \$13,405 in funds appropriated pursuant to Section 1(1) of Senate Bill 510 of the 82<sup>nd</sup> (2023) Legislative Session. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **Work Program #24CBA37171**

Refer to motion for approval under Agenda Item O.

- 120. Department of Corrections - Southern Desert Correctional Center - FY 2024**  
Transfer of \$59,592 from the Uniform Allowance category to the Operating category and \$33,002 from the Uniform Allowance category to the Maintenance of Building and Grounds category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred from the Uniform Allowance category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68162**

Refer to motion for approval under Agenda Item O.

- 121. Department of Corrections - Southern Desert Correctional Center - FY 2024**  
Addition of \$2,393,741 in funds appropriated pursuant to Section 4(1) and \$5,172 in funds appropriated pursuant to Section 1(1) of Senate Bill 510 of the 82<sup>nd</sup> (2023) Legislative Session. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **Work Program #24CBA37381**

Refer to motion for approval under Agenda Item O.

- 122. Department of Corrections - Lovelock Correctional Center - FY 2024**  
Addition of \$1,518,593 in funds appropriated pursuant to Section 4(1), \$273 in funds appropriated pursuant to section 3(1), and \$13,516 in funds appropriated pursuant to Section 1(1) of Senate Bill 510 of the 82<sup>nd</sup> (2023) Legislative Session. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **Work Program #24CBA37591**

Refer to motion for approval under Agenda Item O.

- 123. Department of Corrections - Warm Springs Correctional Center - FY 2024**  
Deletion of \$192,747 in Budgetary Transfers to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount deleted from the Utilities category exceeds 20% of the legislatively approved amount for that category. **RELATES TO AGENDA ITEMS O.124, O.127, O.128, and O.129. Work Program #C68314**

Refer to motion for approval under Agenda Item O.

**124. Department of Corrections - Florence McClure Women's Correctional Center - FY 2024**

Addition of \$304,013 in Budgetary Transfers to the Personnel category, addition of \$18,986 in Budgetary Transfers to the Operating category, addition of \$24,636 in Budgetary Transfers to the Maintenance of Buildings and Grounds category, and addition of \$301,416 in Budgetary Transfers to the Utilities category to cover projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Utilities category exceeds 20% of the legislatively approved amount for that category. **RELATES TO AGENDA ITEMS O.123, O.127, O.128, and O.129. Work Program #C68339**

Refer to motion for approval under Agenda Item O.

**125. Department of Corrections - Florence McClure Women's Correctional Center - FY 2024**

Addition of \$1,848,378 in funds appropriated pursuant to Section 4(1), \$1,548 in funds appropriated pursuant to Section 3(1), and \$8,942 in funds appropriated pursuant to Section 1(1) of Senate Bill 510 of the 82nd (2023) Legislative Session. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **Work Program #24CBA37611**

Refer to motion for approval under Agenda Item O.

**126. Department of Corrections - Three Lakes Valley Conservation Camp - FY 2024**

Addition of \$157,926 in Budgetary Transfers to the Inmate Drivens category to cover projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Inmate Drivens category exceeds 20% of the legislatively approved amount for that category. **RELATES TO AGENDA ITEMS O.110, O.116, and O.118. Work Program #C68519**

Agenda Items K.2, O.110, O.116, O.118, and O.126 were discussed jointly.

KRISTINA SHEA (Deputy Director, Nevada Department of Corrections [NDOC]):

The NDOC is requesting an exemption pursuant to Senate Bill 504, Section 7(b) (82<sup>nd</sup> [2023] Legislative Session) to allow the department to increase its authority in the Director's Office budget by approximately \$2.2 million and transfer these funds to appropriate budgets throughout the department through work programs in Agenda Item O to allow for funding to cover the departmentwide General Fund shortfall in the Inmate Drivens category.



The NDOC is experiencing increased costs in inmate-driven expenditures departmentwide due to increased costs associated with the implementation of the Aramark menus, challenges with culinary equipment, disposable feeding trays, feeding all offenders in their cells during staffing challenges, and an increased offender population.

The \$2.2 million of funding that was received in the Director's Office was from the State Criminal Alien Assistance Program (SCAAP), a grant that the NDOC was awarded by the U.S. Department of Justice, Bureau of Justice Assistance (BJA). The \$2.2 million is the remainder of the BJA 2021 and 2022 grants. Historically, this grant was used to offset Category 1 expenditures, and the funding was reverted to the General Fund. However, the grant allows for the use for correctional purposes, including the use of funding Inmate Drivens. The Inmate Drivens cost overrides are primarily driven by High Desert State Prison, Northern Nevada Correctional Center, and Florence McClure Women's Correctional Center.

Upon researching what is driving the overages, 70% of the cost overrides are due to the old menu the department was using in FY 2023. During the 82<sup>nd</sup> (2023) Legislative Session, the NDOC came before the IFC sharing some of the findings that were uncovered with the Aramark food system implementation. The department had been using a very expensive menu, which was caused by an incorrect low-sodium legal requirement; however, after further review, the department realized it was only mandated to serve low-sodium meals to certain offenders, not all offenders. Between July and September 2023, the NDOC met with its stakeholders and Aramark to strategize how to lower the costs based on best practices and other systems. The department met with its advocacy groups and ordered inventory for the new menu. The new menu is much better, and it helps address the food-related concerns at the institutions. The new menu was implemented in October 2023. The NDOC continues to work with the stakeholders, Aramark, and advocacy groups with the idea of changing the menu every quarter with formal surveys that allow stakeholders' needs to be addressed. The food system is not perfect at the moment, and the department is continuing to drive efficiencies and effective operations in the food systems. The NDOC expects to achieve this by working with stakeholders, Aramark, and advocacy groups in FY 2025.

The final factor that is driving the overages in Category 50 has to do with the increased offender population. As of June 11, 2024, the department is currently housing 10,436 in-house offenders with a total population of 10,770 offenders including jail and hospital offenders. The 82<sup>nd</sup> (2023) Legislature approved 10,223 offenders, which means that the department is currently 213 offenders over legislatively approved amounts. This is causing drastic spikes in new commitments and probation violations and increases in parole violation admissions. Currently, the parole rates are the lowest they have been since 2020, which is driving the higher admissions and lower releases.

SENATOR NEAL:

Please break down the increase in food expenditures. By how many offenders did the NDOC go above budget?

MS. SHEA:

Currently, the primary driver of the funding shortfall of \$2.2 million is due to having an expensive menu and not being able to catch it earlier in the fiscal year. Ideally, I would have been able to do inquiry during the 82<sup>nd</sup> (2023) Legislative Session and implement the new menu in July 2023 and those costs would have gone down. Cost alleviation from the menus was not seen until about November or December 2023, causing high overages from the months of July to October. The 213 offenders that were over the population are roughly Inmate Driven. I do not have the exact figure with me, but it is about \$1,700 per year. Multiply that by the 213 offenders, and that is about \$250,000 of the \$2.2 million that is being attributed to the increase in offender population.

SENATOR NEAL:

Please provide historical context from the 2019 menu to the current menu. What has changed to cause such an expensive menu? I ask because I was the Chair of the Joint Subcommittee on Public Safety, Natural Resources, and Transportation during the 80<sup>th</sup> (2019) Legislative Session, which heard the NDOC budget.

MS. SHEA:

I do not believe the 80<sup>th</sup> (2019) Legislative Session is a good benchmark because at that time the agency was preparing food in house. During this time, there was an internal food process with an internal dietician, food was ordered internally, and the department was doing bulk buys and community buys. It was a very different system. Prior to the arrival of Mr. Dzurenda and myself, the agency implemented the Aramark system. I believe one of the biggest failures of the agency was not taking the Aramark process through the legislative session so that the Governor's Finance Office and Fiscal staff could develop detail-oriented questions to determine how to structurally budget the cost.

The reason for the increase in expenses is primarily because of the costs when the agency switched. I believe the Aramark contract went live in 2022. The old menu had food like chicken on the bone and low-sodium items that are very difficult to source; therefore, the agency would experience shortages. When there are shortages, substitution is necessary, which increases costs. That is the main driving force of the increased cost of the menus. If you need additional information such as comparing the new and old menus, I would be happy to provide that information.

SENATOR NEAL:

Yes, I would like to see the comparison between 2019 and now. When the food was being prepared internally and there was a dietician checking the food to ensure it was appropriate for individuals with health issues, what were the costs for substitutions at that time compared to the substitutions now that the department is using a corporate food service? It would help the Committee understand the cost changes. I am particularly curious how the NDOC managed substitutions internally compared to how substitutions are being handled through the contract.

CHAIR MONROE-MORENO:

To confirm, the NDOC was serving chicken with bones to incarcerated offenders, bones that could be used as a weapon against other offenders or staff. Is that correct?

Ms. SHEA:

That is correct.

ASSEMBLYMAN YEAGER:

When you first described the issue at the beginning of the discussion, there was a notion that the department believed it had to serve a low-sodium, higher cost menu to all offenders as opposed to only some offenders. How was it that someone at the NDOC did not realize that the requirement was not to serve all the offenders this more expensive menu and what processes are in place now to ensure this does not happen again that could cost the state a couple million dollars? In the grand scheme of the state budget, it is not a lot of money, but in terms of what that money could do in the community through other programs it is a significant amount.

Ms. SHEA:

I do not have all the details about what happened and why; it is a multi-faceted issue. The Department of Health and Human Services (DHHS) Medical Director is responsible for reviewing the menus. In addition, there were lawsuits and determining whether it was ultimately a class action lawsuit. It becomes increasingly more difficult to do individualized services when dealing with large populations. The department can work in partnership with advocacy groups, stakeholders, and the offender populations to do surveys and understand the needs to lower costs. After implementing the new menu in October 2023, I am still receiving a lot of feedback that the offenders are not happy with the food system.

