

**MINUTES OF THE MEETING
OF THE LEGISLATIVE COMMISSION'S BUDGET SUBCOMMITTEE**

January 22, 2025

The meeting of the Legislative Commission's Budget Subcommittee was called to order by Chair Daniele Monroe-Moreno at 8:55 a.m. on Wednesday, January 22, 2025, in Room 165 of the Nevada Legislature Office Building, 7230 Amigo Street, Las Vegas, Nevada and simultaneously videoconferenced to Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau. and on the Nevada Legislature's website at www.leg.state.nv.us.

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblymember Daniele Monroe-Moreno, Chair
Assemblymember Shea Backus, Vice Chair
Assemblymember Natha C. Anderson
Assemblymember Tracy Brown-May
Assemblymember Jill Dickman
Assemblymember Gregory T. Hafen II
Assemblymember Brian Hibbetts
Assemblymember Sandra Jauregui
Assemblymember Gregory S. Koenig
Assemblymember Erica Mosca
Assemblymember PK O'Neill
Assemblymember Selena Torres-Fossett
Assemblymember Howard Watts
Assemblymember Steve Yeager

SENATE COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Rochelle T. Nguyen, Vice Chair
Senator Carrie Ann Buck
Senator Nicole J. Cannizzaro
Senator Dina Neal
Senator Jeff Stone
Senator Robin L. Titus

Minutes ID: 47



COMMITTEE MEMBERS ABSENT:

Senator Angie Taylor (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Wayne Thorley, Senate Fiscal Analyst
Cathy Crocket, Senate Chief Principal Deputy Fiscal Analyst
Julie Waller, Principal Deputy Fiscal Analyst
Adam Drost, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Program Analyst
Joi Guthrie, Committee Manager
Natalia Jordan, Committee Manager
Geigy Stringer, Committee Secretary
Lisa McAlister, Committee Assistant

OTHERS PRESENT:

Brenda Scolari, Director, Department of Tourism and Cultural Affairs
Rafael Villanueva, Chief Executive Officer, Division of Tourism (Travel Nevada), Department of Tourism and Cultural Affairs
Tony Manfredi, Executive Director, Nevada Arts Council, Department of Tourism and Cultural Affairs
Dan Thielen, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs
Kristopher Sanchez, Director, Department of Business and Industry
Victoria Carreón, Administrator, Division of Industrial Relations, Department of Business and Industry
James Kirkpatrick, Administrative Services Officer, Department of Business and Industry
Christine Hess, Chief Financial Officer, Housing Division, Department of Business and Industry
Todd Park, Administrator, Taxicab Authority, Department of Business and Industry
Vaughn Hartung, Chair, Nevada Transportation Authority, Department of Business and Industry
Scott J. Kipper, Commissioner of Insurance, Division of Insurance, Department of Business and Industry
Perry Faigin, Deputy Director, North, Department of Business and Industry

Cathy Sheehy, Commissioner, Division of Mortgage Lending, Department of Business and Industry

Brett Harris, Labor Commissioner, Office of Labor Commissioner, Department of Business and Industry

Toni Giddens, State Apprenticeship Director, Office of Labor Commissioner, Department of Business and Industry

Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry

Bruce K. Snyder, Commissioner, Government Employee-Management Relations Board, Department of Business and Industry

Evan Beavers, Nevada Attorney for Injured Workers, Office of the Nevada Attorney for Injured Workers, Department of Business and Industry

D. Rodger (Dan) Waters, Brigadier General, The Adjutant General of Nevada, Nevada National Guard, Office of the Military

Cheryl Tyler, Administrative Services Officer, Office of the Military

Brett D. Compston, Chief, Division of Emergency Management, Homeland Security, Office of the Military

James Dzurenda, Director, Department of Corrections

Kenneth Williams, Medical Director, Department of Corrections

Russ Alfano, Administrative Services Officer, Department of Corrections

Mary L. Devine, Colonel, Director, Department of Veterans Services

Chair Monroe-Moreno:

[Roll was taken and Subcommittee rules and protocol reviewed.] The next item on our agenda is the first opportunity for public comment. We will have another opportunity for public comment at the end of today's meeting. Is there anyone who would like to make public comment here in Las Vegas, Carson City, or on the phone lines? [There was no one.] Again, we will have a second opportunity for public comment at the end of today's meeting. With that, we will go to the next item on our agenda; a presentation from the Department of Tourism and Cultural Affairs.

DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS

Brenda Scolari, Director, Department of Tourism and Cultural Affairs:

Thank you for this opportunity to present the impact of our work in the Department, along with our proposed budget enhancements. The Department is comprised of the Nevada Arts Council, our seven state museums, and Travel Nevada or the Division of Tourism. We support arts and arts organizations. We are the caretaker and curator of Nevada's history, and we support tourism economies throughout the state.

Last legislative session, with the support of all of you and through Senate Bill 477, we reorganized the Department to create an administrative budget account. This was needed for workflow and better organization of the resources and positions that were serving the entire

Department. Formerly, we were housed within the Tourism budget account. We are quite happy to have budget account 1520, which is now collecting all of the allocated lodging tax and distributing it throughout the Department [page 3, Exhibit C].

No new positions were created for this budget account [page 4]. However, over time, we have seen that we need some reclassifications. One of them is our information technology (IT) director who—and this is not the norm—we do have our own IT team within the Department. He is not in a classified position; we would like to move him into one. The other reclassification is to unclassify what is now a traditional public information officer position. This person is actually a dedicated marketing manager for the Division of Museums and History at this point, and the job description has expanded to encompass more marketing tasks. We hope to unclassify that position and have it fill a Development Specialist position instead.

These are the enhancement units for the administrative budget account [page 5]. These are primarily operational costs that have expanded, or were not identified within the biennium that it was created, the most significant of which is to enhance a marketing agency of record contract for the cultural agency. As I said, we now dedicate services and resources to the Arts Council and the Division of Museums and History for the first time, and we have a contract for media buys and creative services through this budget account for the first time.

This biennium, we are proposing the elimination of external lodging tax transfers, to then be offset by a reduction in the General Fund split for the Division of Museums and History [page 6]. As you know, many of these external transfers are longstanding. They have been in place for decades, and with the exception of the Stewart Indian School Living Legacy Cultural Center, they are to far larger departments.

This slide [page 7] would be more meaningful with the summary totals of these enhancements, but it is here to demonstrate that we have a long list of enhancements within the Department that will be transferred out of this budget account. The last two bullets then represent the enhancements recommended, above base of course, for the Nevada Film Office and for the Stewart Indian School Living Legacy budget accounts.

This is to just inform you and let you know that—though we in no way mean to devalue or diminish the validity of these enhancement recommendations outside the Department—this long list of enhancements represents only those approved by the Office of the Governor, and we always have needs unmet within the Department that we are struggling to cover with our allocation of lodging tax. In subsequent hearings, I can provide you with some further breakdown of what this looks like in terms of funding totals. In this biennium, we have a conservative projection of just over \$74 million in lodging tax, and the total of external transfers is approximately \$3.1 million.

That concludes the administrative budget account. Madam Chair, would you prefer to take questions as we go or wait until the end of the presentation?

Chair Monroe-Moreno:

Let us see. Members, do you have any questions for this part of the presentation? Not seeing any, go ahead.

**Rafael Villanueva, Chief Executive Officer, Division of Tourism (Travel Nevada),
Department of Tourism and Cultural Affairs:**

We wanted to touch a little bit on who Travel Nevada is, what we do, but more importantly, why we do it, and then we will touch briefly on the enhancements.

Travel Nevada promotes enriching travel experiences while driving statewide economic health through tourism [page 9]. Our role has grown beyond just promotions. It now includes destination development and helping communities enhance tourism offerings. We aim to balance growth with preserving each destination's unique character for the benefit of the visitors and the residents alike. We focus on marketing and promotions by positioning Nevada as a must-visit destination through innovative campaigns that highlight everything from our vibrant cities to our wide-open rural landscapes. We prioritize building strong partnerships with state, local, and industry stakeholders to ensure everyone benefits from the tourism growth. We work directly with communities to provide resources and guidance for creating tourism products that reflect the unique identities and preserve our local character. It is our approach to balance tourism growth with preservation. We are committed to ensuring that Nevada's natural and cultural resources are protected while driving economic benefits.

One of the most important things that we do is our destination development [[page 11](#)]. Destination development became a priority after COVID-19 and highlighted the need for sustainable tourism growth. This program tackles challenges while creating opportunities to ensure Nevada's long-term success: including community-driven growth by local communities and shaping tourism strategies to balance economic benefits while preserving the character of each destination. Rural and urban communities need infrastructure and products to meet modern visitors' expectations. The program equips them with resources to reflect their unique identity. Tourism growth is aligned with protecting Nevada's natural, cultural, and historical assets. By focusing on these three pillars, destination development helps Nevada thrive as a sustainable world-class destination.

We are very fortunate to have been able to develop programs and product. The Nevada Adventure Centers will be built in Carson City and Boulder City. These hubs were initially supported by \$3.7 million in federal funding, and will serve as a one-stop for outdoor recreation experiences, education, and engagement. They enhance Nevada's position as an outdoor leader in tourism.

Our 3D program is a collaboration program that fosters regional partnerships to bring impactful products to life. We are very fortunate to already have established our first cohorts. Cohort 1 includes Lincoln County, Friends of Black Rock, and White Pine County. Cohort 2, which was recently funded, is a cultural corridor that ties together Virginia City, Carson Valley, and Carson City, and a program in Boulder City. We just started working on Cohort 3 to develop a strategic plan for the Walker River Conservancy and the Sutro Tunnel restoration.

Tourism is a cornerstone of Nevada's economy, and Travel Nevada plays a critical role in driving its success [page 12]. Let us break down three key impacts. First is tourism revenue; visitor spending is a major driver to Nevada's economy. In 2023, direct visitor spending in rural Nevada reached \$2.1 billion, which reflects a 15 percent increase over 2019. This growth underscores the value of promoting and supporting rural tourism, showcasing Nevada's diverse destinations, from wide-open spaces to cultural landmarks. Second is employment. The tourism industry sustains thousands of jobs across the hospitality, recreation, and allied sectors statewide. By driving demand, we ensure tourism remains a reliable economic engine, supporting livelihoods and creating opportunities for both rural and urban areas. And then, third is resilience. Rural Nevada has not only recovered from the pandemic but has exceeded prepandemic visitor levels. An area that is very important to us is room tax collection in rural Nevada has increased by 28.5 percent since 2019.

A lot of this has to do with our marketing campaigns and programs [page 14]. Our marketing efforts are vital and drive awareness, visitation, and spending across Nevada. The results of our recent campaign demonstrate the effectiveness of elevating the state's profile as a must-visit destination. Destination awareness of Nevada as a travel destination increased by 10 points, reflecting a significant rise in visibility and interest. Regarding visitation growth, campaign viewers showed a 155 percent increase in trips to Nevada compared to nonviewers, demonstrating how effective our outreach is; and they have been staying longer and spending more while they have been here. The average spend per trip has increased to \$6,304, which provided a major boost to our economy.

Our public relations efforts complement these campaigns by guiding potential travelers through the dreaming, discovery, and planning phases by leveraging trusted third-party channels who ensure Nevada's key message resonates with our target audience [page 15].

To touch on our budget enhancements, Travel Nevada's budget account enhancements position us to continue the success [page 16]. For the America250 Celebration the budget includes \$250,000 in grants to support local celebrations, enhancing exposure, but more importantly, attracting visitors. For our adventure centers, adding to the programs we have already started, we are going to continue strengthening the outdoor recreation hub, both in Carson City and Boulder City. Our enhancement units support key programs like our *Nevada Magazine*, our stakeholder engagements, and our Governor's Conference on Tourism. Finally, our Destination Development Grant [page 17] is taking these 3D programs and extending them beyond the

initial funding that we received, to be able to enhance and develop more programs throughout our community. I am available for any questions.

Chair Monroe-Moreno:

Thank you for the presentation. We do have a few questions.

Assemblymember Anderson:

Looking at the information that has to do with the paid and earned media overview, how is the partnership with the Public Broadcasting System (PBS) stations? I believe both Las Vegas as well as the Reno PBS stations produce different television shows that have to do with celebrations of our state, which are then shown throughout the nation, and are directly related to some of that campaign to get more people to come visit us. What is that partnership between the Department of Tourism and Cultural Affairs and the PBS?

Rafael Villanueva:

Pre-COVID-19, we had some programs with both the PBS stations. As we have been developing our in-state marketing, we are going to be taking a look at opportunities, especially some of the outdoor programs that they are doing. This last year, we did not have any programs with them, but we expect to be able to increase and have presence with them in the future.

Assemblymember Anderson:

Have you had any sort of increase in tourism outreach when it comes to the dark skies?

Rafael Villanueva:

Astral tourism is actually very, very important to us. We recently did an activation in Chicago where we had an agreement with the Adler Planetarium, where we filmed dark skies areas throughout the state, and we are able to show it in the planetarium, as well as doing a whole activation throughout downtown Chicago. That program with the Adler Planetarium continues throughout the year. We are very fortunate to be able to take full advantage of those opportunities, and we plan to do a lot more in the future.

Assemblymember Anderson:

That is wonderful. Has there been any sort of discussion of possibly using the planetariums that are in our more populous areas of the state as well, to have that partnership with them?

Rafael Villanueva:

It sounds like a great opportunity. We have not gone further than that because we recently filmed all that with the planetarium, but now that we have that product, I think it could work really well, especially, again, for our outreach on marketing to southern Nevada to visit the rest of the state. As you probably know, northern Nevada does very good in visiting all our rural communities; not so much in Las Vegas and in southern Nevada. We hope to use those

types of opportunities to drive attention to the rurals and to places like Massacre Rim [Dark Sky Sanctuary].

Senator Neal:

In 2024, your room tax revenue went up to \$33.1 million, which was a \$3.1 million increase in what was legislatively approved. How are you using that \$3.1 million increase in revenue that you did not expect to get, because we are only in the early part of 2025.