To improve this, the NDOC is working with the DHHS Medical Director to make sure the menus are good, working with the dietician who is on contract with Aramark, and working with Aramark statewide to determine best practices. It is a complex system, but I think there is still area for growth and improvement.

CHAIR MONROE-MORENO:

As evidenced by the conversations here today, there are concerns. At the April 11, 2024, IFC meeting, the NDOC came before the Committee about the SCAAP grant. It is ironic the NDOC is back today for the \$2.2 million, which was the difference that was not received in April for salty food, and we are talking about a complex issue of offender meals. Now the NDOC is talking about doing individualized meals, which in my prior experience and career, will cost even more money.

I think the Committee needs more details of exactly what those menus were in the past and the associated costs, the new menus and associated costs, and if the \$2.2 million would be the appropriate amount for those new changes. You mentioned it is very complicated and a work in progress. Therefore, with the conversation that was had today, I would recommend denying the request and ask the NDOC to return with more detailed information at a future IFC meeting.

SENATOR DONDERO LOOP MOVED TO DENY AGENDA ITEMS K.2, O.110, O.116, O.118, and O.126.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

SENATOR HARRIS:

I want to ensure that the NDOC can be successful in its endeavor upon returning to the IFC. Does the department need any additional clarification from the Committee on what type of detail would be necessary to approve this item at a future meeting?

Ms. SHEA:

I can provide the information about the menus and costs. The NDOC is currently predicting that in FY 2025, no additional funding for the food systems will be needed. There are additional offenders in the system that are costing the department additional funding. My hope is that this can be approved, because if not, it would be an IFC Contingency Account request, because the department does not have adequate funding to cover the shortfall. I will bring this information to the August 15, 2024, IFC meeting with hope that it can be approved, but if not, there will be a shortfall in the budget.

SENATOR HARRIS:

I understand, which is why I want to make sure the department has all the necessary information to return with the information the Committee is seeking to approve the request.

Ms. SHEA:

I feel I have sufficient information.

SENATOR SEEVERS GANSERT:

Please feel free to work with Fiscal staff to make sure everything is complete by the next meeting.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS  
PRESENT.

**127. Department of Corrections - Humboldt Conservation Camp - FY 2024**

Deletion of \$226,280 in Budgetary Transfers to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount deleted from the Personnel category exceeds 20% of the legislatively approved amount for that category. **RELATES TO AGENDA ITEMS O.123, O.124, O.128, and O.129. Work Program #C68382**

Refer to motion for approval under Agenda Item O.

**128. Department of Corrections - Jean Conservation Camp - FY 2024**

Deletion of \$125,106 in Budgetary Transfers to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount deleted from the Uniform Allowance category exceeds 20% of the legislatively approved amount for that category. **RELATES TO AGENDA ITEMS O.123, O.124, O.127, and O.129. Work Program #C68309**

Refer to motion for approval under Agenda Item O.

**129. Department of Corrections - Tonopah Conservation Camp - FY 2024**

Deletion of \$130,000 in Budgetary Transfers to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount deleted from the Maintenance of Building and Grounds category exceeds 20% of the legislatively approved amount for that category. **RELATES TO AGENDA ITEMS O.123, O.124, O.127, and O.128. Work Program #C68324**

Refer to motion for approval under Agenda Item O.

**130. Department of Corrections - Offenders' Store Fund - FY 2024**

Transfer of \$935,638 from the Retained Earnings category to the Transfer to Inmate Welfare Account category to fund eligible medical claims pursuant to NRS 209.221 and NRS 209.246. Requires Interim Finance Committee approval since the amount transferred to the Transfer to Inmate Welfare Account category exceeds \$350,000. **RELATES TO AGENDA ITEMS O.112 and O.132. Work Program #C67538**

Refer to motion for approval under Agenda Item O.

**131. Department of Corrections - Offenders' Store Fund - FY 2024**

Transfer of \$58,187 from the Retained Earnings category to the Operating category and \$27,475 from the Retained Earnings category to the Electronic Surcharge Transfer category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount transferred from the Retained Earnings category exceeds \$350,000. **Work Program #C67950**

Refer to motion for approval under Agenda Item O.

**132. Department of Corrections - Inmate Welfare Account - FY 2024**

Addition of \$935,638 in Transfer from Offender Store revenue due to an increase to the Transfer to Medical Co-Pays category to fund projected eligible medical claims pursuant to NRS 209.246 and NRS 209.221 for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Transfer to Medical Co-Pays category exceeds \$350,000. **RELATES TO AGENDA ITEMS O.112 and O.130. Work Program #C67539**

Refer to motion for approval under Agenda Item O.

**133. Department of Corrections - Inmate Welfare Account - FY 2024**

Transfer of \$20,046 from the Retained Earnings category to the Inmate Indigent Postage/ SCL Copies category to fund a shortfall through the end of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred from the Retained Earnings category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68038**

Refer to motion for approval under Agenda Item O.

**134. Department of Motor Vehicles - Department Transformation Effort - FY 2025**

Transfer of \$25,405,159 from the Reserve category to the Required Implementation Costs category to support the Department Transformation Effort contract. Requires Interim Finance Committee approval since amount transferred from the Reserve category exceeds \$350,000. **Work Program #C67602**

MOLLY LENNON (Administrator, Division of Research and Project Management, Department of Motor Vehicles [DMV]):

I would like to begin first by sharing that the DMV has been meeting with the Committee and others and have been hearing the requests in terms of consumable information, consumable updates on the project. I wanted to share that a consumable version of the program timeline is on the DMV website, along with the percentage complete of the overall program effort, which will be updated monthly. That consumable roadmap and the numbered contractual deliverables outlined in each letter of intent (LOI) response serves the program and vendor accountability mechanisms. I am happy to say that the DMV is currently on time for the August release of new registration and within budget.

The purpose of this work program is to transfer reserves to the required implementation cost category to support the continued DMV Transformation Effort contracts. The transfer of \$25,405,159 in reserves to the required implementation costs category, aligns with the 82<sup>nd</sup> (2023) Legislative Session, Senate Committee on Finance and the Assembly Committee on Ways and Means requirement that the department submit for approval to utilize reserve funding for projected FY 2025 expenditures. The expected benefit to be realized is the continuation of the Department Transformation Effort (DTE) in FY 2025 as funded by the 82<sup>nd</sup> (2023) Legislature. For the DTE project in FY 2025, reserves will augment the required implementation costs category to support current contract obligations, and any future contracts approved during the fiscal year in support of the DTE Project.

SENATOR PAZINA:

I was reading through and noticed that in FY 2024 for Slalom, there are approximately 75 full-time contractors and 12 part-time contractors, which reflects an additional 38 full-time contractors. Moving into FY 2025, the number of additional staff is reduced from 38 to 2, meaning 39 full-time Slalom contractors and 12 part-time contractors. By reducing the number of Slalom contractors from 38 to 2 to stay within the FY 2025 budget authority, does the DMV anticipate the project timeline would be extended beyond the FY 2029 projected completion date?

MS. LENNON:

The projected completion date for functionality, including vehicle and credentialing core products, is not anticipated to be extended past FY 2029. The DMV has realigned contracted staff, and Slalom vendor staff beginning July 1, and has assigned an additional six Motor Vehicle Information Technology (MVIT) vacancies to the DTE program in order to stay within FY 2025 budget authority with the least amount of impact to program velocity.

SENATOR PAZINA:

Please discuss when the updated FY 2025 estimates will be available for the project.

MS. LENNON:

The DMV has reprioritized planned expenditures for FY 2025 and currently plans to be within budget. The DMV will provide confirmed estimates in the July budget submission.

SENATOR NEAL:

While reading the backup documentation, the DMV is currently reporting that the Slalom contractor has staffing for 37 full-time and 12 part-time contractors. There was a ramp up for an additional 38 Slalom contractors, for a total of 75 full-time and 12 part-time contractors. The estimated project cost is \$53.8 million, which is an increase from the original estimate of \$35.0 million. To clarify, in FY 2025, the DMV is going to reduce the additional 38 contract staff to 2 contract staff. What are the 38 additional contract staff currently working on, and how is the department able to go down to 2 contract staff when the project is only 20% complete?

MS. LENNON:

These positions were added to 12 different DMV workstreams to enable the department to work faster and deliver more functionality, while allowing IT staff to upskill. Over the past 30 business days or so, within that ramp-up period, specific assistance has been provided to the software quality assurance (SQA) team, release management, business intelligence and reporting, integration ops, and security ops. Slalom has assisted the DMV with security assessment and remediation of the Salesforce environment, refinement of the SQA processes to align with development and release activities and increasing integration work with critical American Association of Motor Vehicle Administrators (AAMVA) interfaces.



The DMV has stood up an operational support team that has completed user acceptance testing (UAT) on 18 enhancements within the Compliance Enforcement Division and Salesforce case management solution. The operational support team is preparing for production deployment and has provided important guidance for connecting data and users to the Salesforce solution. What I would like to highlight is that the department's intention was to augment to increase velocity and allow in-house business and IT staff more time to upskill to support what the DMV is releasing. The DMV has delayed that augmentation to FY 2026 and as referenced, the department will come back with its budget submissions with additional information on that augmentation.

SENATOR NEAL:

What do you mean by "delaying the augmentation for FY 2026"? In layman's terms, what is being done that is effectuating an actual outcome? If the DMV is waiting for an augmentation in FY 2026 but then requests additional funding down the line, that is a conversation the Committee does not want to have.

MS. LENNON:

At the inception of the program, the department's intention was to not release incrementally. The DMV did not plan and budget for a rapid upskill for operational support of the release mechanism. When I say release, I mean going live with registration or driver licenses. The items that I listed are all part of the software life cycle development. Once the DMV goes live with new registration, the department will need a release manager who can manage the tasks and move the code from one environment to the next. The DMV will then need developers who can sit at the desk and enhance the code, maintain the code if there is an outage, and work within the SLAs that the DMV has with its vendors. Because that was not included in the budget, the department's transition plan for operations will take longer. If the DMV did not release incrementally, it would not have had to augment so early in the program. At this point, the only way to continue releasing incrementally and increase velocity and allow IT staff to train up to fulfil those operational needs is to augment the vendor staff.

SENATOR NEAL:

I do not know if I am remembering this correctly, but did the DMV testify during the 82<sup>nd</sup> (2023) Legislative Session that current IT staff was capable of doing this work? Maybe that was another massive project that the state had before. Now the DMV has a contractor that is requiring a lot of money to train DMV employees. What is the roadblock, because it is not trying to speed it up. What are the weaknesses of the department's current staff that now requires this contractor to do double time to try and help them come up to speed?

MS. LENNON:

Yes, I believe that statement was made in so many words that the DMV IT staff is capable, but the issue is the bandwidth. They must maintain the legacy solution at the same time as they upskill for the new solutions in the cloud.

SUZIE POLLARD (IT Administrator, DMV):

If I could provide a brief overview of what the DMV is doing to lean in. I think it would help piece together some of the confusion. In October 2023, MVIT, in partnership with Slalom, went through a series of workshops covering operational support of the new system. The output of these workshops was to help understand some of the skill gaps needed since the DMV is changing technology stacks within the MVIT team. This also created an adoption and transition plan, as well as the future state operating model. MVIT is aligned with the program and currently providing six vacancies to be used within phase one of this plan. That is part of going lean to help augment what is happening with some of the shift of vendors. Additionally, current MVIT staff have been able to attend some Salesforce, MuleSoft, AWS, and Agile training.

The DMV is going to continue its journey to upskill as part of this effort to support the DTE. A good transition plan was yielded out of the workshops to assess the skills set. MVIT staff who are not primarily supporting the legacy system are involved in building the data storage, making connections for DTE, which include integrations, the design and implementation of the user management, and security of these new systems. The entire MVIT staff continues to keep the DMV system secure and operational, which includes the current legacy system, all desktops, the network, servers, storage and infrastructure, user provisioning, security, subject matter expertise support, and integrating the new system into the DMV IT ecosystem.

The DMV's legacy system has major projects that include federal mandates. The department is also faced with the changing technology of some of its partners. The DMV recently completed some integrations with the Department of Public Safety (DPS) and have been focused on completing that work. Also, the DMV partner, AAMVA, has announced it is moving away from its mainframe technology, which has put some load on staff. Looking at all of that, the remaining systems on the department's mainframe has kept staff focused, but the DMV is aligned with the program doing what can be done to transition and support as an opportunity to go lean.

SENATOR NEAL:

Was the department given notice or an indication that the mainframes were being changed while the DMV was trying to coordinate and build its own system? Is the department anticipating in FY 2025 or FY 2026, changes to other mainframes?

The DMV may be focused on coding, but without coordination, additional money will be required. What is the department's plan? Because if it is integrated and vendors are moving in the opposite direction, that is not helpful.

MS. LENNON:

Yes, the DMV was aware entering this program effort that the department's AAMVA partners were going through a modernization effort. The AAMVA partners have multiple integration connections that the DMV relies on, and two subsets are going through a modernization effort. The mandates change and the latest one falls in 2028. The DMV does not have any control over those changes. To answer your question related to the other integration partners, the DMV has done outreach to all of its integration partners and has had conversations related to any modernization efforts they might be undertaken that could impact their ability to work with the DMV as the department goes live incrementally with the product.

Regarding the training discussion, a comment was made that Slalom is doubling to train DMV IT staff. Slalom is doubling to produce product so that the DMV can work on training IT staff, not to train the department's IT staff. The DMV is working with the Department of Employment, Training and Rehabilitation (DETR) to put together a plan for training and to review the transition plan, again a deliverable of the contracted vendor, to ensure that the DMV is going to execute properly and effectively transition that to IT staff.

SENATOR NEAL:

Is DETR being paid for its services?

MS. LENNON:

My understanding is that there is a funding mechanism to upskill individuals going back to work. I do not know the details of that program, but I can obtain that information. The DMV is at the beginning of the discussion with DETR. The DMV must enter into a memorandum of understanding and go through the proper process to partner with DETR.

ASSEMBLYWOMAN BROWN-MAY:

There has been opportunity to review the transformation project over at least the last two legislative sessions. Does the DMV have a list of projects that have been brought forward through the Joint Interim Standing Committee on Growth and Infrastructure that the legislative body wants to work on? Committee members were asked to delay repeatedly while continuing the DTE transition, knowing there are transformation efforts the state is going to continue to pursue. Does the DMV have that list, and is it part of the department's transformation effort?

MS. LENNON:

Yes, the DMV does have that list and appreciates all the efforts made during the 82<sup>nd</sup> (2023) Legislative Session. The DMV intends to execute those items either within the DTE program or in the legacy stack. Due to being in code freeze, the DMV is trying to avoid doing that work in the legacy stack. That being said, coming out of the 82<sup>nd</sup> (2023) Legislative Session, there were items the DMV said would be delayed that were actually completed, which I will share with the Committee. The items on that list are already included in the program backlog to be part of the department's regular releases depending on which product—registration or credentialing—is being impacted.

ASSEMBLYWOMAN BROWN-MAY:

How many employees are working on legacy systems, and how many are working on the transformation effort?

MS. POLLARD

Approximately two-thirds of MVIT staff is supporting DTE just by the nature of the job. MVIT is a tiny but mighty team keeping all 18 offices statewide open and operational. If those systems are not operational, it is not a good thing. The MVIT team is very engaged. The team is very knowledgeable on DMV processes and often pulled into meetings to explain how a connection or piece of technology works. The CARRS system is the department's financial system. The system was built over 25 years and is complex. My team is doing a tremendous job keeping the department operational and bringing in that revenue to the state that supports the state's budget.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA  
ITEM O.134.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS  
PRESENT.

**135. Department of Public Safety - Records, Communications and Compliance Division - Central Repository for Nevada Records of Criminal History - FY 2025**

Transfer of \$363,284 from the Reserve category to the Information Services category to replace end-of-life equipment. Requires Interim Finance Committee approval since the amount transferred to the Information Services category exceeds \$350,000. **Work Program #C68481**

Refer to motion for approval under Agenda Item O.

**136. Department of Public Safety - Capitol Police - FY 2025**

Addition of \$731,293 in Building Rent revenue transferred from the Department of Administration, State Public Works Division for the continuation of five positions and associated costs to support the newly acquired state properties. Requires Interim Finance Committee approval since the amount added to the Personnel category exceeds \$350,000. **RELATES TO AGENDA ITEM O.9. Work Program #C65324**

Refer to motion for approval under Agenda Item O.

**137. Department of Public Safety - Office of Criminal Justice Assistance - Justice Assistance Grant Trust Account - FY 2024**

Addition of \$110,046 in Treasurer's Interest Distribution funds to align authority with revenue projections. Requires Interim Finance Committee approval since the cumulative amount added to the Justice Assistance Grant category exceeds \$350,000. **Work Program #C67361**

Refer to motion for approval under Agenda Item O.

**138. State Department of Conservation and Natural Resources - OHV Commission - Account for Off-Highway Vehicles - FY 2025**

Transfer of \$138,562 from the Reserve category to the Personnel category, \$1,425 from the Reserve category to the Operating category, and \$2,898 from the Reserve category to the Information Services category to fund one new position and to reclassify a position to meet the statutorily mandated workload of the program. Requires Interim Finance Committee approval since the amount transferred to the Personnel category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68045**

Refer to motion for approval under Agenda Item O.

**139. State Department of Conservation and Natural Resources - Division of Forestry - Administration - FY 2024**

Transfer of \$116,085 from the National Forest Fire Project Agreement category to the Personnel category to fund overtime costs for the controlled burn at Ruby Lake Estates. Requires Interim Finance Committee approval since the cumulative amount transferred from the National Forest Fire Project Agreement category exceeds \$350,000. **Work Program #C67984**

Refer to motion for approval under Agenda Item O.

**140. State Department of Conservation and Natural Resources - Division of Forestry - Fire Suppression - FY 2024**

Addition of \$6,404,612 in Forest Fire Reimbursements revenue to reimburse the Interim Finance Committee (IFC) Contingency Account as required per an IFC resolution dated April 11, 2024. Requires Interim Finance Committee approval since the amount added to the IFC Contingency Repayment category exceeds \$350,000. **Work Program #C68588**

Agenda Items G and O.140 were discussed jointly.

KACEY KC (State Forester/Firewarden, Division of Forestry [NDF], DCNR):

Agenda Item G requests a revision to the previous allocation of \$6.4 million to repay fire bills immediately. The NDF is asking to repay at the end of FY 2024 during closing because the NDF has \$4.0 million in current outstanding bills, so the \$6.0 million already went out. The \$4.0 million in outstanding bills is still sitting unpaid for fires that have occurred, but fires occur every day, just yesterday two occurred in Reno and two in Elko. This does not include all the fires that could happen between now and the end of July 2024. The division is hoping to repay the balance at the end of FY 2024 should there be any money left in the account.

In addition, the division is billing back. The NDF has about \$6.0 million in bills out for payment currently, which are for service bills or federal agency bills through the federal agreement. The U.S. Forest Service only has one individual who does fire billing for the State of Nevada, and she is currently out on fires. Therefore, the division's ability to get repaid is probably non-existent until October 2024 when bills will be reviewed. The bills tend to be paid in a timely manner; however, it is a complicated system on the U.S. Forest Service's end.