Rafael Villanueva:

We are very fortunate to go through a work program to use these funds, which we increased in our marketing. That activation we did in Chicago allowed us to do activations in two other key markets for us, which were outside of Portland and in Washington. It provided additional funds for that, plus for increasing our marketing spend in our drive markets that are very valuable for our rural communities.

Senator Neal:

Are you saying that \$3.1 million was spent on Chicago, Portland, and—what was the third city? Do you know what your actual impact was? How many visitors came from this specific outreach, and what was the dollar amount that you spent to do that outreach?

Rafael Villanueva:

Unfortunately, at the moment, I do not have those numbers. I am more than happy to provide those to you. The Chicago activation was in our pre-work program dollars. It was Portland and Seattle, as well as other marketing programs throughout. That was mainly done in the second quarter of the fiscal year. We are still waiting for the numbers of attendance and impact that it made.

Senator Neal:

You had a chart in your presentation where you have pictures of *Men's Journal*, *Via*, *Phoenix*, and *AFAR*. Do you have any of these advertising pieces from 2023 and 2024, because—I took off my glasses and that helps me to see baby font—some of those dates were 2020. A couple of them were 2021. That was activity in COVID-19, not necessarily 2023 and 2024.

Rafael Villanueva:

We can definitely provide that to you. Your eyes are much better than mine. I apologize. We do have quite a book of our successes on our media, and I am more than happy to share with everyone in the Subcommittee.

Senator Neal:

In your discussion of your interdepartmental transfers, now it looks like you are going to heavily rely on General Fund appropriations rather than room tax revenue. I want to know what the strategy is here, because the Economic Forum said we are going to be flat, right?

There is not going to be a lot of growth; and then, you are shifting your reliance from tourism money to General Fund appropriation, which may or may not give you the increase that you are expecting. I want your thoughts on that. Do you feel that is a safer space to be in, knowing that 2025-2027 are flat?

Brenda Scolari:

It is, in fact, the opposite that we are proposing. We will offset the external transfers with an increase in lodging tax transfer. The Division of Tourism is entirely funded through lodging tax. But you are correct; our projected lodging tax collections do flatten out in fiscal year (FY) 2027, based on a number of economic factors. We would be happy to supply you with the full projections report, but you are correct that we do anticipate a flattening of revenues.

Senator Neal:

I am sorry—maybe I am reading this wrong—but it said, the Governor is recommending eliminating room tax revenue transfers. I am talking about the interdepartmental transfers, and then replacing ongoing funding with General Fund appropriations in affected budget accounts. There are seven budget accounts that will be replaced with General Fund appropriations. That is where I was. That is why I was asking that question. Maybe I am reading this wrong, and we can talk about it later, but I thought it was eliminating the room tax revenue transfers of \$3.2 million over the 2025-2027 biennium.

Brenda Scolari:

Senator Neal, I may be incorrectly parsing the posted Governor's budget myself, but the intent was to replace external lodging tax revenue with General Fund appropriations, and then within the Department, the transfer from the administrative budget account 1520 to the other budget accounts would then reduce their dependence on General Fund within that funding split.

Senator Neal:

Okay. Thank you for helping me understand the math equations that I am not seeing.

Chair Monroe-Moreno:

Senator Neal, I am going to ask our staff to weigh in on it to clarify.

Wayne Thorley, Senate Fiscal Analyst:

Within the Department of Tourism and Cultural Affairs, the Governor is recommending a reduction in General Fund appropriations and replacing that with additional room tax transfers within the Division of Museums and History. I believe that is what the Director was pointing out. Outside of the Department of Tourism and Cultural Affairs, the Governor is recommending replacing room tax transfers that have historically gone to external agencies such as the Nevada Film Office within the Office of the Governor's Office of Economic Development; Division of State Parks, which is within State Department of Conservation and Natural Resources; and the Stewart Indian School, which is within the new Department of

Native American Affairs. Those room tax transfers would no longer occur to those agencies, and that would be replaced with General Fund appropriations.

The distinction here is, the Director was referencing the internal transfers within her Department, which are seeing a General Fund reduction. But the external transfers to outside departments are proposed to go away, which would result in a General Fund increase to those external departments.

Senator Dondero Loop:

One quick follow up question to Assemblymember Anderson's comments: We talked about your partnership with PBS and others. Do you partner with the Las Vegas Convention and Visitors Authority (LVCVA), Reno-Sparks Convention and Visitors Authority (RSCVA), the Elko Convention and Visitors Authority, and the other convention and visitors authorities around the state? How does that work?

Rafael Villanueva:

We collaborate quite a bit with the LVCVA, the RSCVA, and other areas like Elko and Visit Fallon. We are very fortunate to be able to develop programs along with them, whether they are sales missions that we do together or other marketing programs. We work hand in hand as well. Visit Fallon is a representative on our Commission on Tourism as are the LVCVA and RSCVA. We do work quite a bit. One of our staff members' sole responsibility is working with each one of our partners throughout the state so we can find ways to collaborate more, not only along working together, but in enhancing our budgets together.

Senator Dondero Loop:

I appreciate that information.

Chair Monroe-Moreno:

Were you finished with your presentation, or do you still have some slides?

Tony Manfredi, Executive Director, Nevada Arts Council, Department of Tourism and Cultural Affairs:

The arts strengthen Nevada, and we strengthen the arts. This morning, I will briskly highlight the impact and value that arts, creativity, and heritage have on Nevada residents and how our state and federal governments are supporting this critical component through our public purpose, strategic focus, and program areas [page 9, [Exhibit C](#)]. Arts and creativity are a backbone of innovation, prosperity, and thriving people and places, making us stronger as individuals, families, communities, Nevadans, and as a country.

In 2023 a national public opinion poll showed that 86 percent of respondents agree that arts and culture improve the community's quality of life and livability, with 79 percent seeking out arts experiences. Continuing, 72 percent agree that arts build social cohesion and unify

communities, providing better understanding of people and places; 70 percent agree they improve academic performance; 60 percent said they help us cope during times of stress and distress; and 56 percent sing in the shower or when no one else is looking [page 20].

Arts and creativity are a Nevada economic engine, strengthening economic health by creating jobs in multiple industries, driving tourism, and equipping an innovative workforce [page 21]. Data seen on the slide here from the 2023 demographic profile from the Research Division of the Nevada Legislative Counsel Bureau ranks arts, entertainment, and recreation number one in employment by industry, with over 310,000 jobs. A 2022 U.S. Bureau of Economic Analysis study reports arts and creativity production contributed over \$10.8 billion to Nevada's economy and is 4.8 percent of Nevada's gross domestic product. The arts contribute significant revenue and significant jobs to our state.

What is a state arts agency [page 22]? The Nevada Arts Council is one of 56 state and jurisdictional arts agencies in the nation whose purpose is to ensure that every community in the United States receives the cultural, civic, economic, educational, and health benefits of the arts, specifically in ways that benefit the constituents and needs of each of their respective states.

How is the state investing in arts and creativity [page 23]? One of the most significant ways is through the Nevada Arts Council. We are celebrating 58 years as a state arts agency. The *Nevada Revised Statutes* declares that the arts are vital, essential, important, and will continue to grow and play an ever-increasing part in the cultural and educational experiences of the residents of Nevada. That is critical language. We are not in existence to help necessarily our artists and arts organizations, but more to help ensure that Nevadans are able to receive all the wonderful benefits that the arts provide. The Nevada Arts Council is also the sole agency within the state who may receive federal funding from the National Endowment for the Arts. We do this annually through a partnership agreement.

This slide highlights our focus areas and program areas [page 24]. Our strategic plan includes three areas of focus: arts education, economic vitality, and healthy communities. The arts education segment is about providing professional development opportunities to artists and arts organizations, municipalities, and public institutions to help them do better and be better at what they do every day. Economic vitality is addressing the relief, recovery, and sustainability of artists and arts organizations through our significant grant funding. Healthy communities, an area that I am particularly excited about, is collaborating with health care providers and partners to increase the understanding and use of the arts in the healing quality of life initiatives, well-being, and aging of Nevada residents. There are many cross-sector partnerships that we are developing here, and this is a really great example of arts integration and how arts integration finds its way into every sector of business.

We accomplish these objectives with our 13 full-time staff located in northern and southern Nevada, 4 who work within our administrative and fiscal team, and 9 who work within our 6 program areas. Each of these is critical to ensure that we meet our statutory obligations. The artist service program supports Nevada's growing population of artists in all disciplines, and in all career stages, with project grants for artists, professional development offerings, the Nevada touring exhibition program, the Nevada State Poet Laureate program, and the Nevada Contemporary Fellowship Awards. This investment bolsters Nevada's small business creative workforce.

Arts learning is founded on the belief that arts have a crucial place in lifelong learning and in the lifelong learning process of all citizens. We sponsor school and community artist residencies, offer grants for education projects, and facilitate statewide initiatives to enhance the integration—so think STEM-to-STEAM—of arts curriculum and teacher training into K-12, health and veterans initiatives, including the Nevada Teaching Artist Roster, Poetry Out Loud, and the Nevada Creative Aging Coalition. The Nevada Creative Aging Initiative is focused on improving the lives of Nevada's older adults.

The community arts development program works with the state's nonprofit arts organizations, public institutions, and municipalities to develop a statewide creative network. They help maintain and promote the arts in Nevada through community action planning, operating support, and project grants—those operating support grants are very difficult for nonprofits to find, and it is primarily our flagship program—site visits, and technical assistance. An example of a statewide initiative in this program area is the Basin to Range Exchange (BRX) program; an in-person community-building gathering with rural and urban participants focused on conversations through the arts. This year, BRX will convene in person with arts leaders from across the state from May 7 to May 9 in Ely, Nevada.

The folklife program showcases that Nevada is rich with tradition and cultures born from deep Native and ranching histories, coupled with those of our contemporary immigrant communities. Working with a range of artists groups and grant offerings like the Folklife Arts and Folklife Community Grants and the Nevada Heritage Award, the folklife program documents Nevada's diverse culture and heritage to share with the public through exhibition, projects, school programs, and workshops.

Our public arts initiatives program offers a wide range of constituent services that include our nine-member Governor-appointed board, projects that promote Nevada's arts and creative industry, and public awareness and marketing campaigns, something that has been critical to being able to share the stories of the work that we and our constituents are doing.

In the grants area, the Nevada Arts Council is the primary source of public arts funding for Nevada's creative industries, schools, and communities. The grants program invests federal and state dollars in projects that increase Nevadan's access to cultural experiences and arts

education and learning opportunities. Grants are awarded through a professional panel review process that measures quality of product, planning, and evaluation to ensure that we are excellent stewards of this public money that is entrusted to us.

Since 2023, the Nevada Arts Council program and grant funding engaged with over 4.5 million adults, children, and artists through in-person arts experiences [page 25]. Through our state and federal partnership, we have invested \$4.98 million in grant funding to help Nevada nonprofits and artists provide art experiences throughout the state for residents and for tourists alike. That investment contributed over \$280 million to Nevada's economy while improving our quality of life, health outcomes, student success, creativity, and innovation. The arts and creative sectors are integrated into the economic health, wellbeing, and educational needs of Nevada, and public funding for the arts and creativity, as you can see, has a very high return on investment that benefits every Nevadan in every city, town, and rural community statewide.

Of particular note on that map [page 25], in the rural communities that we reference, we are often the only source of public funding—and funding in general—to help those communities with their art and creative production.

These slides will indicate our enhancement decision units [pages 27 and 28]. Enhancement unit (E) 807 is to reclassify the administrative assistant to a management analyst position, commensurate with the duties of that position. We have seen an extraordinary amount of increase in the need for our grant team to be able to monitor site visits, gather all data for our final reports that are a requirement of our federal grant, and to make sure that we are, again, being great stewards of this money that is entrusted to us. We need this adjustment. This position would also be located in southern Nevada. Enhancement unit E-808 is to continue the reclassification of our administrative services officer (ASO) I to an ASO II. This was added during the interim but not approved by the Interim Finance Committee. Enhancement unit E-128 is a recommendation to participate in the America250 commemoration for the United States semiquincentennial. This funding in our budget includes a grant cycle for artists and arts organizations. Enhancements E-225, E-227, E-228, and E-713 are supporting the ongoing operations of our budget account, including funding of travel of staff to our major state arts conference, online data access to economic development consulting software, and nationwide arts and economic prosperity survey, and some scheduled equipment replacement.

That concludes my presentation. Thank you for your attention today, and thank you for helping make Nevada rich in art. I can answer any questions.

Chair Monroe-Moreno:

I feel that I am an artist. Not everyone who loves me feels that way. I am glad that there are 56 percent of others who sing in the shower, like me, who are in the same boat. We do have a few questions.

Assemblymember Anderson:

I was bummed that there was no percentage of how many people danced to the music in the grocery store, but I appreciate the singing. I have two questions and a comment. I will start off with a comment. Thank you so much for investing in many different arts items around our state. Just a few weeks ago, we had the book festival in Washoe County that was amazing. Also, I have had the opportunity to go to a bluegrass band concert in Churchill County at that beautiful auditorium. Thank you for investing in those different areas. I know there is a ton here in the Clark County area as well.

My question comes from the slide that goes into the arts, entertainment, and recreation. Could you possibly follow up? I do not think today is the right day to do so, but if there is a way to dig into it: I know that we have many small filmmakers, we have many painters, we have many writers. Right now, just using the general—it is difficult to figure out this is a small filmmaker and this is why they matter to us, or these are our sound technicians and they are part of that industry. If you could dig deeper into that in the follow-ups, that would be appreciated, unless you want to do that right now.

Tony Manfredi:

I appreciate the question. Thank you so much for highlighting that. I can see what I can find and I will certainly dig into that. I will say that the agency is working on directories along these lines so that we have online artist directories.

I will note this—this was during the pandemic—we had to obviously pivot, based on what was happening in that time frame, and we are able to take some state dollars and push it towards some artist relief funds. We had over 934 applications for \$1,000 grant relief that could be used for whatever that particular artist's needs were. We saw a dramatic increase in applications in that; 934 is a huge number. The majority of those were first time applicants; about 800-plus of those were in the Clark County area; and they are artists who are going from gig to gig in southern Nevada, in particular.