SENATOR DONDERO LOOP:

How is the NDF ensuring those reimbursements from outside entities are received in a timely manner, particularly the billings that are associated with the \$6.4 million that was funded at the April 11, 2024, IFC meeting?

James Settlemeyer (Director, DCNR):

I have reached out to the congressional delegation. As most of the bills are owed by the federal government, the revision will help the NDF not have to request additional IFC Contingency Account funds because some of those funds can be used to pay those bills. As an example, the Bureau of Land Management (BLM) owes the state \$1.4 million. Unfortunately, the NDF must turn around and send the BLM \$1.0 million of the \$1.4 million since the BLM is owed \$1.0 million. It is really a system of exchanging money.

I am also requesting that the congressional delegation think about hiring another individual to process bill payments during fire season, rather than waiting until the end of fire season to begin paying bills. This can be very problematic, especially for smaller fire protection areas for local resources, in terms of being able to make payments to make sure everyone is paid.

In addition, the issues are being resolved with the system that was implemented to speed up the billing process for Nevada. However, I think one of the major aspects before paying the bills, is receiving money, and that comes from the federal government paying the bills that are owed. The quicker timeline is an achievement, as I remember back in the day when something went defunct, and it took the federal government ten years to pay the State of Nevada the resources that were necessary to pay the small vendors. There are some bills that are taking three years, but I believe the average is only about six to eight months.

Ms. KC:

All agreements with the NDF have timelines for billings and payments. To be fair to the federal government, the NDF is just as slow with payments. As previously mentioned, I am holding \$4.0 million in bills and have not paid them in months. I think one of the issues is that to get reimbursed, I must pay my bills first. Leniency is granted for everyone's payments because everyone is a little behind. The NDF does try to follow all the agreements and timelines, making sure that billing is done within 180 days of the close of the fire for all bills, and then making sure that follow-ups are done. There is a process for the Incident Billing Unit to ensure that follow-ups are being done if a bill has been sent within 30 days.

It is also important to note that all the federal government's bills go through one payment center in Albuquerque, New Mexico. Once the process is complete in Nevada, which takes a few months, it goes to Albuquerque where the bill goes into a queue with every single state and territory. It is hard to know where Nevada falls in the queue of payment, because it is never the state's decision. As far as trying to get the payments timely, the payment center does notify the division when payment is coming through, but not exactly when it will finish. The division does not anticipate many of these reimbursements coming in the next month, but they are being pushed out as quickly as possible to make the end of the FY 2024 deadline.

SENATOR DONDERO LOOP:

I think one of the things that you touched on, which many do not realize, is that firefighters are sent all over. Nevada firefighters and even U.S. Forest Service firefighters may end up on a fire in New Mexico, Texas, Montana, etc. Just as Nevada brings in people to help fight local fires, other states do the same.

ASSEMBLYWOMAN KASAMA:

To confirm, there is only one person processing all the payments on the federal government side.

Ms. KC:

There is one person processing payments for the State of Nevada. Then it goes into the Albuquerque system, but I am uncertain how many people are processing payments at that level.

ASSEMBLYWOMAN KASAMA:

Is the NDF using the funding from the Contingency Account like a line of credit? Is this the tradition every cycle? If at the end of the fiscal year, extra money should be returned, and the end of FY 2024 is approaching, is there money to be reverted after all the bills have been collected?

Ms. KC:

As far as reversions, the NDF has historically reverted whatever is left in the General Fund. However, in the last six years there has been no money to revert. The NDF has carried forth debt almost every year because the Contingency Account was not full enough to repay the fires that have happened.

It is somewhat like a line of credit, but not every fire is reimbursable. Some of the fires are on state lands, some are the jurisdiction and responsibility of the NDF. Depending on where the fire starts determines how much the state must pay, and/or the reason for those firefighting efforts. Primarily, it is for home protection and the federal government owns the lands—much of the aircraft and crew costs are for homes, which is the responsibility of the NDF. Each year varies on the splits. Sometimes the NDF receives more reimbursement than others. The division is working on having a better funding mechanism in this account—it is just underfunded. Especially with recent years and fire seasons, there has been more fire in these ecosystems, more homes in the way of these fires, and more things that need protection.

ASSEMBLYWOMAN KASAMA:

To confirm, it is almost moot to ask for immediate reimbursement when the NDF is not going to have money left over at the end of the fiscal year to revert.



Ms. KC:

That is correct. The NDF currently has \$4.0 million in debt. If the \$6.4 million came in, I would take that immediately, if I am able to get this changed today. If not, I will give the money back to the Contingency Account and come back for a supplemental at the beginning of FY 2025. If I am unable to get this changed, I would take that money and pay those bills. Unfortunately, there is a priority of payment. The first to be paid are contractors, local government, other state vendors, and then the federal government. Federal bills are being pushed back further because agencies such as local government, fire districts, small companies that are required to help feed firefighters cannot carry this debt much further. I am sure everyone is aware of the large amount of money that the NDF owes the local fire districts and how the districts are having a hard time without those funds in their accounts.

SENATOR GOICOECHEA:

It is important to be cognizant of the fact that Nevada is coming out of the smallest fire season in the last 50 years and there is only \$4.0 million in debt. I believe this fire season is going to be problematic, especially in western Nevada. Only about 3,000 acres burned last year, but it is going to get worse going forward and the NDF still owes money. It is problematic because the state's fiscal year begins July 1 and the federal government's fiscal year begins October 1. Everyone is using the same checkbook and there is not enough money to go around.

CHAIR MONROE-MORENO:

Thank you for bringing the concern of the decision that was made during another IFC meeting as I do not think anyone understood at that time how this odd system plays out. Everyone should make a call to their federal delegation and make sure they are doing their job, so the State of Nevada gets moved up higher on that payment list. Until that happens, I would like to ask that the NDF prepare a reimbursement revenue report for the Committee as a presentation for an informational item at each of the regular IFC meetings through the end of the 2023-25 Biennium. The report should detail the amount of incident response reimbursement revenues received to date by the agency as well as summarize any outstanding reimbursements due to or paid from outside entities.

SENATOR DONDERO LOOP MOVED TO DENY AGENDA ITEM O.140.

APPROVE BUT MODIFY AGENDA ITEM G TO REMOVE LANGUAGE FROM THE RESOLUTION REQUIRING FULL REPAYMENT OF THE ALLOCATION AND ALLOWING STANDARD REQUIREMENTS FOR REVERSION OF FUNDS TO OCCUR. THIS WOULD ALLOW THE AGENCY TO CONTINUE THE PREVIOUS PRACTICE OF USING REIMBURSEMENT REVENUE TO FUND INCIDENT RESPONSE COSTS AND REVERT ANY REMAINING FUNDING TO THE IFC CONTINGENCY ACCOUNT AT THE END OF FISCAL YEAR 2024.

REQUIRE THE NEVADA DIVISION OF FORESTRY TO SUBMIT A REPORT TO EACH MEETING OF THE INTERIM FINANCE COMMITTEE THROUGH THE END OF THE 2023-25 BIENNIUM DETAILING THE AMOUNT OF INCIDENT RESPONSE REIMBURSEMENT REVENUES RECEIVED TO DATE.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

**141. State Department of Conservation and Natural Resources - Division of Forestry - Nurseries - FY 2025**

Transfer of \$99,435 from the Reserve category to the Seed Bank category to fund seed purchases for the seed bank. Requires Interim Finance Committee approval since the amount transferred to the Seed Bank category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68149**

Refer to motion for approval under Agenda Item O.

**142. State Department of Conservation and Natural Resources - Division of Environmental Protection - Safe Drinking Water Program - FY 2025**

Addition of \$70,056 in Laboratory Charge revenue and \$85,625 in Transfer from Environmental Protection BA 3198 funds to continue the support of two existing temporary contract employees. Requires Interim Finance Committee approval since the amount added to the Environmental Lab Certification category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67886**

Refer to motion for approval under Agenda Item O.

**143. Department of Wildlife - Data and Technology Services - FY 2025**

Addition of \$121,489 in Sportsmen Revenue transferred from the Wildlife Fund account to cover a projected shortfall in contract authority for the Federal Electronic Duck Stamp program for FY 2025. Requires Interim Finance Committee approval since the amount added to the Administration category exceeds 20% of the legislatively approved amount for that category. **Work Program #C67811**

Refer to motion for approval under Agenda Item O.

**144. Department of Transportation - Transportation Administration - FY 2024**

Addition of \$345,539 in Humboldt County Diesel Tax revenue, \$142,989 in Pershing County Diesel Tax revenue, and \$496,493 in Elko County Diesel Tax revenue to support the construction, maintenance, and/or repair of highway truck parking facilities in counties with a population of less than 100,000 people. Requires Interim Finance Committee approval since the amount added to the Building Improvements category exceeds \$350,000. **Work Program #C67578. WITHDRAWN 6-4-24.**

**145. Office of the Military - FY 2024**

Addition of \$540,264 in federal Department of Defense Master Cooperative Agreement funds and transfer of \$133,034 from the Personnel category to the Youth Challenge category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the amount added to the Youth Challenge category exceeds \$350,000. **Work Program #C68349**

Refer to motion for approval under Agenda Item O.

**146. Office of the Military - FY 2024**

Transfer of \$180,568 from the Personnel category to the Utilities 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 Utilities category exceeds \$350,000. **Work Program #C68381**

Refer to motion for approval under Agenda Item O.

**147. Office of The Military - Division of Emergency Management - FY 2024**

Addition of \$47,265 in Opioid Settlement funds transferred from the Department of Health and Human Services (DHHS), Director's Office, Fund for Resilient Nevada to continue funding the Mass Spectrometer program. Requires Interim Finance Committee approval since the cumulative amount added to the DHHS Spectrometer category exceeds \$350,000. **Work Program #C67391**

Refer to motion for approval under Agenda Item O.

**148. Office of the Military - Division of Emergency Management - FY 2024**

Addition of \$378,038 in federal Department of Homeland Security State and Local Cyber Security Grant Program funds to assist with managing and reducing systemic cybersecurity risk by making targeted investments in improving the security of critical infrastructure. Requires Interim Finance Committee approval since the amount added to the State and Local Cyber Security Grant Program category exceeds \$350,000. **RELATES TO AGENDA ITEM O.150. Work Program #C68007**

Refer to motion for approval under Agenda Item O.

**149. Office of The Military - Division of Emergency Management - Emergency Management Assistance Grants - FY 2024**

Addition of \$2,892,497 in federal Urban Area Security Initiative (UASI) Nonprofit Grant funds to support the development and sustainment of core preparedness capabilities for local nonprofit organizations. Requires Interim Finance Committee approval since the amount added to the UASI Nonprofit category exceeds \$350,000. **Work Program #C67612**

Refer to motion for approval under Agenda Item O.

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

Addition of \$7,560,781 in federal Department of Homeland Security State and Local Cyber Security Grant Program funds to assist with managing and reducing systemic cybersecurity risk. Requires Interim Finance Committee approval since the amount added to the State and Local Cyber Security Grant Program category exceeds \$350,000. **RELATES TO AGENDA ITEM O.148. Work Program #C67776**

Refer to motion for approval under Agenda Item O.

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

Addition of \$7,112,038 in federal Department of Homeland Security - Federal Emergency Management Agency - Emergency Management Performance Grant (EMPG) funds to support the Nevada Resilient Communication project. Requires Interim Finance Committee approval since the amount added to the EMPG Aid to Locals category exceeds \$350,000. **Work Program #C68042**

Refer to motion for approval under Agenda Item O.

**152. Department of Veterans Services - Southern Nevada Veterans Home Account - FY 2024**

Transfer of \$86,693 from the Reserve category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Operating category exceeds 20% of the legislatively approved amount for that category. **Work Program #C68304**

Refer to motion for approval under Agenda Item O.

**153. Department of Veterans Services - Southern Nevada Veterans Home Account - FY 2024**

Transfer of \$468,159 from the Reserve category to the Medical Services category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Medical Services category exceeds \$350,000. **Work Program #C68306**

Refer to motion for approval under Agenda Item O.

**154. Silver State Health Insurance Exchange - Silver State Health Insurance Exchange Administration - FY 2025**

Transfer of \$546,901 from the Qualified Health Plan Reserve category to the Transfer to CMS category to fund the continued use of Equifax’s Verify Current Income Service. Requires Interim Finance Committee approval since the amount transferred to the Transfer to CMS category exceeds \$350,000. **Work Program #C68140**

Refer to motion for approval under Agenda Item O.

**RECLASSIFICATIONS**

Refer to motion for approval under Agenda Item O.

Agency	Agency/ Account Number	Position Number	Present Class, Code, Grade and Salary	Proposed Class, Code, Grade and Salary
Office of Science Innovation and Technology	014/1004	0005	Education Programs Professional Code: 5.232 Grade:39/01 Employee/Employer Paid Retirement \$69,008.40	Management Analyst 4 Code: 7.624-12 Grade: 39/01 Employee/Employer Paid Retirement \$69,008.40 <b>REVISED 5-16-24</b>
Department of Taxation/ Admin Services/ Fiscal	130/2361	2078	Administrative Assistant 1 Code: 2.213 Grade: 23/01 Employee/ Employer Paid Retirement: 35,516.88	Administrative Services Officer 2 Code:7.217 Grade: 39/01 Employee/Employer Paid Retirement: \$69,008.40
Department of Health and Human Services/ <del>Division of</del>	400/3202 <b>3203</b>	0014	<del>Human</del> <b>Health</b> Resource Analyst 2	Biostatistician 2 Code: 7.762 Code: 35/03

Public and Behavioral Health <b>Director's Office/</b> Office of Analytics <b>REVISED 5-30-24</b>			Code: 10.507 Grade: 35/03 Employee/ Employer Paid Retirement: \$63,308.16	Employee/ Employer Paid Retirement: \$63,308.16
Department of Employment, Training and Rehabilitation/Rehabilitation/ Bureau of Disability Adjudication	901/3269	0025	Administrative Assistant 4 Code: 2.210 Grade 29/10 Employee/Employer Paid Retirement: \$66,043.44	Program Officer 1 Code: 7.649 Grade 31/10 Employee/Employer Paid Retirement: \$72,119.52
Department of Public Safety/ Parole and Probation	652/3740	0338	DPS Officer 2 Code:13.206 Grade: 41/01 Employee/Employer Paid Retirement: \$75,376.80	P&P Specialist 2 Code:12.614 Grade 31/01 Employee/Employer Paid Retirement: \$49,047.12
Department of Public Safety/ Parole and Probation	652/3740	0611	DPS Officer 2 Code:13.206 Grade: 41/01 Employee/Employer Paid Retirement: \$75,376.80	P&P Specialist 2 Code:12.614 Grade 31/01 Employee/Employer Paid Retirement: \$49,047.12
<b>State</b> Department of Conservation and Natural Resources/ State Historic Preservation Office	334/5030	0003	Museum Attendant Code: 7.847 Grade: 21/02 Employee/ Employer Paid Retirement: \$34,159.68	Facility Supervisor 1 Code: 9.612 Grade: 31/02 <b>01</b> Employee/ Employer Paid Retirement: <del>\$51,072.48</del> <del>\$48,518.86</del> <b>\$49,047.12</b> <b>REVISED 5-20-24 and 5-21-24</b>
Department of Wildlife/ Data and Technology Services/ GIS	702/4461	0427	Business Process Analyst 2 Code: 7.656 Grade: 36/01 Employee/ Employer Paid Retirement: \$60,635.52	GIS Analyst 3 Code: 6.342 Grade: 38/01 Employee/ Employer Paid Retirement: \$66,043.44
Department of Wildlife/ Data and Technology Services/ GIS	702/4461	0192	Biologist 3 Code: 1.729 Grade: 35/01 Employee/ Employer Paid Retirement: \$58,025.52	GIS Analyst 2 Code: 6.341 Grade: 36/01 Employee/ Employer Paid Retirement: \$60,635.52
Department of Transportation/ Right-of-Way/ Administration	800/4660	030041	Administrative Assistant 1 Code: 2.213 Grade: 23/01 Employee/Employer Paid Retirement: \$35,516.88	Right-of-Way Agent Code: 7.443 Grade: 32/01 Employee/Employer Paid Retirement: \$51,072.48
Department of Transportation/ Planning/ Traffic Information	800/4660	813003	Transportation Technician 3 Code: 7.713 Grade: 29/01 Employee/Employer Paid Retirement: \$45,184.32	Electronics Technician 2 Code: 6.981 Grade: 31/01 Employee/Employer Paid Retirement: \$49,047.12

**P. REQUEST FOR TRANSFER FROM THE INTERIM FINANCE COMMITTEE'S ACCOUNT FOR FORECLOSURE MEDIATION ASSISTANCE PURSUANT TO NRS 107.080(13)(b)** - Request for the transfer of \$111,182 to Home Means Nevada, Inc. for support of the program for foreclosure mediation.

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

At this time, I would like to make a request for financing from the Account for Foreclosure Mediation Assistance. I would also like to provide a quick update on the program.

Home Means Nevada, Inc. is requesting an approval and transfer from the Contingency Account of \$111,182 from the Account for Foreclosure Mediation Assistance as set forth in the *Nevada Revised Statutes*.

With that, I would like to provide a brief update on the account. If this funding request is approved, there will be an account balance of approximately \$26,000. That is not even one-month worth of expenses for the program moving forward. It is likely that I will be back in August to potentially make a request from the Contingency Account to continue to fund the program.

It is important to note the program needs about 4,000 notices of default on an annual basis for the program to break even and continue to fund itself. Last year, approximately 3,200 foreclosure notices of default came through to fund the program. The program had a shortfall last year and requested funds from the Contingency Account. It is my estimation at this point, based on the numbers that have been received through May, the program currently has 2,489 notices of default that have been filed, which is down 475 from last year. I estimate that number will not break 3,000 this year but will probably be around 2,700. It is continuing to move down, which is not a bad thing. I understand the benefits of the program, but I wanted to make sure the Committee is aware that it continues to be a concern from the financing side and for the program to have the ability to move forward.

CHAIR MONROE-MORENO:

The transfer amount would be \$111,182, correct?

MR. FAIGIN:

That is correct.

SENATOR DONDERO LOOP MOVED TO APPROVE AGENDA ITEM P.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

**Q. APPROVAL OF THE OBLIGATION OF RESERVES PURSUANT TO SECTION 21 OF SENATE BILL 504 OF THE 82<sup>ND</sup> (2023) LEGISLATIVE SESSION - PUBLIC EMPLOYEES' BENEFITS PROGRAM** - Consideration of the use of Catastrophic reserves of \$7,306,744 in Plan Year 2025 to reduce participant premium rates.

CHAIR MONROE-MORENO:

I had a discussion with the Governor's Chief of Staff and thought that he or someone from the Governor's Office would be present, but in lieu of that, I am happy to see Asher Killian, Legislative Counsel for the LCB, is here to provide information on this item, and then I believe Ms. Coffman will also fill in some details.

ASHER KILLIAN (Legislative Counsel, LCB):

As a lawyer, I will tread lightly on the fiscal aspect of this item and explain some of the legal reasons why it is in front of the Committee. Hopefully, Ms. Coffman will be able to back me up on any fiscal questions.

It is my understanding back in March 2024, the Public Employees' Benefits Program (PEBP) board met to set rates for the PEBP health insurance for upcoming fiscal years. As part of the basis of setting the rates, the board approved the potential use of a portion of PEBP's Catastrophic reserve to subsidize participant premiums which had the net effect of reducing participant rates by a certain amount.