We know this is around the state, and we also know that individual artists are oftentimes part of this gig economy. Finding ways that we can make sure that there is visibility, that the Arts Council can help support them through our processes and through our professional development opportunities, particularly to help them be better at what they do, running themselves as a small business—we know there is tremendous need for that. That is why one of our focus areas is arts education. The awareness of our cultural and creative economy, making sure they are aware that we are here—I love the idea of this, and I will certainly dig in and see what kind of numbers we can find. We are really trying—part of our public awareness campaign is shedding light on what I am saying here: that we are here, we are accessible, we want to help you in ways we can through the available funding that we have. They are a significant part of Nevada's economy. Collectively, they are massive, but individually they are hidden.

Assemblymember Anderson:

I appreciate the fact that it is hidden, because I know there are many, many individuals who just go from gig to gig, especially with the bands.

My other question has to do with a focus area—the slide that you had mentioned arts education. I want to shout out appreciation to the Clark County School District, which I know is something that we do not get to hear a lot, because they do continue to have arts in elementary school. That is something that is, as much as we can, very important to have. I want to highlight the fact that Clark County School District does continue to have that in most schools, not all schools, unfortunately, and that is not the case across the state.

When it comes to both art education as well as healthy communities, do you ever work with nonprofit organizations such as The Notables in my district in Sparks, and other music therapy areas, or are they are working on their own?

Tony Manfredi:

Yes, we do. The Notables receive an operating support grant from the Nevada Arts Council. We also are collaborating with them through the therapeutic arts and arts therapy. They are a great example of how the arts help elevate and improve the health outcomes of populations. This is something on which we are really working hard. The Nevada Creative Aging Coalition is another area where we are working with counties or organizations to bring the arts into communities, especially for older adults who are very socially isolated, unfortunately, often pushed off to the side. We have found that the arts are a great galvanizer to help them find value, experience, great socialization, try new creative experiences, and, ultimately, improve their quality of life and livelihood. We are constantly working with areas in that.

The arts integration in K through 12, we see as a critical area that we would love to see school districts across the state focus more on—in addition to, as you mentioned, Clark County providing wonderful experiences in its K through 8—in particular, looking at the way that the arts are used for the STEM to STEAM concept. I briefly mentioned using the arts to help teach complex subjects, really challenging subjects. There are arts that are integrated into teaching that really brings it alive and helps students experience and see the connection from point A to point B. We know that will help our education outcomes in this state. The more we can work with our districts, and the more we can get others to work with our districts, to help infuse the arts into the curriculum, we feel, would be extremely beneficial.

Assemblymember Brown-May:

My question is relative to America250, the commemoration. I have heard it three different times this morning. At \$250,000 for each entity, it adds up to \$750,000. I am curious to know: Is there any attempt for federal dollars to help offset some of that expenditure, as opposed to, I believe, room tax revenue that we are currently tapping? The question is for all three of you

in the presentation. Is there a coordinated effort to make sure that we are not duplicative in how we are celebrating the semiquincentennial?

Brenda Scolari:

We are tasked with managing the America250 celebration by the Governor's Office, and we are overseeing it two ways. One is, the Governor created an America250 commission by executive order, and that body will be pursuing fundraising in the private sector to support civic and volunteer support through a working group comprised of a variety of nonprofit organizations throughout the state. The other is through this transfer—and you are correct—of lodging tax through the granting agencies in the Department so that we can guarantee . . . We will set a fundraising goal, but we of course have no way of knowing how much will be achieved. This will guarantee, through the Arts Council and through Travel Nevada, that our communities throughout the state will have an opportunity to apply for funds to not only have their local expression of the celebration but, we are hoping, to make lasting impact in these communities.

We will have a number of initiatives through the overall America250 effort. We have a website that is launching next month that will detail all of it. There is a national America250 organization, but unfortunately, there was only \$10,000 available to each state participating through federal . . . I believe that is a pseudo-federal entity, if I am not mistaken. It was authorized through Congress, but I do not believe it is considered federal funds. I hope that answers your question. We are open to pursuing additional federal dollars. We just have not found them yet.

Assemblymember Brown-May:

Thank you for that clarification. I appreciate that. Investing our room tax dollars in a celebration—while 250 years is really important—I think we saw, based on our last couple of days, that we have some unmet needs here in the state that are growing day after day. So, wherever we can pursue federal dollars to offset some of the celebratory dollars is important, while also championing, obviously, the arts and our communities. Balancing that civic engagement is important as well. Thanks for the explanation.

Chair Monroe-Moreno:

Members, are there any other questions for this part of the presentation? Seeing none, we will move on.

Dan Thielen, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs:

We save and share Nevada's heritage to inspire curiosity and lifelong learning for all generations.

The Division of Museums and History has seven museums and seven General Fund budget accounts that we manage [page 30, Exhibit C]. They are located throughout the state. We provide a welcoming space that inspires, forms, and connects all who explore Nevada's history. It is probably the happiest division in state service. We do a great service and provide a wonderful opportunity for people to learn about Nevada.

These are some of our impact numbers for 2024 [page 31]. What I would like to highlight is the volunteers that we have. We have 368 active volunteers throughout the museums. They provide about 75,000 total volunteer hours which is probably equivalent to about 38 man years to the state of Nevada. They work in many areas, engaging the public, explaining the history of Nevada and the artifacts that we have on display. Sometimes they work in collections and manage some sensitive items in order to help future generations have access to items that are in our collections areas.

We had about 200,000 visitors in 2024. Our goals have changed, and we are going to increase that by 20 percent. A couple of our museums have already hit some of their critical numbers in January of this year. There is enthusiasm within the Division and the public that comes to visit us that we have not had in a number of years.

Our next slide will discuss state appropriations by organization [page 32]. These are historical societies that are in some of our nearest states. This information is derived from their public reporting. When we look at General Fund revenue, our General Fund appropriation for museums, in particular historical societies; you can see where we are. We are getting a lot of value out of the dollars that we put into our historical society.

These are museums [page 33]. In the same way, you notice that Utah really put some effort into their museums. In the state of Nevada, we get a lot of bang for the buck in our museums. We can use every penny. We are careful with every penny that you appropriate.

This is one of challenges that we have right now: our missed opportunities [page 34]. Our collections areas are at about 90 percent filled, and as we try to make space for more artifacts, we recognize that these limitations will keep us from collecting items of material culture from the '70s, the '80s, the '90s. Our childhoods are having a tough time finding a spot within the collections of the museums. We are doing a lot in removing items that are not critical to telling the story, making room for more items. But as we project out in the future, we know that collection storage will be our number one priority in the coming years and would ask that you would recognize this as a need as well; that we need to provide space so we can curate and collect things that belong in Nevada, to tell those stories a little bit more modernly than previously.

Budget account 2941 is the Division office [page 35]. These are our decision units. Decision unit Enhancement (E) 130 will develop a mobile museum as part of the America250

celebration. We are going to collect stories of Nevadans throughout the state, in particular focused on American history and the *Constitution of the United States*, and the formation of the country. We are going to grab all the oral histories that we can and document them. It is critical to hear the voices of all Nevadans and have them laid down and available for future generations. You can imagine, if we had from 1864 citizen recordings of the formation of the state and what that meant to them, meant to the nation, and meant to Nevada, it would be an incredible find. So, we want to lay down those tracks of oral histories for America250 as our starting point but continue on as we go forward. Further, we are going to have artifacts on display, and virtual reality that can take them throughout Nevada and to the foundation of America.

The Governor recommends our funding split be changed from 45 percent General Fund to 19 percent General Fund and to increase lodging tax from 55 percent up to 81 percent in all our budgets. I will not keep beating this horse, but that makes a big change and that stays firmly within the mission of tourism as we drive to get people to visit Nevada and to have the unique cultural activities that Nevada provides.

When people visit museums, they tend to stay four more hours, and four more hours means another meal purchased and another night in Nevada. We have data that shows that when folks visit museums, they tend to add an entire day to Nevada when they add it to any other activity that they are coming for within the state. If they come for Formula 1 or for another activity in Clark County, if they go to museums, they tend to stay an entire day. That is what we are focusing on, is helping people stay one more night.

Decision units E-315, E-322 and E-711 will help provide a digital preservation server. It is an expensive way to go, but it is certainly cheaper than square footage in building new buildings. We desperately need the ability to save that history and make it available for future generations.

We also have additional travel for the administrator and staff. At one of our museums, we currently have a capital improvement project (CIP) going on. I will speak to it later, but I need to travel and visit that site and help with decision making at the site.

The Nevada Historical Society is going through a major retrofit as we speak [page 36]. A tremendous amount of deferred maintenance is being taken care of through a CIP program. There are many operational decision units with this. Mainly, among them, is to rebuild their exhibit area after the CIP is complete and get them back up so that they have a permanent exhibit at that museum. There are also travel funds in there for professional development and American Disability Act access, and other fees necessary to keep programs running.

The Nevada State Museum in Carson City is Budget Account 2940 [page 37]. We are increasing a part-time position from 0.51 to 0.80. This position manages the membership program and helps with the development of programs and marketing. The coin press program

at the State Museum is of absolute national significance and draws attention from the state and from far outside the state. It is a revenue center for the museum's programming. This person manages that position as well. We are also asking for travel. In this museum, it is for the Native American Graves Protection and Repatriation Act. Having travel available for the individual in this spot to consult with tribes and to ensure that we are doing the right thing with our Native American items is critical.

The Nevada State Museum in Las Vegas is located on the Las Vegas Springs Preserve [page 38]. It is a tremendous dual public partnership with the Springs and that relationship is flourishing. Their visitation is going to be the primary reason why our goals are able to be met, overall, throughout the division. The Nevada State Museum, Las Vegas is a treasure for Clark County. We are asking in this decision unit to add one custodial worker position. There are two there, but we have a tough time meeting the needs of the museum with just two custodians. If one gets sick or there is a planned vacation or leave time, it is hard to cover all that needs to be cleaned in that beautiful facility. Decision unit E-680, retail storekeeper, is a position that has not been filled, and we are expecting that to be eliminated.

Decision unit E-547 is our lodging tax change [page 39]. Then we have asked for operational changes for travel and materials to keep the building functioning. It is the newest building that we have, but a lot of the modern equipment takes a tremendous amount of maintenance. That takes a lot of money, and that is what these items are for.

Budget account 1350, Lost City Museum, transfers a curator position from Budget Account (BA) 4216 and moves it to BA 1350 [page 40]. There are some travel requirements for the Director and curator staff to have professional development and meet with tribes and other artifact collection and things like that.

Budget account 4216 is a combined railroad museums budget for the railroad museum in Boulder City, the railroad museum in Carson City, and the railroad museum in East Ely and the depot and freight barn out there [pages 41 and 42]. Boulder City will add a new facility that will house some collections area. It will have a store; it will have a presentation area; and it will have a place to buy tickets to go to the museum. Currently, there is none of this onsite. It is an open-air museum with free admission at this time.

We are working to fill critical-need spots. There are four positions that the Governor is recommending in this budget. One of them is a custodial worker; one is a grounds maintenance worker; one is a museum attendant; and one is a retail storekeeper. Each museum has a store that generates money used to develop programs and presentations for the public. In addition, in the last biennium, we filled a railroad restoration specialist. When he came to the museum, he had to bring his own tools because while the museum has heavy equipment, some of the smaller stuff was not available. This budget recommends funding for a set of tools so that the railroad maintenance can take place there.

Chair Monroe-Moreno:

I will ask you to take a break for just a second. We have lost our YouTube connection. We are going to stand at recess until we get that back up.

[Subcommittee went into recess at 10:03 a.m. and reconvened at 10:06 a.m.]

Chair Monroe-Moreno:

It looks like we are back online. I apologize for the interruption, but we can go ahead and start again.

Dan Thielen:

Our final slide [page 43] are the decision units for maintenance and railroad operations: E-330, E-341 and E-712. This is exciting for us because we want to make sure what we are doing in our railroad operations are completely in compliance with law. Tourist railroads, which is what our railroads fall under, are sometimes looked at by the Federal Railroad Administration in a way that it does not have as tight of requirements as standard, cross country, class-one railroads have. We are striving to make sure that everything we do is well within the industry standard. With that comes a bunch of inspections that have not been done. It took a lot of work with the Nevada Department of Transportation to help us get a bridge inspected so that we could cross it with our railroad operations. Decision unit E-330 will help us have the money on hand to ensure that happens. In addition, decision unit E-712 recommends some equipment replacement. We need a scissors lift down there. It gets used a great deal of time—that happens. We have been renting one for a few years, and we want to get off of that. That is what this decision unit E-341 does.

Railroad museums are unique for Nevada in that we operate the artifacts. If we could do with our railroad museum model where we operated something and showed people exactly what was going on with these . . . Sometimes we take an artifact and people—it is very intuitive that you understand exactly what it means and where it fits into history—as we get farther and farther away from the point of origin, it gets kind of tough to explain things. Fifty or a hundred years ago, kids growing up understood that the way we tame Nevada is through links to the outside world—for food, for materials to ship freight out of Nevada and ship goods in. It took an all-weather system, and that was the railroads.

I often think that if you went to a museum and you saw a T. rex on a plinth all stuffed and mounted, you would go, "wow, that was really cool." But if you can make that T. rex come to life and take a step off that plinth, the kids would know more about that T. rex than they could ever learn in a book. They would feel its breath. They would understand its movement. They would watch the ripples of its muscles and the movement of its head. It would be really cool. With the railroad museums we would give children and our visitors that opportunity to witness that moment of, "wow, I get it." I know how this thing operates just by watching it, and we

turn lights on in heads throughout our museums. That object-based learning will connect with children and some of us older people in a way that normal academic book reading and understanding, searching the Internet—all of those things are good—but when you see the object itself, it transfers a tremendous amount of knowledge in just that moment. It is an exciting moment when you see things, when you see the lights turn on in people's heads.

That concludes my presentation, I am ready for your questions.

Chair Monroe-Moreno:

We have a few questions. I am going to go to Assemblymember Anderson first.