The reason this item is before the Committee is because staff flagged that pursuant to Section 21 of Senate Bill (S.B.) 504 from the 82<sup>nd</sup> (2023) Legislative Session, there is a requirement for IFC approval for any expenditure or obligation of reserves of PEBP in excess of the amounts otherwise authorized by the act for the purpose of changing the health benefits available to state and non-state active employees, retirees, and covered dependents during the biennium under PEBP. There was a difference of opinion in lawyers as to the meaning of "changing the health benefits," as there often is between lawyers. Your staff's concern was that under a more expansive reading of this phrase, a court could conclude that using reserves to change the level of premiums charged to state employees constitutes a change to the health benefits available to state employees.

Out of an abundance of caution, it was suggested that IFC approval should be given for this obligation of reserves at the risk of a court potentially concluding that the use of reserves did change the health benefits available by changing the amount of subsidization that the state provides for public employees and the premiums they pay for those benefits. Ultimately, it is the suggestion of the Legal Division that the approval of the IFC is required for this obligation of reserves by PEBP to reduce participant premiums.



CHAIR MONROE- MORENO:

Thank you so much for bringing the legal side of this, and why it was put on the agenda. It was requested to be put on the agenda so the members could hear this information.

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

As Mr. Killian indicated, during the PEBP Board meeting, the board approved the use of \$7.3 million in what is called the Catastrophic reserve for PEBP. The Catastrophic reserve is typically provided for based off an actuarially determined amount; that amount was \$41.8 million for FY 2024. If that amount was utilized to mitigate some of the rates and a work program comes to a future IFC requesting to draw down that particular amount, it will have to be replenished at some point by the 83<sup>rd</sup> (2025) Legislative Session based off of what the actuarially determined amount is for that specific period.

CHAIR MONROE-MORENO:

How would PEBP replenish the Catastrophic reserves if a portion of this reserve is used to mitigate the participants' premium rate increase for Plan Year 2025?

Ms. COFFMAN:

The PEBP account can either seek an appropriation or it can be adjusted based off of participant premiums, as well as the state's contributions to premiums. In the 83<sup>rd</sup> (2025) Legislative Session, PEBP could contemplate any combination of that.

CHAIR MONROE-MORENO:

If the Committee does not approve the use of Catastrophic reserves, how would that affect the open enrollment and implementation period for Plan Year 2025?

Ms. COFFMAN:

The rates that were established and provided to employees that participate in PEBP were based off of this reduction, it was \$7.3 million. If the Committee does not approve this, PEBP would ultimately have to reopen enrollment at a higher contribution rate—the amount that was actuarially determined by PEBP's actuary, Segal—and would have to provide those rates to the participants of PEBP. That would take a significant amount of resources to reopen enrollment and complete the process again.

CHAIR MONROE-MORENO:

If this is not approved and all of that had to happen, what are the possible effects to employees? I am thinking they would be the ones having to pay for this, but I could be wrong.

MR. KILLIAN

That is the core concern as to why staff brought this to the Committee's attention out of an abundance of caution. If the Legal Division's reading of the meaning of "changing the health benefits" is ultimately what a court would choose to go with, and the approval of the IFC was not received before obligating these reserves, then ultimately, if challenged and a court found these reserves were spent without authority, then all public employees would have received an impermissible benefit in the amount of whatever the premium subsidy was as a result of the obligation of these reserves.

The result could be that current and potentially former public employees, because a case typically takes a number of years to work its way through the court, could be on the hook for a bill in the order of hundreds or potentially over a thousand dollars that they would then be obligated to repay to the state for the benefits they received, that the court ultimately ruled were given without legal authority.

CHAIR MONROE-MORENO:

I would note that by putting this item on the agenda, it serves as a hearing, which is legally required. If this Committee approves this item, it ensures there are no additional monies that would have to be paid to reopen open enrollment, and it ensures state employees are not put on the hook if the state were to lose a lawsuit and have to pay back the funds.

MR. KILLIAN

That is correct, the approval of this item would eliminate any possibility of this being the source of a lawsuit that would put the employees on the hook for repayment of those benefits.

ASSEMBLYMAN YEAGER:

I want to express appreciation to staff for identifying this issue and bringing it before the Committee to ensure it is handled correctly. However, I am also disappointed. I thought someone from the Executive Branch would be present to talk about this item. I understand that lawyers disagree, I am a lawyer myself. However, in a situation like this, I do not understand the resistance or reluctance of the Executive Branch to be a partner with the Committee to ensure the state is protected.

It is not difficult to come forward, admit there is a reasonable disagreement about what a phrase means, and come before the IFC to protect the state from litigation that would result in Nevada citizens having to pay back potentially thousands of dollars. I am going to give everyone the benefit of the doubt and I am not going to impute any ill intent, but I would hope that if something like this happens in the future, the state has to be able to make sure the Legislature and the IFC, as a coequal branch of government, is approving these sorts of things. I would hate to see a situation where this happened without IFC approval and instead, the Committee was discussing how to invoice state employees to

pay back thousands of dollars. It seems like a very foolish thing to have this kind of a disagreement about, but again, I want to appreciate staff for identifying this issue. I do not think anybody here was intending to cast any shade on the Executive Branch. It is important to make sure this is correct in order to protect the state from lawsuits and avoid any undue harm on employees.

CHAIR MONROE-MORENO:

This is an item this Committee must approve and that will be the motion I will be requesting.

ASSEMBLYMAN HAFEN:

Premiums are going up about 36% throughout the state from what I am seeing. I see that participants will be experiencing an increase between 7% and 19% depending on the category. I am curious if PEBP was able to provide the Committee with any information about why there is such a significant increase in premiums.

MS. COFFMAN:

Unfortunately, I think that would be a question best answered by PEBP.

ASSEMBLYWOMAN KASAMA:

I am concerned with pulling money out of the Catastrophic reserve because I am sure there are NRS regulations as to how that is to be established—the amount and what the reserve should be. Even if the IFC approves this request, it seems to me that it would perhaps be against the regulation that established those reserves and now those reserves are going to go below limits that are needed for what it was set up for, catastrophic claims.

MR. KILLIAN:

Generally, the Catastrophic reserve is set after an actuarially review based on expectations for money that would be necessary if there were a certain level of catastrophic claims. My understanding of the PEBP Board's action is that it did not necessarily spend the \$7.0 million out of the Catastrophic reserves up front, but the board is projecting that for a certain level of enrollment, that money may need to be used. It is contingent on whether the level of enrollment within the program meets those expectations. If it does not meet those expectations, then less money or no money would potentially need to be spent.

PEBP will not know until later in the fiscal year whether it would need to actually move that money. At that point, a work program would be presented to the IFC to move the money. Where this comes before the IFC at this point is that Section 21 of S.B. 504 effectively requires pre-approval of the IFC before any reserves are even obligated, much

less spent. I think it is a way to foresee and protect against potential spending of reserves that would need further legislative review.

MS. COFFMAN:

Catastrophic claims are claims that are big ticket items. The associated reserves are there basically to mitigate the current rates of individuals so there are not significant fluctuations if the state does have claims in excess of \$100,000. I do not believe the state has ever seen catastrophic reserves utilized for other purposes such as this and I cannot speak to whether this is truly a proper use of catastrophic reserves. I am unaware of anything in statute that is specific to the use of these reserves.

CHAIR MONROE-MORENO:

Either way, it is in statute that the use of reserves is something that needs to come before this body and have a hearing. This decision was made without IFC involvement, so this body is between a rock and a hard place. The Vice Chair and I felt it was very important to have this hearing to ensure the state was not involved in any future litigation if this body did not have this conversation. By having this conversation, there have been decisions made without the IFC that are going to move forward. If this Committee does not approve this item that is on the agenda today, then the state is opening itself up to other possible lawsuits. If those lawsuits did happen, and they were to win, then state employees would be on the hook for decisions that were made without the IFC. The reason this was put on the agenda was to cover everyone so that the state is in a better position and hopefully this does not happen again. It is my hope that the way the state got into this situation never happens again.

I am concerned because Catastrophic reserves are for big ticket medical items that employees may experience. If the regular reserves are not available, there must be a solution. I am trying to make sure that as a legislative body, this Committee has done the work that it was elected to do, being good stewards of the state's money, and making sure the state is not setting itself up for legal action.

ASSEMBLYWOMAN KASAMA:

That is a great overview, but I am still concerned about the use of these Catastrophic reserves and starting a precedent; I will have to vote no on this item.

CHAIR MONROE-MORENO:

You can vote no and then have that conversation with the Executive Branch because someone should have been here to answer these questions.

SENATOR GOICOECHEA:

One of the things I remember in the last 20 years or so was there were times when PEBP did use reserves. I sat on the PEBP Board at one time and opposed that because I was worried about spending down reserves to balance premiums. The real argument here is whether the discussion is about reserves or Catastrophic reserves, but I concur with the Chair. The state does not need to buy a lawsuit on the backs of the state employees, which is what the Committee will be doing if the item is not approved.

CHAIR MONROE-MORENO:

Ms. Coffman, please explain the difference between regular reserves and Catastrophic reserves and how they are utilized.

MS. COFFMAN:

PEBP actually has several different types of reserves. The Excess reserve is typically accumulated when members do not necessarily utilize the benefits that are provided. At the end of the year, if there is reduced utilization, there is Excess reserves. Those reserves have in the past been utilized to provide health benefits or to enhance health benefits for PEBP participants. The Catastrophic reserves are typically utilized for those big-ticket items. In FY 2023, a significant claim was made for the Catastrophic reserve that was a balance forward from the prior year, which essentially wiped out the Excess reserve. Currently, PEBP does not have any Excess reserves in its budget. The only reserves available are Catastrophic reserves and the Incurred But Not Reported reserves.

CHAIR MONROE-MORENO:

I think everyone has concerns, but this decision is the best decision for the Committee as a legislative body and for state employees.

ASSEMBLYMAN HAFEN MOVED TO APPROVE AGENDA ITEM Q.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED WITH THE MEMBERS PRESENT.  
(Assemblywoman Kasama opposed the motion.)

**R. 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):

Nearly 20.0%, or very close to \$100.0 million, of funding expended of the total \$500.0 million. Six projects have fully expended their Home Means Nevada Initiative awards, three of which are new development projects—Buffalo and Cactus, Ridge at Sun Valley, and the Pinyon Apartments—and three are land acquisition projects. All the Home Means Nevada Initiative funded projects that were leveraging tax exempt bonds and 4.0% low-income tax credits were approved last week at the Board of Finance. The division anticipates those will close very rapidly. The division anticipates and will let the Committee know about the first grand opening ribbon cutting ceremony. The Dick Scott Manor Veterans project is expected to hold a ribbon cutting ceremony in Reno in August.

There was no further discussion on this item.

**S. INFORMATIONAL ITEMS.**

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

Agenda Item S.1c, Governor's Finance Office (GFO), has been pulled for further discussion, and it will be discussed with Agenda Item I, GFO.

1) OFFICE OF THE GOVERNOR

- a) Office of the Chief Information Officer - Information on the addition of one new Information Technology Technician 4 position.

There was no discussion on this item.

- b) Office of Science, Innovation and Technology - Semiannual report pertaining to the American Rescue Plan Act (ARPA) Coronavirus Capital Project Fund; Broadband Equity, Access, and Deployment funds; and the ARPA Coronavirus State Fiscal Recovery Funds, as well as a summary of progress in expanding broadband infrastructure throughout Nevada (Letter of Intent, 82<sup>nd</sup> [2023] Legislative Session).

There was no discussion on this item.

- c) Governor's Office of Finance - Quarterly reports on the CORE.NV Enterprise Resource Planning project for the periods October 1, 2023, through December 31, 2023, and January 1, 2024, through March 31, 2024 (Letter of Intent, 82<sup>nd</sup> [2023] Legislative Session).

Agenda Items I and S.1c were discussed jointly. Refer to discussion under Agenda Item I.

- 2) OFFICE OF THE STATE TREASURER - Annual report of the Nevada Prepaid Tuition Program for FY 2023, pursuant to NRS 353B.170.

There was no discussion on this item.

- 3) SUPREME COURT - Report detailing salaries for the quarter ending March 31, 2024, pursuant to Section 13 of Senate Bill 58 of the 82<sup>nd</sup> (2023) Legislative Session.

There was no discussion on this item.

- 4) DEPARTMENT OF ADMINISTRATION - State Public Works Division
  - a) Information regarding the Project Status Exception Report, pursuant to NRS 341.100(8)(g).

There was no discussion on this item.

- b) Report on the status of CIP Projects 23-C35 and 23-C36 for the quarter ending March 31, 2024 (Letter of Intent, 82<sup>nd</sup> [2023] Legislative Session).

There was no discussion on this item.

- 5) DEPARTMENT OF TAXATION - Quarterly Report on the status of the Unified Tax System modernization project for the quarter ending March 31, 2024 (Letter of Intent, 82<sup>nd</sup> [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 Funds for the quarter ending March 31, 2024 (Letter of Intent, 82<sup>nd</sup> [2023] Legislative Session).

There was no discussion on this item.

- 7) STATE DEPARTMENT OF AGRICULTURE - Report on the plan to align revenues and expenditures for the financial sustainability of the Registration/Enforcement budget and a report on the effectiveness of the maintenance contract for the 2009 mass spectrometer (Letter of Intent, 82<sup>nd</sup> [2023] Legislative Session).

There was no discussion on this item.

- 8) DEPARTMENT OF BUSINESS AND INDUSTRY  
a) Report on the progress to establish a program for the relocation of persons residing in single-family residences in the Windsor Park neighborhood of the City of North Las Vegas, pursuant to Section 11(7) of Senate Bill 450 of the 82<sup>nd</sup> (2023) Legislative Session.

There was no discussion on this item.

- b) Home Means Nevada, Inc. - Annual report on the Foreclosure Mediation program and the operational and financial status of Home Means Nevada, Inc., including the annual audit and tax returns, pursuant to NRS 107.086(17).

There was no discussion on this item.

- 9) DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS - Nevada Indian Commission - Report on the progress of administering the Grant to Tribes program, funded through American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds (Letter of Intent, 82<sup>nd</sup> [2023] Legislative Session).

There was no discussion on this item.

- 10) DEPARTMENT OF HEALTH AND HUMAN SERVICES - Division of Public and Behavioral Health - Annual report on the usage of the 988-hotline established pursuant to NRS 433.704, and the revenue generated by the surcharge imposed pursuant to NRS 433.708.

There was no discussion on this item.

- 11) DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION - Quarterly reports regarding the American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds subgrant awarded to the Goodwill of Southern Nevada as part of the nonprofit Community Recovery Grant program for the quarters ending December 31, 2023, and March 31, 2024, as requested during the February 9, 2022, meeting of the Interim Finance Committee.

There was no discussion on this item.



- 12) DEPARTMENT OF CORRECTIONS
- a) Prison Industries - Report concerning the status of accounts receivable related to a program for the employment of offenders through the period ending March 31, 2024, pursuant to NRS 209.461(1)(i).
- There was no discussion on this item.
- b) Report on the status of the conservation camp consolidation plan for the period ending June 1, 2024 (Letter of Intent, 82<sup>nd</sup> [2023] Legislative Session).
- There was no discussion on this item.
- c) Report on the metrics used to evaluate the effectiveness of the pilot Substance Abuse Disorder and Cognitive Behavioral program, as requested during the April 11, 2024, meeting of the Interim Finance Committee. **REVISED 5-21-24.**
- There was no discussion on this item.
- 13) DEPARTMENT OF PUBLIC SAFETY - Records, Communications and Compliance Division - Information on the addition of four new Administrative Assistant 4 positions.
- There was no discussion on this item.
- 14) STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
- a) 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 quarter ending March 31, 2024, as requested during the October 20, 2022, meeting of the Interim Finance Committee.
- There was no discussion on this item.
- b) Division of State Parks - Information on the hiring of one new Park Aide 2 position for Sand Harbor State Park.
- There was no discussion on this item.
- c) Division of State Lands - Semiannual report on the status of the state's Environmental Improvement Program Fund to Protect the Lake Tahoe Basin for the period ending December 31, 2023, pursuant to Chapter 514, Statutes of Nevada 1999.
- There was no discussion on this item.

- 15) OFFICE OF THE MILITARY - Division of Emergency Management - Emergency Assistance Account - Quarterly reports on expenditures made from the Emergency Assistance Account for the quarters ending December 31, 2023, and March 31, 2024, pursuant to NRS 414.135(5).

There was no discussion on this item.

- T. ECONOMIC FORUM** - Status report required pursuant to NRS 353.228(1)(f) regarding the Economic Forum meeting conducted on June 6, 2024. INFORMATIONAL ONLY.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I am here in my statutory role as a staff member to the Economic Forum pursuant to NRS 353.228 to give a status report on the last Economic Forum meeting that was held on June 6, 2024. The Chair, Linda Rosenthal, was unavailable to make this presentation with me, and she sends her regrets.

As the Committee is aware, the Economic Forum is the statutory body responsible for revenue forecast for the unrestricted State General Fund on or before December 3 of each even-numbered year, which must be used by the Governor in preparing The Executive Budget, and then a revised set if necessary on or before May 1 of the odd-numbered year, which the Legislature uses for the legislatively approved budget.

*Nevada Revised Statutes* 353.228 also requires two additional meetings to be held, one on or before December 10 of the odd-numbered year and one on or before June 10 of the even-numbered year. After those two interim meetings, the Chair, or a member of staff of the Economic Forum, is required to appear before the IFC and provide a report of that meeting.

There are five members of the Economic Forum who serve two-year cycles, that cycle begins in the spring of the even-numbered year. The Economic Forum meeting that was held on June 6, 2024, was a brand new Economic Forum, except for the fact that all of the members of the Economic Forum, who are currently serving, also were serving at the December 2023 meeting, so there were no new members.

Three of the five members are appointed based on selections by the Governor. Linda Rosenthal is the Chair, as well as Michael Crome and Brian Gordon were selected by Governor Lombardo. There are two members that are selected based on recommendations from legislative leadership: one by the Speaker of the Assembly and one by the Senate Majority Leader. Marvin Leavitt serves based on the recommendation of Speaker Yeager and Jennifer Lewis serves as the selection of Senator Cannizzaro. All those members are returning, which made some of the meeting from this last time a little easier since they are all familiar with the process.

A number of presentations were given. There was a selection of the Chair and Vice Chair. Linda Rosenthal and Jennifer Lewis were selected as the Chair and Vice Chair, respectively. They served in those roles at the last meeting. There were staff presentations based on legislative actions from the 82<sup>nd</sup> (2023) Legislative Session, the 34<sup>th</sup> (2023) Special Session, and the 35<sup>th</sup> (2023) Special Session, as well as a presentation by the Employment Security Division of the Department of Employment, Training and Rehabilitation on the employment outlook in the state.

The presentation I am going to give today is an update on year-to-date revenue collections for the State General Fund through the first three quarters, or in some cases 11 months, of FY 2024 compared to the Economic Forum's forecast from the May 1, 2023, meeting. The Committee was provided with a set of tables ([Exhibit N](#)). I do not intend going through all the tables, but I will go through some of the highlights, give a little information, and then get to the bottom line in terms of revenue year-to-date.