Assemblymember Anderson:

My question has to do with one of your first slides where you go into the specific museums you have listed. I know we have many other museums around our state such as the Neon Museum, and in my little Sparks area, we have a museum. How often do you partner with these, most of the time nonprofit museums, also in helping to increase awareness about them around our state?

Dan Thielen:

That is a tremendous question, and I appreciate it. We partner as often as we can and intersect between the museums as often as possible. We feel that the state of Nevada has a duty, being the General Funded museum system, to provide knowledge, expertise, and help when requested.

If there is a small museum that perhaps is run in a small county, but does not know how to do museum work, how to curate something, how to stabilize something, we answer those questions thoroughly as they come in. That is the baseline of what we feel is our duty: To help citizens keep their artifacts and their heritage in perpetuity, if they are going to keep it, and to accept it when it fits our collections needs.

The second layer is, what kind of partnerships do we do within the regions? The Nevada State Museum at the Las Vegas Springs Preserve naturally partners with the Springs Preserve as they develop their museum exhibits down there. We do a lot of cross pollination with other activities with the Neon, with the Mob Museum, and with the Clark County Museum. We have assisted the Sparks Museum on several occasions and have even loaned artifacts. The locomotive that is at the Sparks Museum is a state of Nevada asset that is on loan to the Sparks Museum to represent the dwindling railroad heritage of that important facet of Sparks, Nevada. We have an exciting partnership coming up with the Atomic Testing Museum, as the museum in Boulder City will become the resting place for several large artifacts out at the test site that will come to the museum in Boulder City. The Nevada test site in the '50s and '60s—we were trying to get to Mars, and the only way you could get there was with a nuclear rocket engine. They developed that—proved it—out at the test site and used some rail-associated locomotives

that will be able to tell that story. So, we are working with the Atomic Testing Museum to make sure that those are relevant, and they are certainly too big for them to accept. They will fit at the museum in Boulder City, and be an amazing, quirky, very Nevada story to be told about how Nevada was part of the first attempt to get to Mars.

Assemblymember Anderson:

There are a lot of great things going on, it sounds like. That is wonderful to hear. You mentioned the curating difficulties over figuring out what to hold on to and what to keep. It sounds like, from your answer, you are loaning some of those items out to some of the smaller museums. For example, I was in Schurz a few months ago and had a chance to walk through a little bit of their museum; they are trying to work on that. I am hopeful, some of those partnerships can also work with some of our Native American communities as well that are trying to elevate some of the artistic and heritage history.

Chair Monroe-Moreno:

I have a question on the Nevada State Museum, Las Vegas for decision unit E-680. You are looking to eliminate that position because it has remained vacant for an extended period of time. How has that vacancy impacted the retail store, if at all?

Dan Thielen:

It has impacted the retail store tremendously, to the point that they are using a museum attendant position to help cover the store to make sure it generates the income it needs to. As I understand that position—and I will get a clearer, more direct answer—but the store had to generate enough income to cover the wages of that individual, and the store never generated that much income. Therefore, we were not able to fill it. On some of our museums, we have some private-funded individuals who operate some of those activities. This one, we just never generated enough money. That store has not been as successful as some of the other museum stores have been. It is improving, but at this time it is not generating enough income to cover the wages of a full-time retail storekeeper.

Senator Stone:

I am a big fan of our railroad museums. When my seven grandchildren come to visit me in Henderson, the first question is, "when can we go to the railroad museum and ride the trains?" I know that the volunteers are a big part of maintaining costs at the museums. What value do you see in the volunteers at the Nevada State Railroad Museum, Boulder City, and in keeping the doors open to that wonderful museum?

Dan Thielen:

I appreciate that question because volunteers are the lifeblood of our museum system, and in particular the Nevada State Railroad Museum, Boulder City. When we had some substantial cuts during COVID-19, we had some struggles in keeping the doors open because of the funding structure at that time at that museum. The volunteers stepped up to find innovative

ways to both be in compliance with the regulations and the restrictions of COVID-19 and still maintain an activity that would lighten people's minds and have something for them to do during those dark times. Our volunteers there were instrumental in ensuring that the activities of the museums continued. If every state agency had a few of our volunteers help out, you would have an amazing grasp of—you get some volunteers and they have been in a career path their entire lives, and they know things, and they come in, and they just want to spend time talking with the public or working on a piece of rolling stock. But the volunteers at the Railroad Museum in Boulder City—we called on them a couple of times to do things well outside Clark County, and they paid their own way to support other activities within the state of Nevada. They went to Sacramento to represent the State as well. They are tremendous. They are tremendous volunteers, and they reflect the very best of what we have in all seven of our museums.

Senator Stone:

I appreciate that, and I appreciate all the volunteers who we get down there. We just recently did an expansion at the Nevada State Railroad Museum, Boulder City, and I know we are able to do special events there. Are you starting to see any new revenue streams coming in from that expansion?

Dan Thielen:

The Nevada State Railroad Museum, Boulder City, met their revenue target goal for the entire fiscal year of 2025 in January—actually, in December they met their target goals. It is six months early. There is a variety of reasons why that happened. There is an enthusiasm in Boulder City and Clark County. To be honest with you, the volume of people who are in Clark County and the number of rail fans within that community . . . We are getting nervous that the programs we are going to put in place are going to overwhelm the staff and the volunteers we have there. One of the challenges with a lot of visitation is: You look in the eyes of the people who are running the locomotives and the trains; they are happy on the first day; at the tenth day, like for the Santa train season, they are like a dog that has been out all day, just dragging a little bit. There are thorns in their fur. They will wag their tail, they are happy, but they are beat at the end of that tenth day. We think that could happen every quarter down there that we have those marvelous activities for people in Clark County and the region. The reach of that museum: it pulls people out of Los Angeles; it pulls people out of Arizona and Utah, and oddly enough, Germany. We will be seeing a lot of movement from Europe for that museum and for all the rest of our museums as well.

But yes, we are anticipating more and more activity, and that is why we are asking for so many positions. Once we open the doors of that new facility, we are going to see, hopefully, an overwhelming—I would love to come back to you with a problem that big, that we are having too much success. You have got to help us. That is exciting to me.

Senator Stone:

Keep up the good work.

Chair Monroe-Moreno:

Members are there any other questions?

Assemblymember O'Neill:

I have two quick questions, although I may put you on the spot.

I have been approached numerous times by various veteran coalitions. This past weekend the United Veterans Legislative Council was talking about one of the priorities is to start a veteran's museum and their willingness to work with the state museum. Have you had any conversations? Can we put them in contact? They said they have approached and talked, but it is still a very difficult situation for them, too. I keep thinking we could partner with one of the museums someplace. Do you have any thoughts?

Dan Thielen:

I have a deep interest in a veteran's museum or a military museum for the state of Nevada. The state has such a rich history. It was born during the Civil War. We supported during World War I and World War II tremendously. The state was a big factor in the Cold War, and given some of the activities that were supported in Nevada, I think it is right. Then, there are the number of veterans who live in Nevada, who come to Las Vegas to settle. If you look at the expansion of the Veterans Administration (VA) hospitals, both in Las Vegas and the one that is going in up in Reno, you know that veterans play a huge part in the state of Nevada. We would absolutely love to have a museum discussing these important events. You add all these things and the National Guard's 20 years' worth of the war on terror, with mobilizations to Afghanistan and Kuwait and Iraq, and the heroes who were born in those crucibles. It is a necessary museum, and I would love to speak with those groups on the subject.

Assemblymember O'Neill:

I appreciate that greatly. The other question I have is, how are things working with our Division of Museums and History and the Nevada State Prison Preservation Society? Have you been able to give them any help recently to expand that program and to make it more tourist-friendly and inviting?

Dan Thielen:

I believe the State Museum in Carson City is providing mentorship and help with that. I will get back to you specifically with who has been helping them, and they can reach out to me on this subject as well.

Assemblymember O'Neill:

I really appreciate that.

Assemblymember Yeager:

I am a fan of all of the divisions, but I have a special place in my heart for Travel Nevada. I really love this handout with all the different media mentions of the state. It reminds me that we live in a wonderful place, and it reminds me I need to get out of this conference room and see more of Nevada as soon as possible.

We obviously all agree that we live in a wonderful place, and something we can all agree on as well is—to my question—we got confirmation yesterday that we received a budget from the Governor last week that was \$335 million in the red. Yesterday, we were presented with some potential amendments through a PowerPoint presentation that got that budget down to, I believe, \$88 million in the red—still a structural deficit. My question for you is twofold, and for the agencies that are yet to present, you are probably going to get the same question. Just be ready for it. The question is: Is the information that you presented today the budget information that was included in the structurally deficit budget that we received from the Governor last week? That is question number one. Question number two is: Have you been asked yet, at this point, by the Governor or the Governor's Budget Division, to make any cuts to the budget to potentially try to get us to a point where the budget is balanced?

Brenda Scolari:

In answer to your first question, yes, these enhancements represent the Governor's recommended budget. In response to your second question, no, we have not been approached to make any revisions. That may be because, as presented, the majority of the funding is from our three-eighths of one percent of statewide lodging tax, so maybe less representative of the deficit that you are seeing. But we may be. I can certainly let you know if that happens.

Assemblymember Yeager:

Great. Thank you for that. I appreciate that context.

I understand that all these budgets are funded differently. As a Legislature, we are trying to figure out how the Governor is going to propose to get us to a balanced budget. Hopefully, we are going to get more information about that next week, but meanwhile, I wanted to ask agencies if you have been tasked with trying to trim parts of the budget to get us there. I appreciate that response and appreciate the opportunity to ask the question.

Chair Monroe-Moreno:

Members, thank you so much for the questions, and thank you so much for the presentation. It is very detailed, with a lot of information. We look forward to seeing you during the legislative session. That closes the presentation for the Department of Tourism and Cultural Affairs. Members, we will move on to the next agency on our calendar for today.

DEPARTMENT OF BUSINESS AND INDUSTRY

Kristopher Sanchez, Director, Department of Business and Industry:

Thank you for providing an opportunity for the Department of Business and Industry (B&I) to present our biennial budget review. During this presentation, you will hear from B&I's entire leadership team of dedicated professional administrators that license or issue permits to over 600,000 Nevadans annually. In fact, when accounting for all the services that B&I provides on an annual basis, we interface with almost one third of our state's population. As Director of the Department, I have prioritized building an organizational culture that values accountability while providing staff with the opportunity to grow in their careers. As a leadership team, we are analyzing the entire Department with the objective of gaining better efficiency, reducing redundancy, eliminating waste, and reducing bureaucratic processes that slow our ability to service our clients. Our agency budget reflects these priorities.

We have 12 divisions within the Department [page 3, Exhibit D]. We will be having our administrators present from those divisions. We have 61 boards, commissions, and advisory councils, and that includes the 37 boards that were transferred into B&I as a result of Senate Bill 431 of the 82nd Session. We have a hefty reform agenda for our boards and commissions in Nevada, although we will not have time to cover that in any detail today. We have 773 authorized positions. With the 250 board full-time, part-time and contracted staff, that brings B&I's total to about 923 positions. We have an overall vacancy rate of 9 percent for the agency. We have offices in Las Vegas, Reno, Carson City, Elko, and Winnemucca. We are a 92 percent fee-funded organization with about 8 percent out of the General Fund.

To Speaker Yeager's questions, yes, our enhancements are reflected in the Governor's budget, and we have not yet received any direction, with regard to the 8 percent General Fund, for any further reductions from the Governor's Office.

We provide programs and services relevant to nearly every employer and employee and consumer in the state of Nevada. As I mentioned earlier in my opening remarks, we license and permit about 602,000 individuals.

Our agency can be broken into four basic service areas [page 4]: commerce and capital regulation, community development, labor and workforce protection, and consumer protection and advocacy. As we get through the presentation today and you hear from the various administrators of each of these agencies, you will gain a better appreciation for what they do and how they impact our constituents.

I wanted to highlight our Department funding perspective [page 5]. I thought graphs would be the best way to do that. This is the total for each of the areas through which we draw funds. A brief note on the Highway Funds: That is for the Nevada Transportation Authority. That is the agency that receives those funds.

The question at hand with regards to the General Fund: Here is the B&I breakdown for General Fund by division [page 6]. I would like to call out the second line item for boards and commissions. We envision that, as the biennium progresses, we will be able to reduce that amount as we migrate boards and commissions over, should Senate Bill 78 pass. That is a revenue-neutral bill. There is no General Fund impact for S.B. 78, and the staffing that we will be proposing as part of that legislation will be covered through a cost allocation to the boards and commissions. That is to say this line item will be reduced over the biennium with my goal of, eventually, by the time we get to the midbiennium, not having to draw from the General Fund to fund those two positions. One is currently funded. That is Nikki Haag. She is the Deputy Director of the Office of Nevada Boards, Commissions and Councils Standards, and we have a recommendation in here for an additional staff person that would be aiding the Director's Office and Nikki as we migrate the boards to their new merged boards, should that pass.

I am going to go into the Department budget priorities [page 7], but I will do that when I go over the enhancements. We will move on to page 8. Here are some key functions: We have a centralized administration at Business and Industry. That means we cost allocate to the 12 agencies the items that you see here, which are the fiscal and budget administration assessments, payroll, human resources, information technology (IT), regulatory review, and policy development. Our agencies are varying in size, with the Department of Industrial Relations being our largest. We proportionately cost allocate the services that we provide in the Director's Office. That is important, because we will tend to utilize the same model in how we will approach our licensing boards in the future. We have a Division of Financial Institutions and a Division of Mortgage Lending. We will get into, in the enhancement, some of the changes we are making with respect to the services we provide those two divisions.

I will move down to our third bullet point here, which is small business resource and advocacy [page 8]. We provide information on access to capital through the Director's Office business support ecosystems. Many of you may have heard of our road map. If you have not, I recommend, if you have some time, that you visit our website and look at the road map. This is to help small businesses navigate all the resources that are available to them in Nevada. The team has spent a lot of time putting that together. It is very detailed. We are looking to overlay that on a geographic information system database so that, eventually, our constituents will be able to go onto our website, click on their region, and bring up the support services for their small business in any given location across the state, and access that information.

We also have a guide to starting and growing a business in Nevada. The intent with our small business resource advocacy center is to capture all of the resources in the state, of which there are many.

Just underneath that bullet point, we have the industrial development revenue bonds. These are intended to fund projects that have a higher capital investment, provide new jobs, high-paying

jobs, in accordance with our economic development plans in the state, specifically in industrial manufacturing and warehousing, research and development facilities, commercial enterprises, civic and cultural enterprises, and enterprises open to the public, including theaters and museums.

We also administer, in the Director's Office, our Nevada New Markets Jobs Act tax credits. There is about \$200 million in funding through the Legislature, and an additional \$120 million through our federal program.

We have a Consumer Affairs Unit in the Director's Office. This unit is responsible for helping constituents who have issues with deceptive trade practices, or have questions, or feel that some service they may have sought in any given industry did not live up to expectations. We field about 3,500 calls annually. Many of those result into cases that have to be researched, looked at, and reviewed, and then there are instances where we work with the Office of the Attorney General if those cases move beyond just the services of the Consumer Affairs Unit.

We have our minority outreach program. Through that program, we also have consumer fraud and deceptive trade practices services. We participate in task forces and working groups across the state that are focused on solving issues in our minority populations, and we represent the Department of Business and Industry in interviews in minority print and broadcast media, as it pertains to consumer fraud and deceptive trade practices.

What follows this slide are three different slides that show our organizational structure [pages 9, 10, and 11]. They are intended to go side by side. The agency size does not allow for it to be all on one page, but it gives you an idea of the breadth and scope of the Department of Business and Industry. On slide 11, with regard to the boards and commissions, this is the build out that was discussed in the 2023 session. It is representative of what the agency mentioned in our presentation to the Interim Finance Committee (IFC) about a year ago. I wanted to be consistent with what we said to the Committee, but please know that with S.B. 78, the structure will look vastly different, and as we bring information on S.B. 78 to the Legislature, we will have updated staffing, organization charts, and explanations.

I am now getting to the slide that everyone is most interested in, the Director's Office enhancements through the priorities that were articulated in the opening statement [page 12]. I have been there about a year. Since walking into the Director's Office, I think the agency is pretty well-staffed for 1995. It was created in 1993. The Director's Office has not had any significant investments made to it, and with an agency of our size and scope servicing about 1,000 folks, we do not have a single human resources (HR) personnel. That means HR issues bubble up to the two deputy directors and me. Running an organization of that size, we need additional support staff to ensure that we are serving all our employees to the best of our abilities. We are, as part of my priorities, going through and updating all the work performance standards, and we are making sure that every employee has a review. I have employees in this

agency who have not had a review in 20 years. We are not going to continue with that. When we talk about retention and making sure that folks are able to stay and want to work for the state, we have to show up as leaders and administrators and ensure that we do our part. Part of that is having an HR division at the Department of Business and Industry that can answer questions and provide services.

Right out the gate, I will mention that all these positions here [page 12] in the Governor's budget for enhancements are funded through our cost allocation and our fee base; there is no General Fund impact. We are centralizing IT. We have silos in Business and Industry; in my view, silos get in the way of common sense, sometimes, and in getting things done quickly. So, we are proposing to enhance the IT division and then aggregate that IT division under the Director's Office. We already have a Director's Office IT division, but we need to aggregate and provide additional staff. You can imagine, with this many agencies and the number of IT services that we require to function well for our constituents, it is quite onerous, so we need additional investment there.

We currently have one public information officer and one administrative law judge (ALJ). To be blunt, that is just not sufficient. We have more folks. We have to communicate a message across 12 different agencies with 12 different functions that represent 12 different industries, as well as all the things I mentioned for the Director's Office. One person trying to get out social media, trying to provide information through press releases and all the various forms of media, is very difficult. We want to provide that individual with more support. Our ALJ provides a lot of services to our various agencies. We want to provide additional paralegal support for that individual as he works to support our various functions.

We need to expand our fiscal unit. We have increasing demands being placed on the fiscal unit, especially with the boards and commissions' migration as a result of Senate Bill 431 of the 82nd Session. We want to make that robust as well. This references the earlier slide where I mentioned there was one staff person whom we are adding to help with the transition from S.B. 78, should it pass. That is the one person referenced here under the creation of board and the commissions. It is the exception on this slide [page 12] for being General Funded for a short period of time, before we are able to build out the mechanism to bring in licensing funds from the occupational licensing boards.

Regarding agency realignment, referenced earlier, with the Financial Institutions Division and the Mortgage Lending Division during the global financial crisis—the 2008 global financial crisis, not the pandemic—in order to save staff, 11 staff were transferred into the Director's Office so those folks would not lose their jobs. We would like to now transfer them back to their respective agencies. We are already funding those positions through a cost allocation of those agencies, so this is revenue neutral. It is more of an accounting function.

We have moved into 2300 West Sahara, up the road from 3300 West Sahara. In the new building, we are working with the property management. We are—and this is reflected in the Department of Public Safety's budget as well as ours—partnering with the Capitol Police Division to put a substation in the 2300 West Sahara location. That will ensure that our building is secure and safe, that both of our buildings are secure and safe. We will have one patrolling officer there and one full-time officer as you enter the building. For me, safety is a priority. I want to make sure that all our 1,000 staff are secure, and that we have quick, rapid response times. We have had some very unfortunate things happen over the last year where that capitol police presence was necessary to keep us safe.

We have a B&I website redesign. The Office of the Chief Information Officer (OCIO) is working on redesigning the state website. We will need to plug in additional capability to our site because of the migration of the boards. We have, right now, 34 different sites that we intend to aggregate under one site. We are modeling that off a site called DIAL, out of Iowa. We are working with the OCIO's office in Iowa as well as their technical staff. They are beta testing a system that works quite well. Not, in any way, to get too far in the weeds, but we need a little funding that will also come out of cost allocation to help us redesign that website and ensure we can plug into it. The current site that we have is not sufficient for that.

The technology investments on page 12 are for new equipment. We have a need for updating and modernizing our equipment so we can serve our constituents, and then there is our traditional equipment replacement.

These are the enhancements recommended through the Governor's budget, with the fee based, as I mentioned, being the majority of them. The last slide [page 13] for the Director's Office—before we get into Division of Industrial Relations—is a brief overview of S.B. 431 of the 82nd Session. A quick reminder for the Subcommittee: During the 2023 Legislative Session, there was a lot of discussion about how Boards and Commissions staff would be funded. When the session ended, there was no funding provided for standing up a staff. We worked with the Interim Finance Committee. We were able to get Nikki's position filled last year. Since that time, Nikki and I—and you have all received our policy paper on Boards and Commissions—we had to do a deep dive into understanding the current operating structure of our boards: the number of contracts, the number of staff, where, frankly, the challenges and threats were, and the things that we needed to shore up and address. We have spent the better part of the last nine months doing that deep dive through surveys with all the boards, working with all the board staff, all the executive directors and board chairs, constituents, and stakeholders' associations. We have done the lion's share of the work now, and what we will be proposing is standing up a staff that will be successful in administrating the boards. Of course, there is a desire to reduce the number of boards as well. That will be reflected in S.B. 78 and, I am sure, our future conversations, but this is reflective of what was talked about in the IFC a year ago, following the last session. That is what you have here in front of you; it does not reflect where we intend

to go. With that, unless the Chair would like to open for questions, we would like to get into our presentations from each of our divisions, the first being the Division of Industrial Relations.

Chair Monroe-Moreno:

Before we go to the individual presentations, we do have a question or two.

Senator Neal:

You mentioned a lot that these are all cost-neutral, and you are doing a lot of cost allocations. You also mentioned S.B. 78 several times. I would like you to break down why exactly it is cost neutral.

Kristopher Sanchez:

Senate Bill 78, or just in general?

Senator Neal:

In general. All your suggested changes. Why are they cost neutral?

Kristopher Sanchez:

Those are funded through our cost allocation to our fee-based agencies. There is no General Fund impact with those positions that have been proposed in the Governor's recommended budget.

Senator Neal:

When you say cost allocation, you mean you are taking from existing and . . . break that down for me.

Kristopher Sanchez:

The way that the Director's Office works right now is, we charge our divisions a fee for our service. That is the best way to think about it. It is almost like a forced contract. It is probably not the best word, but all of the services, from our IT to our intended HR, to our fiscal support—all of that is charged to the regulatory agencies through that cost allocation model.

Senator Neal:

Just one final question. I needed to understand the mindset around cost allocation and how that is working. You mentioned S.B. 78. I want to understand—and this may not be appropriate for now—but you brought it up five times. What are you planning on doing with the existing fees? Are they a part of the cost allocation in the boards and commissions that you are cutting? Where are those fees going?

Let me give you an example. Section 24 of Senate Bill 78 is awesome, full of juicy, wonderful things. It says Board of Applied Behavior Analysis . . . It is a strike out in red, and does not rename it [page 20, line 23]. There is a \$100 fee for licensing assistant behavioral analysts; there is a state examination fee of \$150; there is a registered behavior tech fee of \$70; then

there is a strike out of the Chiropractic Physicians' Board of Nevada which has a renewal and reinstatement fee of \$1,255, renewal of \$700, et cetera. Then there is the Nevada Physical Therapy Board. I am just giving you a small snapshot. You have an application fee of \$300, a fingerprint fee of \$39. Then you have therapist assistant, \$200. As we strike these out, where are these fees going in the cost neutral plan or cost allocation? Because currently, they must be in a fee set up within the agency. Where are all these fees going as we strike out these groups?

Kristopher Sanchez:

I will try to do this in a minute or less, given the time constraints. What we envision is creating merged boards. The boards that you have mentioned will be part of the merged board structure. There will be four new boards. We are moving all those fees and the authorities that capture those fees to the new merged board. We are not changing any statutes that have to do with the authorities granted to the boards. Those authorities will merge over to the new merged board. We have not changed any fees or sought to eliminate fees. What you are referencing, I think, without looking at what you are looking at, is that the specific board that those fees are attached to will not exist, but the new merged board will, so the new merged board will be able to capture all those fees.

We purposely did not try to change any fees that any of our individual boards charge or look at the requirements that those boards have for licensing. Nor did we look at reciprocity or compacts. We are solely seeking to build out the administrative function and framework of Business and Industry, as intended by S.B. 431 of the 82nd Session, and provide the agency a mechanism to do so.

We are looking at the cost allocation model that we have at Business and Industry as perhaps the best model. It is proven; it has been around since 1993, with the agency's creation. Our fiscal staff and the Governor's Office of Finance (GFO) know how that functions and has a track record of success with it. We are intending to apply the same authorities that we have over the regulatory agencies in terms of our back and administrative support, on top of our occupational licensing boards, and utilizing that same model. To round out the answer to the question, Senator, those funds are not going to be brought into Business and Industry. We will charge those new merged boards for the services that we provide, just like we do with our regulatory agencies. Those boards will capture those funds; those funds will stay with those boards. Those boards will have the ability to contract for service; they will have the ability to contract for experts; whatever services they may need, just like they do now as individual boards, but they will be able to do that as a new merged board.

Senator Neal:

I am sorry. I am going to have a meeting with you. So, we are merging the Chiropractic, Physical Therapy, and Behavioral Analysis boards. We are putting them under these other four boards. We are not repurposing. It does not require any kind of statutory change, although they

have specific statutes or *Nevada Administrative Codes* that regulate what they do. Is that what you are saying?

Kristopher Sanchez:

Yes, right. The authorities granted to each individual board will transfer over to the new merged board. We have not, in any way, diminished those. The strikeouts that you referenced earlier are a function of the Legislative Counsel Bureau's attempt to cancel out the authority of the board that will no longer exist, because that board, in its current structure, will not exist. The new merged board that will come into being will need the authorities and the ability to capture those existing license fees in the amounts that they are currently charged, because, as I was mentioning, we are not adjusting any of those. It will be up to the new merged board how much they will charge and what they will require for the licenses they are responsible for.

Chair Monroe-Moreno:

I have a few questions. You mentioned security issues that you are currently having, and that you are looking to fund a contract with the Department of Public Safety. What security mechanisms are you currently utilizing? Are you using a private contractor?

Kristopher Sanchez:

Yes. We have a contract with Allied Universal. It is common across the state. They provide, in my view, limited service and protection of our building. We need the heightened level of capacity found in Peace Officer Standards and Training-certified folks who are trained. Unfortunately, we have had direct threats made to employees. We have had people with the intent to cause harm show up at our parking lots who have been arrested. I do not want to wait for something to happen to have the right staff in our building who are ready to act. With what we have experienced in the last year, this makes the most sense.

Chair Monroe-Moreno:

I would have to agree with you.

My next question: The Governor recommends reserve reductions in the Supportive Housing Development Grant Program, the Division of Financial Institutions, and Financial Institutions Investigations. We would like to see reserves at 60 days or more. Are each one of those areas at that level or higher?

Kristopher Sanchez:

They are higher than 60 days, if I understand the question, Chair. Yes, they are much higher than 60 days.

Chair Monroe-Moreno:

So a reduction in the recommended budget, as it was presented, would not have a negative impact on any of those?

Kristopher Sanchez:

No. As the individual administrators come up, they can speak to that with respect to their agencies.

Chair Monroe-Moreno:

Members, are there any other questions?

Assemblymember Hafen:

I do not have a question on the Boards and Commissions today, but I do want to touch on the New Markets Jobs Act tax credit. Could you go into a little more detail of exactly how that is working? I believe you stated there is \$200 million coming from Nevada and another \$120 from the federal government. Could you give a brief overview of how the New Markets Jobs Act tax credits work, as well as the \$200 million that Nevada provides? Is that a matching fund to the federal government, or is that something that is over and above what the federal government is currently doing?