On page one of the packet is Table 1 ([Exhibit N](#)), which is a comparison of the FY 2023 actual revenues compared to the Economic Forum's forecast for FY 2023. The forecast in the peach colored columns reflect the Economic Forum's May 1, 2023, forecast for FY 2024, the current fiscal year. It provides a comparison of the forecast to the actuals from FY 2023 as well as the forecast for FY 2023. The green colored column is a representation of what each of those revenue sources is as a percentage of the total State General Fund.

Table 2 ([Exhibit N](#)) is the comparison of the actuals year-to-date compared to the forecast, before tax credits. There is a separate set of tables, Tables 4 and 5, that represent the same numbers after tax credits, but because there are some accounting issues related to the tax credits, those are forced to balance to the gross numbers before tax credits and then address that at the end of the fiscal year.

On the left side of Table 2 is a list of the revenue sources ([Exhibit N](#)). The first block is the major General Fund revenues. Those are the largest piece and are the revenues the Economic Forum specifically approves forecasts for based on deliberations at the forecast meetings during the forecast cycle, immediately before the legislative session, and then on or before May 1 during the legislative session. The yellow colored column shows the actual collections year-to-date for the reference period next to each of the revenue sources for FY 2023.

The peach column includes the actual collections for that same revenue source through that same reference period, so year-to-date through this current fiscal year. The green columns show the calculated year-to-date forecasts. To calculate that, the FY 2023 year-to-date actuals are grown by the percentage change for the entire fiscal year based on the Economic Forum's forecast. For every month or every quarter, the growth rate that the state needs to reach to the forecast for each month, or each quarter, is the same as the annual one, and that is to keep it consistent.

The next to last column that says *Dollar Difference: Actual Less Forecast*, that is how much the actual revenues are above or below that forecast. For example, for the Sales and Use Tax, the state has collected nine months. At the end of May, the Department of Taxation reported the Sales and Use Tax collections for March. There is a couple months lag due to actually having the tax paid and then reporting it the following month. According to calculations through the first nine months, the state is just short of \$32.0 million below the forecast for the Sales and Use Tax, which is about 2.3% below. The Sales and Use Tax is the only major General Fund revenue that is below the forecast.

The Gaming Percentage Fee Tax is the tax paid by the casinos on their gross gaming activity through 11 months. They have a different payment cycle, but the state is now at 11 months on that particular tax. The state is approximately \$38.3 million above the forecast with only a month left to be reported. The Insurance Premium Tax and the Modified Business Tax are quarterly taxes. The state is approximately \$26.2 million above the forecast for the first three quarters on the Insurance Premium Tax and approximately \$46.6 million above the forecast for all three components of the Modified Business Tax combined.

The one that is probably the most noteworthy in terms of its scope is the Live Entertainment Tax (LET), specifically the LET for non-gaming establishments. This tax is bifurcated where the portion of the LET that is collected from gaming establishments is administered by the Gaming Control Board, whereas the LET on non-gaming establishments, outside of casinos, is administered by the Department of Taxation. Those are reported separately. The LET on non-gaming establishments is approximately \$45.9 million, almost \$46.0 million above the forecast through nine months, which is 82.0% above the forecast.

I know the question is going to come as the question did come up at the Economic Forum meeting of why. That is probably because a lot of activity for this tax, the big events that people have been talking about such as Formula 1 and the Super Bowl, as well as the opening of the Sphere, were things that we knew about but when we were doing the forecast, we might not have had the greatest idea based on the economic activity that may have occurred with respect to ticket sales and the like.

When talking about the LET on non-gaming, especially down in Clark County, places like Allegiant Stadium, T-Mobile Arena, the Sphere, those are the big venues that are generating the revenue for this particular tax. As long as those venues keep drawing and getting attractions and events that are subject to the tax, this tax will continue to be productive. The end result, shown in the gray colored column, *Total: Major General Fund Revenues*, is that for all of those major General Fund revenues that are listed, the state is approximately \$127.6 million, or 3.6%, above the forecast.

Under the next category, *Total: Select Non-Major General Fund Revenues*, the state calls them the minor revenues, but some are more minor than others. For example, the Business License Fee, which has year-to-date collections of around \$100.0 million, the Cigarette Tax is one that is also fairly productive. They are considered non-major

revenues because the Economic Forum has decided to leave the forecasting of these to the Technical Advisory Committee on Future State Revenues, which is a seven-member body that assists the Economic Forum in its duties.

The seven members of that body are statutorily defined, three of the members are in this room right now: Mr. Thorley, Ms. Coffman, and Ms. Stephenson, as well as the State Demographer, the head of the Research and Analysis Bureau at the Department of Employment, Training and Rehabilitation, the Vice Chancellor of Finance at the Nevada System of Higher Education, and the Chair of the Committee on Local Government Finance or the designee of that person. They are the ones who are primarily responsible for those, so that is the reason why those are broken out into a separate category.

Those forecasts are largely in line. As can be seen in the *Total: Select Non-Major General Fund Revenues* section, the state is approximately \$1.4 million, or three-tenths of a percent below the forecast. The *Total: All Other General Fund Revenues* is basically everything else that is not on this page. Those range from a few hundred dollars to over \$100.0 million, which I will discuss later.

Year-to-date, the state is approximately \$73.6 million, or 31.8%, above the forecast. The main reason for this is because of interest income. Staff has had conversations with Treasurer Conine and his staff about why the state is so far above the forecast on interest. It was apparent the state was going to generate a lot of interest this year because the state had a lot of money and is generating a lot of money right now. The state is holding on to a lot of money currently so there was a very high forecast for this revenue source.

Treasurer Conine and his staff were very helpful and provided good information. Basically, they said the state has more money than expected at this point for any number of reasons, and because of actions at the federal level that have not reduced interest rates as quickly as the state would have liked, the interest rates are higher than the assumptions that were made. Of that \$73.6 million above the forecast, \$66.8 million of that is attributable to interest and that is through the first two quarters.

The tables were published on June 1, right before the Economic Forum meeting, so only the first two quarters were available. If the tables were updated for the third quarter, that number would increase again by about another \$16.0 million because the third quarter of interest came in a couple of days before the Economic Forum meeting.

The end result for these tables through the end of May 2024 is that the state is approximately \$199.8 million, or 4.8%, above the forecast. The state is doing fine in most of the revenue sources. Staff is keeping an eye on the sales tax because that has effects not only on the General Fund, but also on the State Education Fund, where a significant portion, or the majority of the revenue that flows into the State Education Fund, is through the Local School Support Tax (LSST), which is the 2.6% portion of the Sales and Use Tax. As long as the State 2.0% sales tax is not performing up to the forecast, then the LSST will not either, so it is definitely something to watch.

With respect to the rest of the tables, Table 3 ([Exhibit N](#)) is a summation of what is left in the fiscal year to collect and how much must be collected in order to reach the forecast. In some instances, the state is very close. The one that stands out is the Percentage Fees Tax. There is one month left to collect and next month can be down by 47.5% to hit the forecast. The state is expected to end the fiscal year above the forecast.

Tables 4 and 5 ([Exhibit N](#)) look at these specific revenues after the tax credits that are allocated to those specific resources. These are tables that are included more for bookkeeping purposes. Staff does not update them fully until the end of the fiscal year to have them balance. The more relevant statistics for the time being are on Table 2, but the information was provided anyway.

Table 6 ([Exhibit N](#)) is a way to account for the tax credits, not only by tax credit program, but also by the specific revenue to which they were allocated. There are several tax credits, such as the Film Tax credits and the Affordable Housing Tax credits, where the holder of the credit can use them against one or more tax credit types. This is part of the reason why it becomes difficult to account for the actual compared to the forecast for the tax credits because they can be used against multiple tax types, but staff shows how they are being used year-to-date.

Finally, Table 7 ([Exhibit N](#)) is a comparison of the year-to-date collections for the entire State General Fund down to those revenue sources that only generate a few hundred dollars all the way up to the state Sales and Use Tax, which is over \$1.7 billion for the entire fiscal year. Staff goes through line by line and shows the collections through the end of May in FY 2023 and then again through the end of May of FY 2024.

ASSEMBLYMAN YEAGER:

I am impressed by the non-gaming LET collection. I think for those in Southern Nevada, it is not surprising given what has been going on down there lately. You mentioned a couple large stadiums and Formula 1, but there are other venues that pay the LET. Is there a breakdown to know, apart from home sports teams, the amount of LET that was generated at certain venues, such as Allegiant Stadium and T-Mobile Arena?

MR. NAKAMOTO:

That is a good question and a tricky question as I am sure that you can appreciate there are confidentiality provisions relating to individual taxpayers or specific events regarding the LET. There are a couple of instances where the facility is the taxpayer, so there is no possible way that staff could actually disclose that information. Staff would have to go in and look to see the individual taxpayer and whether a specific event could be identified. It could be a promoter who is, for example, paying the LET based on an event that happened at T-Mobile Arena, and at the same time, remitting tax revenue for an event at Allegiant Stadium and the showroom at South Point Hotel Casino and Spa.

Staff would have to parse out that information to the extent possible without disclosing any confidential information. Thus, it would be a combination of the confidentiality issue and whether staff can break out to specific facilities, in the instance of promoters, who may be paying the tax based on multiple events at multiple facilities.

ASSEMBLYMAN YEAGER:

I understand the difficulties associated with that and I will be satisfied to know that the state is outperforming those projections by almost \$46.0 million at this point. I think that is a good sign and hopefully that continues.

There was no further discussion on this item.

**U. PUBLIC COMMENT.**

There was no public comment.

**V. ADJOURNMENT.**

Chair Monroe-Moreno adjourned the meeting at 4:52 p.m.

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Assemblywoman Daniele Monroe-Moreno, Chair  
Interim Finance Committee

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Roger Wilkerson, Deputy Director, Legislative Counsel Bureau