Kristopher Sanchez:

It is not a matching fund. During the 2023 legislative session, lawmakers approved \$170 million in investment authority for qualified equity investments. These typically are between \$300,000 and \$30 million in investment authority for impact-qualified equity investments. These are intended funds for manufacturing, retail trade, and minority-owned projects, requiring smaller amounts of capital. Allocation investor funding of this authority was completed in October of 2024, and qualified-impact community development enterprises (CDEs) in the New Markets Jobs Act are tasked to deploy this capital from late 2024 on. These funds are in addition to the \$200 million. They are all allocated at this point. The total investment, with the \$30 million, is \$235 million, in addition to the \$120 million in federal New Markets Jobs Act tax credits. So, we are looking at \$350 million in total New Markets Jobs Act tax credits for our CDEs in Nevada.

Assemblymember Hafen:

If I understand you correctly, I believe you said there was \$30 or \$40 million, in addition, that was in the budget for these, and you then manage the full \$350 million, and they are loans.

Kristopher Sanchez:

Well, they are tax credits.

Assemblymember Hafen:

Sorry, tax credits. Okay. And the additional \$30 or \$40 million that is in the budget, have those all been obligated already?

Kristopher Sanchez:

Yes. I will submit our report. We have a report ready. I will submit that for the record, and make sure everybody has a copy of it.

Senator Neal:

Director Sanchez, could you also offer into this discussion on New Markets Jobs Act tax credits how many businesses have been served through this process? Also, that the purpose of the latest iteration was to try to go after more small businesses that were not being served under the Nevada State Small Business Credit Initiative? Can we talk about New Markets, and how it has functioned, and how many businesses it has served and benefited in Nevada?

Kristopher Sanchez:

Absolutely. I will follow up with the annual report that outlines all the businesses that have received funds, and the impact they have made in our community.

Senator Neal:

Could you put a general number from last year's report—it has been inactive since 2013?

Kristopher Sanchez:

Roughly 37 individual entities.

Senator Neal:

We are talking about businesses. Are we talking over the period from 2013 to now, or are we talking about just 2023?

Kristopher Sanchez:

This is just from the 2019 tranche of funds. We have, since 2019, allocated to 37 individual businesses.

Senator Neal:

Okay. I really have to see this report. You are saying there has only been 37 businesses that have actually gotten New Markets Jobs Act tax credits since it has been in existence?

Kristopher Sanchez:

Yes. I will send over the report so you can see it.

Senator Neal:

I have the prior reports. The investment . . . Can you talk about the \$170 million, though? How many actual entities were served? How did the outreach go to try to make sure folks were aware of what was going on, and that this small business tranche was out there?

Kristopher Sanchez:

Senator, I have to follow up with the information you are requesting. I do not know the program as intimately as you do. I know it is a very important program to you, and you helped design that program, and we appreciate that greatly. We will answer all your questions, but I would like to be able to follow up post-Subcommittee meeting to do that, because I do not have any of the detail that you are asking for in front of me other than this report.

Senator Neal:

Yes. That 37 number is really throwing me off. That would be super odd, because I know, number one, I allowed in the legislation for some additional repurposing. Also, they could go back and refinance and help some businesses, and there is tacking, and some other things. I am running through the prior reports in my mind right now, and 37 just seems to be an extraordinarily low number. I will follow up with you offline.

Chair Monroe-Moreno:

We can go ahead and continue with the presentation.

Kristopher Sanchez:

I would like to have Tori come up for the Division of Industrial Relations.

Victoria Carreón, Administrator, Division of Industrial Relations, Department of Business and Industry:

Joining me in Carson City is Jodie Tonkin, who is our Deputy Administrator. Our agency works together to put safety and health first in Nevada. We are responsible for all aspects of workplace safety and ensuring that Nevada's workers are safe.

I like to think of it as a continuum [page 14, [Exhibit D](#)]. Starting on the prevention side, we have our Safety Consultation and Training Section, which is responsible for training. They have a whole cadre of safety training classes that are available to Nevadans for free. They also provide free consultation services at businesses. They can go in, inspect a business, and evaluate its safety programs. The business has to correct anything we find, but there are no citations for that.

Similarly, our Mine Safety and Training Section can provide technical assistance to mines. They can also provide training classes for miners, and some of those training classes are required to actually set foot on a mine.

In addition, looking at it from the enforcement perspective—that is the next step on the continuum—we have the Nevada Occupational Safety and Health Administration (OSHA), which is responsible for enforcing workplace safety regulations and statutes. Nevada has its own state plan, meaning the federal government has given Nevada the authority to run its own OSHA program. Nevada Occupational Safety and Health Administration does targeted

inspections at high-risk industries. They also respond to complaints, and when they issue citations, they do have a monetary penalty associated with them. For mine safety, we are also responsible for enforcement. We have to actually inspect every single mine in the state annually. Anything we find must be corrected, but there are no citations. We do not have authority to do citations for mine safety.

The next phase of the continuum is, if a worker is injured, we have our workers' compensation section. We want to ensure the timely and accurate delivery of benefits. We do not run the Workers' Compensation System for Nevada, but we do regulate it. We ensure that employers have workers' compensation coverage, so we have an enforcement unit that is responsible for that. We also ensure that all the workers' compensation insurers are complying with all the statutes and regulations.

In addition to workplace safety, we are also responsible for what is known as our Mechanical Compliance Section. It is responsible for the safety of elevators, escalators, boilers, and pressure vessels. Since Nevada is a tourist destination, we do have an outsized number of those objects, and so their work is very important.

The way we are funded, we have an assessment on all workers' compensation insurers. That includes private carriers, self-insured employers, and associations of self-insured employers. That is our primary source of funding. That assessment also funds other agencies that handle other aspects of workers' compensation. We also have federal funding from the Department of Labor for grants, but that is only 7 percent of the total funding across our agency.

The challenge we have faced is, as Nevada's population and the number of workers in Nevada have grown, we have not been able to keep pace. We have had challenges with the rates of injuries increasing, and noncompliance of employers with workers' compensation coverage. We take this as an opportunity to try to right size our agency and ensure that we are fulfilling our mission and all of our statutory requirements, and doing that effectively.

This next slide [page 15] provides data about our agencies. You can get a sense of the number of inspections we do, how many complaints we are dealing with, the number of objects we are responsible for regulating, and the number of licensees. We do have licensees, for example elevator mechanics and inspectors in the Mechanical Compliance Section. We also have licensees in OSHA for photovoltaic installers and asbestos removal experts.

I want to focus on two key enhancements [page 16], given the limited time available. The first one is, we are requesting additional staff, as I said earlier, to try to right size our agency. Here, it says 23 positions. It is actually 32 positions being phased in over the biennium. Of these 32 positions, 20 would start in fiscal year (FY) 2026 and the remaining 12 would be added in FY 2027.

To give you a sense of what those positions are: In our Workers' Compensation Section, we would be taking on the responsibility of doing the calculations for the assessment, doing the invoicing, and following up to ensure all the insurers are paying their assessment. That is three positions. Also in our Workers' Compensation Section, we are asking for a business process analyst, a position that will be helping us navigate our workers' compensation database system and ensuring we have good processes, as well as training staff, both internally and externally.

In our Employer Compliance Unit, we have four positions being phased in over the biennium. That will really help us improve the compliance rate of employers who are all supposed to have workers' compensation coverage. We find, when we go out to sites, there is a high level of noncompliance that really needs to be addressed.

In OSHA, a total of 18 positions are recommended. The first phase would be nine in the first year of the biennium and then 9 in the second phase. These would all be two units of industrial hygienists. We would start with a unit of industrial hygienists in Las Vegas and the second year would be in the Reno office. The industrial hygienists are responsible for doing health inspections. They are very highly trained technical positions. With the increasing complexity of the regulatory environment—things like silica, respiratory hazards, bloodborne pathogens, and now, with our new heat standard—this is a really important area where we have not been able to keep pace with the number of businesses and number of employees out there. That is one of the major recommendations in this budget.

We also have five positions for our Mechanical Compliance Section that we would like to phase in over the biennium. Those include two new boiler and pressure vessel inspectors, two new elevator inspectors, and one administrative staff person. We have had a tremendous increase in the number of objects in those areas, so we really need to be able to meet our needs.

The last position we are asking for is a safety supervisor in our Safety Consultation and Training Section. This supervisor would be working with the industrial hygienists in that section, because we do not have somebody, specifically, supervising them. This would be a much more efficient and effective use of funds. Those are the recommended positions.

The other enhancement I would like to highlight is a new management database system for \$1.7 million. That cost includes user licenses for current software. This database would be for our Mechanical Compliance Section and OSHA. It would replace current software and outdated manual processes. We are trying to focus on increased, improved customer service as well as improved efficiency. This would allow people to apply for licenses, construction permits for mechanical compliance, and submit any asbestos notifications that are required to be sent to us, online. Currently, all these things are paper processes, or somebody emails us an application, and somebody has to type it into either a database or some spreadsheets we have for some of these things. They would be able to pay license fees or permit fees online, and we would be able to issue whatever permit or license electronically. We would be able to send

reminders electronically. Also, we would be able to issue fines and collect the funds for those fines through the system. We think this new system will improve our service to the customers, because many of them would like to pay online, would like to submit things online, and it is a very difficult, cumbersome, manual process currently. We think this would really improve our efficiency. Those are the two I wanted to highlight. I am happy to take any questions.

Chair Monroe-Moreno:

Does anyone have a question?

Assemblymember Hibbetts:

On this slide [page 16], you said staffing is listed as 23, but it is actually 32. Is that just a transposition of numbers? And does that affect the dollar amounts in the two fiscal years?

Victoria Carreón:

Yes, I believe that was just a transposition of the numbers. Our fiscal staff is available. In case there is a difference in the dollar amounts, they can answer. They are in Carson City.

James Kirkpatrick, Administrative Services Officer, Department of Business and Industry:

The dollar amounts identified for fiscal year 2026 and 2027 are correct. The staffing number was transposed.

Assemblymember Hibbetts:

Thank you very much.

Assemblymember Anderson:

With that staffing, are there any current unfilled positions, and do you anticipate any difficulty finding those positions?

Victoria Carreón:

We currently have only 9 out of 234 positions vacant. We have the lowest vacancy rate in the entire state, as recognized by the Governor in November. We are very proud of our ability to fill our positions. Yes, they are highly technical positions. However, we have had some good success in recruiting people and retaining them. We pride ourselves on a good workplace culture in our agency.

Assemblymember Anderson:

That is great to hear. Do you work with the county inspectors who might be doing similar work, or is it where the state will do one investigation, and the counties will do a separate investigation?

Victoria Carreón:

There may be some related components. County fire may be inspecting something similar at an elevator or pressure vessel or something like that, but our functions are different, and there really is not an overlap. If we find there is something that affects another agency, we refer it to them. Sometimes, agencies contact us and let us know about issues we may need to address.

Kristopher Sanchez:

Next we have Christine Hess to provide our Housing Division budget overview.

Christine Hess, Chief Financial Officer, Housing Division, Department of Business and Industry:

Unfortunately, Administrator Steve Aichroth is not feeling well. He is at home watching, and he send his regrets.

Before you [page 17, [Exhibit D](#)] is an overview of the Housing Division's activities and programs to support low- and moderate-income Nevadans. I am going to present with a fiscal slant today, since that is the work of the Subcommittee. Outside of the Supportive Housing Development Fund that was brought by Chair Monroe-Moreno through Assembly Bill 310 of the 82nd Session, the Housing Division does not receive General Funds. We have funds from a portion of the Real Property Transfer Tax, a portion of the Universal Energy Charge in partnership with the Division of Welfare and Supportive Services, Department of Health and Human Services, fees related to our multifamily development, and the regulation of our state's manufactured housing compliance. The bulk of our funding is federal funds from the U.S. Treasury, Department of Energy, and the Department of Housing and Urban Development (HUD).

On page 18, our budget enhancements address the right sizing of staff and a forward look as a result of our strategic planning efforts. With these enhancements, we will add five new compliance-focused staff, including an auditor for our fiscal team and our compliance staff for both our manufactured housing and LIHTC [Low Income Housing Tax Credit] properties. Additionally, we will add a new position for special projects, with a primary focus on supporting land for residential development for affordable and attainable housing. Finally, the Governor recommends the continuation of two positions to support the Supportive Housing Development Fund, which is underway with awards and compliance needs in action.

One of the main themes in staffing in our budget enhancement recommendations, overall, is that the work of the Housing Division does not end with an award. As good stewards of public funds for affordable housing, we are tracking and ensuring public health and safety for 5 years, 20 years, 30 years, and sometimes 50 years. I am happy to discuss the smaller items as part of the strategic plan, but for the sake of time, I will close and stand for questions.

Chair Monroe-Moreno:

I have one question. I gave it to the Director earlier, about the Governor's recommendation for the reserve reductions for the Supportive Housing Development Grant Program. Do you have the amount in reserves to accomplish that goal in the Governors recommended budget? It is \$31.7 million.

Christine Hess:

Yes, our fiscal staff has done an analysis. We do have the funds. We continue to move through those funds this fiscal year, and those that are not spent will be carried forward.

Chair Monroe-Moreno:

With the reserve reduction over the 2025-2027 biennium, that would still leave you with a hefty 60-day reserve balance or more?

Christine Hess:

Yes.

Chair Monroe-Moreno:

I was going to say you might have to ask fiscal staff if they are there with you, but thank you.

Christine Hess:

I did ask them before I came up.

Chair Monroe-Moreno:

Perfect. Members, are there any other questions for the Housing Division? [There were none.]

Kristopher Sanchez:

Next, we have the Taxicab Authority and Administrator Todd Park.

Todd Park, Administrator, Taxicab Authority, Department of Business and Industry:

I would like to highlight what we do [page 19, [Exhibit D](#)]. Other than my grandkids, the agency that I work for is one of the best things I like to talk about. Safety is high on our priority. We regulate the taxicab industry. We want everybody who comes into Clark County to be able to get around the county with safety in mind. That is the highest priority in our agency. We also want to make sure the welfare and the convenience of the traveling public are taken care of in the way we do this.

We have three key functions. We vet every driver who works for a taxicab company. They go through a background check. We check them out to make sure they are people I would want my family to get into a cab with. That is one of the largest things we do. We have over 4,500 driver permits active right now. That number goes up and down daily, but it is right around 4,500 permits.

We do over 11,000 vehicle inspections every year. I have a unit that goes to the taxicab companies, looks at every taxicab once a year, and then, if any cab has been involved in an accident, that person goes out to make sure that cab is ready to get back on the road to take people around the county.

We also have an enforcement division. The biggest thing we want is compliance in the taxicab industry. We do that through training and education. We also do that through enforcement, when we give citations.

To some of the challenges: You can see on the bar graph on the right [page 19], there were two incidents that affected the taxicab industry. When ride shares came into Nevada in 2016, you can see a big drop after that in the number of rides. Then, in 2020, when COVID-19 hit, it was a huge hit to our agency in ridership. Over the last three years, we have leveled off. One of the challenges we still face is, autonomous vehicles are coming into existence. All of this will affect the number of rides, possibly. If you have been lucky enough to go to an Eagles concert at The Sphere and you try to get a cab afterwards, you can see there are still a lot of people who are looking for transportation. I think we will be able to work through the diminishing rides a little bit.

Our budget enhancements are basically just a need to replace some computers in fiscal year 2026 of about \$5,700 and in fiscal year 2027, approximately \$13,000. Those are just on a replacement schedule. If you have any questions, I am happy to answer them.

Chair Monroe-Moreno:

Members, are there any questions? I am not seeing any. It sounds like you did go to an Eagles concert.

Todd Park:

I will just say I got some phone calls about it.

Kristopher Sanchez:

I will introduce Vaughn Hartung, Chair for the Nevada Transportation Authority. He is in the north.

Vaughn Hartung, Chair, Nevada Transportation Authority, Department of Business and Industry:

The Nevada Transportation Authority's (NTA) primary responsibility is to provide for the safety of the traveling public through fair and impartial regulation of intrastate transportation. Our statutory authority is granted through *Nevada Revised Statutes* (NRS) Chapters 706, 706A, 706B, and 712. We regulate charter and shuttle buses, limousines, moving and storage, tow cars, nonemergency medical transportation, transportation network companies or TNCs, which would be Uber or Lyft, autonomous vehicles, and then taxi cabs outside of Clark County. We

also permit employer van pools, airport transfer services, and warehouse permits for moving and storage.

The NTA's primary office is located in Las Vegas where we have 38 full-time employees, and our northern office is located in Reno with 8 full-time employees. Our key functions are listed on the slide [page 21, Exhibit D] under current activities, and I will jump back to that in just a second.

I would like to take a moment to review several key challenges that the agency is facing. Our first priority is technology modernization. We are currently migrating our driver, carrier, and enforcement databases to a new platform. This will ensure data integrity and meet the growing demands of the state of Nevada. Secondly, the state is experiencing a rise in illegal transportation, as reflected in the growing number of complaints, impounds, and warnings. To effectively address this issue, we will need to increase our enforcement staffing, but that is not a recommendation in the budget; that is just a hiring issue we are having currently. Lastly, there has always been a significant regulatory enforcement gap in the rural areas of Nevada, due to the NTA being based in Las Vegas and in Reno. The recommended increase in our travel budget will allow us to send compliance enforcement investigators and compliance audit investigators to the rural areas more frequently. As a result, we hope to establish a more consistent regulatory presence throughout the rural areas in Nevada. This concludes my presentation. My staff in Las Vegas and I are ready to answer any questions.

Chair Monroe-Moreno:
We have a few questions.

Assemblymember Yeager:
I have a couple of questions. We heard from the taxicab authority before this. They indicated that every vehicle is inspected annually. Can you confirm for me: You do not currently inspect TNC vehicles before they start operating, do you?

Vaughn Hartung:
That is correct. We do not inspect TNCs, nor we do permit their drivers. That is a function permitted through NRS 706A.

Assemblymember Yeager:
Then on the slide you just presented [page 21], you did indicate there were 154 inspections. Were those inspections of either taxis outside of Clark County or other modes of transportation? Is there any scenario where you would inspect a TNC vehicle?

Vaughn Hartung:

Those are operational inspections; those can be anything from a moving and storage van to a tow company, or a limousine. The number you see there are risk-based operational inspections. That is actually a good number. It is falling.

Assemblymember Yeager:

I noticed you listed 588 complaints, which looks like an increase. Do you have any sort of breakdown on those complaints? You regulate different forms of transportation. I am interested in how many of those complaints pertain to TNCs, versus taxicabs, versus other modes of transportation: the charter buses, limos, et cetera. Do you have any further breakdown of that? Something you would be able to provide, if not today?

Vaughn Hartung:

I do not have that with me today, but I can provide that to you. Our complaints vary. Everything from tow issues to . . . We recently had an issue with respect to moving and storage, where they were residing in Nevada and had moved to South Carolina, and their goods were being held hostage in Nevada. We solved that and actually found their goods. Although we worked with the Federal Motor Carrier Safety Administration, our office primarily did that. That complaint came through the Office of the Attorney General. We are happy to get that breakdown of complaints and the types of complaints that are coming in.

Assemblymember Yeager:

Thank you for that. I want to ask a question with respect to TNCs in particular. If you receive complaints about TNCs, is that something that you look into, or does that information just go back to the company that the driver, as an independent contractor, works for? What is your involvement in TNC-type complaints?

Vaughn Hartung:

They typically go straight to the company, and we do not necessarily see those complaints. Those are outside of our purview, again because of the way NRS 706A is set up.

Assemblymember Yeager:

One last question that dovetails off of that: The reason I ask is, I had this scenario happen to me, and it is probably not unique. I was at the airport, and I called a ride share. The person picked me up and then they said, "Oh jeez, looks like the app messed up." This ride is no longer on the platform. Do you want me to still take you home? I will accept cash. This, I think, falls under the illegal transportation that you have mentioned. My question is, as a consumer, is my remedy to make a complaint to the Nevada Transportation Authority, or is my remedy to complain to the platform itself? And then the second part of that question—because I think I know the answer to the first—is, would you perhaps like the authority to be able to investigate those things without having to go through the company?

Vaughn Hartung:

Absolutely. You are right. It dovetails. You can make a complaint through the app. We would like to hear about that because that is a violation of NRS 706A.280. We definitely want to know about those things. We fine those drivers all the time who are offering cash rides, and our fines have increased substantially. The first fine is \$1,000; the second fine is typically \$10,000, and we impound those vehicles. So, yes, we are absolutely interested in hearing about that, and we would like more authority. As you are well aware, illegal transportation is rampant in southern Nevada. We are trying to get a grip on it. We are doing our very best on a daily basis to get as many of them off the road as possible. We have heard through informants that the fines are making a difference. They are more fearful of the Nevada Transportation Authority. It is just a matter of us working a little harder to try to get those off the road and get that money into the system where it belongs, so that the companies that are paying taxes are benefiting.

Assemblymember Yeager:

I would be interested, if you are able to share any information relating to fines, particularly against the TNCs. I think it has become more prevalent, and, as you noted, it is a safety issue for sure, and perhaps an indication that those companies are not paying the drivers enough because they are trying to go off the platform to do cash rides.

When you are getting us the information about the complaints, give us an idea of how prevalent this issue is, and what kind of fines you have levied. Going forward, we certainly would like your input on what you think we can do as a Legislature to give you the additional authority to make sure these things are not happening. This is a danger not only to our citizens but also to our tourists.

Vaughn Hartung:

Typically, when we find a TNC driver who is driving off-app, we do not fine the TNC company, because it is not their function. We are fining those drivers. That number that I get you will ultimately reflect the fines that we know were Uber and/or Lyft drivers. I am not trying to single those companies out, but those are our two main TNC companies.

Assemblymember Yeager:

That would be helpful, and another discussion in the future. Maybe the answer there is to fine the companies; these are drivers operating on their platform. At least when they pick up the ride, they are on the platform. It is amazing to me how they accidentally get kicked off the platform as soon as I am in the car, and we are along the way, and all of a sudden, there is an offer for a cash ride. There are more intricacies to discuss there. Meanwhile, I would certainly appreciate any information you could provide. Thank you for that additional context.

Chair Monroe-Moreno:

Members, are there any other questions? [There were none.]

Kristopher Sanchez:

I am introducing Commissioner Scott Kipper from the Division of Insurance, who is also up north.

Scott J. Kipper, Commissioner of Insurance, Division of Insurance, Department of Business and Industry:

The Division's mission is twofold. We are the ultimate consumer protection agency. We also make sure that companies are solvent, in order that they pay the claims that are made and the promises that they have made through the sale of their insurance policy. We oversee and regulate a \$25 billion industry in the state. The Division administers approximately 60 chapters in the *Nevada Revised Statutes*. We oversee all insurance companies, captive insurance, insurance agents, adjusters, and bail bondsmen. We also oversee the different lines of insurance, including health, life, long-term care, workers' compensation, and in some areas, funeral, burial, pre-needs, and on.

It is important to note that the agency is an enterprise-funded agency and we receive no General Fund dollars. A couple of key statistics: We have nearly 1,500 authorized insurers, of which 140 are domestic carriers, that is, they are sited here in Nevada. We have over 265,000 active licensees, including 249,000 individuals, of which 24,000 are resident Nevadans and are agents and brokers.

Another couple of key statistics: The revenue generated by insurance premium taxes is roughly \$600 million, which goes into the General Fund. This is the fourth largest contributor to the General Fund. We also, last year, had a very successful year in intervening on behalf of Nevada consumers who had requested assistance, to the tune of \$9.4 million in additional recoveries that went into consumers' pockets.

The Division has a couple of primary challenges right now. Looking at our rates for auto insurance, we are among the highest in the nation, and that continues to climb. This is a national trend. We work very diligently in making sure that those rates are accurate and entitled by the carriers. The second challenge, again, is more of a national problem. Certainly very problematic, potentially, here in Nevada, are the challenges resulting from natural disasters that are fueling record property damage losses. We do not need to look much further than the recent fires in Los Angeles County in California for the effects that natural disasters could have on our property and homeowner's markets here in Nevada.

Slide 24 [page 24, Exhibit D] addresses our budget enhancements. Before we get through some of these specifics, I would like to note that there has been no real increase in staffing levels at the Division since at least 2013. But we have been handed, since then, a lot of extra work to do, including standing up the Affordable Care Act in the state 10 years ago, as well as a number of other challenges that have been placed at the request of the Legislature. These enhancements include six new positions. These are only to support the daily operations, goals, and objectives

for the Division within the B&I. Five of those positions are located within our budget account 3813, which is a budget for insurance regulation, and one is in our Self-Insured Workers' Compensation budget. That concludes our presentation, and I will stand for any questions.

Chair Monroe-Moreno:

We have a question or two.

Assemblymember Backus:

I have two questions. One was, I noticed, and you just indicated, that the premium rates on livable properties, condos, are unregulated, and that is your primary concern. Could you elaborate a little more on the unregulated rates? What are you implying there?

Scott J. Kipper:

One of the concerns we have is the issue that you touched on, which is the rates for condo owners. Under the Insurance Code, as it is across the country, condominiums are treated as commercial property. As such, there is no rate oversight on those properties, the idea being that these properties are unique, and therefore have to be looked at very uniquely by the insurance companies in order for them to be able to set a rate. They examine what that risk would be. That is a concern for us, because we are seeing more of those insurance companies being reluctant to insure at that same rate. They are certainly asking for more rate, if they are even willing to undertake that risk at all.

Assemblymember Backus:

I am sure that is what is at the forefront of everyone's minds. We already saw it in the Joint Interim Standing Committee on Commerce and Labor. We had discussions about property insurance. Do you know if we are facing any insurers that are contemplating runoffs, that are going through liquidation, or any insurance carriers that are fully pulling out of the market? I know some, mostly in northern Nevada and Tahoe, are refusing to insure properties in those areas that could be susceptible to fire damage.

Scott J. Kipper:

We do see some coming in and out of the marketplace on a regular basis. We are currently collecting data. This would be our third year in a row of doing a data call, trying to gather that exact information of who is insuring, who is staying. On occasion, we will get a notice from an insurance company that they are pulling out of the marketplace and specific lines of insurance. For example, we were notified earlier this summer that a prominent national carrier was getting out of the motor home and motorcycle insurance lines. As long as they provide us proper notice and provide the consumer proper notice, they are entitled to do so. But the question you are asking is, are we seeing some challenges in our homeowners marketplace? We should be able to know with a bit more clarity at the conclusion of this data call and the subsequent review of that data by our staff.

Assemblymember Backus:

If you do have that data and you are willing to share it, I would love to see it.

Assemblymember Anderson:

I am also from the Washoe County area. I hear often about friends and family members here who are caught up in the insurance issue around getting a new house, or in a current house, whatever the case may be. Has there been discussion with current homeowners on their ability to get home insurance, or with individuals trying to get home insurance in the higher, dangerous areas closer to the Tahoe area and the possible fire dangers? You touch upon it in your report, but I did not know whether there were more discussions going on.

Scott J. Kipper:

We have had a significant level of discussion with community members and consumers, particularly here in northern Nevada, around this particular issue. I wish I could say that this was an issue that is just a northern Nevada issue, but unfortunately, this is endemic in almost every state that has been impacted by natural disasters. It does not just address those issues along the Gulf Coast or hurricane-prone areas. Convective storms, hailstorms, are a significant driver of claims in the Midwest, as are tornadoes, record flooding, and, of course, wildfires. We worked together with our colleagues from around the country to address these particular issues. There has been a great deal of discussion internally within the Division, within the state, as to how best to address this. I am sure there will be a great more discussion as we get into the legislative session.

Assemblymember Anderson:

That was a question I was going to ask: Are there some solutions or ways of getting help? It sounds like those discussions are already taking place. Hopefully, we will be able to continue these discussions over the session.

Scott J. Kipper:

We look forward to that.

Chair Monroe-Moreno:

Members, are there any other questions?

Senator Titus:

I, too, have had many constituents reach out to me, as I represent Douglas County and a lot of folks living up in the Tahoe area, but it is not just Douglas County. It is people throughout our state who are having trouble accessing home insurance at the prices. Although I am a free market person—and I know you are collecting data—but hopefully you will be able to look at some solutions to this overall issue with homeowners insurance companies and car insurance rates that are higher than national averages and are looking for reasons why that is, and for some real, sensible solutions. I look forward to working with you to not just gather data—give

us some suggestions, because the insurance policy folks, my small, independent insurance agents, are frustrated also. They have some solutions. Hopefully, you are open to hearing some of those. That is more of a comment.

Scott J. Kipper:

We have approached working on these solutions very much in a collaborative manner, in working with our local brokers and agents, as well as those insurance companies doing business here, as to how we can best address those challenges.

Chair Monroe-Moreno:

I am not seeing any other questions. I thank you so much for the presentation.

Perry Faigin, Deputy Director, North, Department of Business and Industry:

I am going to do my best to fill in for our Commissioner of Division of Financial Institutions today. The Division of Financial Institutions under the Department of Business and Industry safeguards Nevada's financial institutions system, to keep it safe, sound, and compliant with regard to the financial environment; to protect Nevadans; and to promote economic development in a progressive and proactive manner [page 25, Exhibit D]. We regulate 3 different titles within Nevada; 27 different chapters; and 19 different business types, such as banks, credit unions, payday lenders, title lenders, collection agencies, money transmitters, as well as retail and family trust companies. There is a lot we have to focus on.

Some of the key functions are examinations of these depository and nondepository licensees, of which we have just under 2,000. We investigate possible violations and take disciplinary action where and when needed. As you can see on page 25, there were, in the current biennium, 418 complaints and 196 investigations completed. These are not easy to work through and they take time. They are not something that can be done, typically, within just a few days. It does take time to get through and work through these investigations and complaints.

We recruit and encourage proposals for new institutions, as well as conversion and relocation of national and out-of-state charters into Nevada, to increase the capital intermediation in our state following a 50 percent loss during the recession—if you remember during the global crisis. We also facilitate the establishment of a fast-growing retail and family trust company market that brings in skilled and professional jobs.

We do have a lot of challenges though, as you may anticipate moving forward: the potential push for deregulation that comes with these types of companies; the cryptocurrency market that is very fast moving; the nuance of specialty banks, with respect to staff knowledge—what I mean by that is the knowledge within our current staff—that is something we are going to talk about within the enhancements; the potential for problems that are occurring and can occur around artificial intelligence (AI) and replacing actual decision makers with AI to make decisions on products. This has been going on for quite some time, but it is becoming a

potential concern and an issue for the state. Staffing levels are a challenge as well because of the specialty of these particular types of positions.

In the enhancements [page 26], the biggest concern we have is, again, trying to right size the agency. While we do have some vacancies in the Division, keep in mind that currently, there are five different levels of financial examiners that institutions have. These are not something where you can just come in at a level four or five; you have to come in and start at a lower level and move your way up as you learn, and you are trained, in order to be able to go out and do the investigations within these financial institutions. The Executive Budget includes another five positions to continue to support the daily operations and the goals and objectives of the Division.

In addition, there is an IT position, and I want to be careful what I am saying here with regard to IT. Many of these banking institutions and these financial institutions have the addition now of AI technology, cybersecurity, and different programs and processes with which they operate. This is not necessarily strictly an IT position, but it is more of a way for us to investigate these companies to make sure their processes are in place, to make sure they are protecting the citizens of the state. We call it an IT position because, quite frankly, there is no classification for it currently. We did this last session with the Division of Mortgage Lending [Division] in providing them with an IT position. This individual came in as an IT Professional IV. He is currently working to establish programs and processes to make sure we can go out and look at these different companies, to make sure they are being compliant and are following the rules. In some cases, there are no rules, and we are having to figure out how we put those together. That is the intent regarding this one particular IT position. I hope, at some point in time, we may be able to reclassify it. We want to be careful, because it is not really a financial examiner, but it kind of is; it is not really an IT person, but it kind of is.

We talked a couple of times about moving positions from Business and Industry back over to the Financial Institutions Division. This is important. Again, as we came out of that financial crisis, we moved some of those folks underneath B&I to make sure we could keep the jobs in place, and to make sure we could continue to license and properly move institutions and licensees forward. What we want to do now is, we want to move those back to their divisions so they can have proper authority over them and maintain those folks. We are already getting the allocation for them; we are just going to put them back. They keep their allocation with regard to those particular staff.

There is a recommendation for an increase in travel. I know this looks like a high amount for travel as compared to some, but there is a real need for this, and that is training. You cannot get the type of training that these financial examiners need here in the Las Vegas area. In many cases, we need to send these folks to where the training can occur. They also need to travel to look at some of these institutions, keeping in mind that a lot of these financial institutions do not necessarily have their home offices in the state. So, in many cases, we have to travel to

look at these institutions. That is why you see the increase in the travel budget. With that, I will stand for any questions.

Chair Monroe-Moreno:

Members, do you have any questions?

Senator Neal:

I do not know if you can speak to this because you are standing in, but the challenges of the potential problems around AI replacing decision makers in regulated institutions—can you add a little bit more to that? What do they believe they are seeing on the ground?

Perry Faigin:

Well, let, let me put it this way. I came from the banking industry before coming to work for the State of Nevada. I spent 20 years as a mortgage lender, working for all the major banks. What I can tell you is, many years ago, one of the things that was coming out—you might remember a company—I do not know if I really want to start talking about specific companies—but there are companies out there where you can put in an application for something, and you can instantaneously get an approval decision on it. That is not even seeing an individual. That is basically technology within the banking institutions that is making a decision, based on other components they have seen over long periods of time, and a lot of information they are getting. They basically put that into a bank, just like you would if you opened up ChatGPT or AI, and you put in a question; you will get a whole bunch of information back.

It is the same situation, in many cases—with the large FHA [Federal Housing Administration], Fannie [FannieMae/Federal National Mortgage Association], Freddie [FreddieMac/Federal Home Loan Mortgage Corporation]—those types of things, where the modeling is turning around and saying, We see this kind of thing all the time; therefore, you are approved. Or, We see this particular situation and your credit score is here; so we will give you a preapproval. You may, at some point in time, have to talk to a human being, but in many cases, that may or may not be the case. That is a lot of what we are trying to take a look at here, because there is not a lot of regulation standing around some of the AI technology out there that we may be looking at from the internal banking institutions. When you look at artificial intelligence and some of the other things that are going on within these makers, there has not been a whole lot of regulation around that. What we are trying to do is make some determinations. We have to be able, now, to go in, take a look at those companies, and say, "Are you doing what you need to be doing to protect citizens to make good decisions?"

Senator Neal:

It is prior patterns, right? So, where someone else may have, in your example, been approved or denied, that then could have inherent biases carry over, right? I am going to use as an example, if you have a person of color who has a history of being denied in the system, and

you are training the model on that data, then that scoring is going to automatically trigger an automatic bias. Is that something we are seeing in the system?

Perry Faigin:

I do not know how to answer that question. I would be hesitant to say there are those kinds of biases in place within the companies, because I honestly do not know. I would not want to venture to say that at this point, without saying we have evidence of that. I have not necessarily seen that.

Senator Neal:

Okay, but could you at least speak to the uploading of financial data of a Nevada citizen, or whether that is somehow, in a holistic way, being shared into the AI system in order to compute through that AI model?

Perry Faigin:

I do not think it looks at the particular information you are talking about. It more would look at things like what is this credit score; what is the income level; what does the credit report look like? Usually, those are the types of things, I remember as a mortgage lender from years ago, initially, that I would be looking at. It had nothing to do with the other information regarding race, sex, nationality, and those particular types of things. Those were not things that you would want to base a decision off of.

Senator Neal:

But income is financial data, yes?

Perry Faigin:

Income is financial data, so yes, they would be looking at potential income, because you have to put that into the system.

Senator Neal:

Interesting.

Chair Monroe-Moreno:

Any other questions? [There were none.]

Kristopher Sanchez:

I am introducing Cathy Sheehy, Commissioner of the Division of Mortgage Lending.

Cathy Sheehy, Commissioner, Division of Mortgage Lending, Department of Business and Industry:

I will not go through a lot of the information on the first slide [page 27, [Exhibit D](#)]. Some of it was mentioned, and I can elaborate further when I talk about some of the decision units.

Mainly, I would like everybody to understand that we are an extension to the Financial Institutions Division. We do similar functions. We license individuals and companies, we examine the companies and branches, and we also seek compliance—and take action, if needed—under the administrative authority that we have. We regulate mainly the nondepository financial institutions. We are talking about a company that does not accept deposits. Anybody outside of a bank or credit union that conducts mortgage services or related professions will fall under our jurisdiction. Typically, a name such as Rocket Mortgage would come to mind for the origination and servicing companies.

The key functions and challenges are listed on the first slide, and I would be glad to answer any questions on that, but I will skip to the enhancements [page 28]. Quickly, the three new positions recommended in The Executive Budget include two examination positions. As alluded to, last session, we were granted an IT Professional position, which we were very thankful to get in order to stand up the IT examination scope of our examination program. We typically have done the origination side and the servicing side, and now we are gearing up to add the IT component of the examination. To that position that was granted last time, we would expand two additional examiners underneath him at this time, so we can, again, go out to these large mortgage companies and mortgage servicing companies, to ensure they are following standards in the IT realm. As everybody knows, data security is a very scary thing right now. There seems to be a data breach every four seconds around this world, so we want to ensure that the mortgage companies we regulate are doing what they can, at a bare minimum, to protect the consumer information. As you can imagine, they collect pretty much every piece of information in order to underwrite these mortgages.

The other position is an Administrative Assistant position that will be dedicated to licensing. Those of you who have been here for a little bit know the struggles and challenges we have had in the past with turnaround times on new applications, as well as renewals. We have taken many strides to improve that, but we would like to continue to maintain that and even further improve on the time it takes for processing those. Those are the three new positions that are recommended.

The six positions mentioned earlier during the Director's presentation, are associated with the licensing unit that currently is housed under the Director's office in Carson City. We are simply absorbing that into our budget account, and operation will continue as it is today. Nothing will change there. The Governor also recommends an increase in travel. As Director Faigin mentioned, this travel is not only for educational purposes but to go to the conferences where we share information, and we sit with other state regulators that do the same thing that we do. We want to make sure that information is properly absorbed and then shared here, back in the state of Nevada so we can do our best to keep up.

The fourth bullet is for the funding for the accreditation for the Conference of State Bank Supervisors. That is an important step for us, because that will ensure we meet the minimum requirements to be able to, again, collaborate with other state regulators across the United

States. That is important because we look at network supervision through that channel. We also look at things like universal licensing, because we want to make sure that, as regulators, we are making it as fair as possible to the industry—because we want them to succeed as well.

Lastly, the technology and infrastructure investment is in addition to the database replacement project and recommendation for investment that we did in prior sessions. I am thankful to say that we are able to go live with the new system. As the dust settles and we continue to learn how to use the new system, we are realizing that we did not know what to ask for during that initial investment, but we also realize what the need is, now that we have a system in place. There are functionalities available through the system that we did not originally include in our request. We respectfully ask for the additional funding so we can improve that system even further and customize for our needs.

There was a question early on regarding the Governor's recommendation. Because we are not General Fund dependent, I do not believe that will affect us in any way. The other question asked was regarding the reserves. I do not have the exact breakdown. I will be happy to come back with that later. We will be using the revenue that we generate, but also reduce some of the reserves we have because we do have more than the 60 days. I stand available for any questions.

Chair Monroe-Moreno:

You answered mine in your presentation. Members, any questions? I am not seeing any.

Kristopher Sanchez:

I am introducing our Labor Commissioner, Brett Harris from the Office of Labor Commissioner.

Brett Harris, Labor Commissioner, Office of Labor Commissioner, Department of Business and Industry:

With me here is Deputy Labor Commissioner, Malia Tatom, and the State Apprenticeship Director, Toni Giddens. The Office of the Labor Commissioner is the principal wage and hour regulatory agency for the State of Nevada. We also have a lot of other private employment regulatory functions. While wage and hour complaints are our bread and butter, so to speak, we also handle general employment complaints which include complaints regarding break and meal times, paid leave, pregnant and breastfeeding mother protections, and the employment of minors. We also perform regulation on public works projects. What that looks like is issuing public works project numbers and maintaining the database of public works projects, including their values, status, and which public body they are owned by. We do prevailing wage compliance and regulation. That looks like surveying and setting, then publishing the prevailing wage on odd years, updating and publishing the prevailing wage on even years, and then regulating prevailing wage, and enforcing prevailing wage on public works projects.

We also enforce the Apprenticeship Utilization Act on public works projects. Remember, that was significantly changed in the 2023 Session. That has changed over from a complaint-based regulatory function to an annual reporting. We are smack dab in the middle of the very first reporting cycle for that new piece of legislation from last session.

We also have some licensing responsibilities. We license private employment agencies and professional employer organizations, and we are the recognized state apprenticeship agency for the U.S. Department of Labor. What that means is that the U.S. Department of Labor recognizes us as the government agency responsible for registering apprenticeship programs in the state. Nevada does that through the State Apprenticeship Council.

As you will see from these charts [page 29, [Exhibit D](#)], pretty much everything is up in the office. From the time I came in, in September of 2022 until now, we saw about a 20 percent increase in matters; that was almost exclusively in wage and hour claims. We get about 7,000 unique matters that come through the Office. I would say about 5,500 of those are wage and hour and general complaints.

Most of the regulation that we perform is in private employment under NRS Chapter 608, but we have extensive responsibilities under NRS Chapters 607, 609, 611, 613, 610, and 338. We cover a lot of ground in our Office. We strive for a 90 percent resolution rate within 90 days. That is very doable for general complaints. It is pretty doable for wage and hour complaints. It is very less doable for public works complaints.

Our enhancements on page 30 indicate the Governor recommends three new positions. It is actually tiered; it is five positions. It is three in fiscal year 2026 and five in fiscal year 2027. One of those positions would be a dedicated administrative assistant to the State Apprenticeship Director, who right now does not have any assistants, so she performs all the administrative tasks herself. She came in November of 2022. We are looking at the increase in programs, occupations, apprenticeships—everything under that space has built. Administrative help would be crucial in continuing her ability to build those programs. The tiered other positions are two new positions specifically to support public works compliance and support the prevailing wage and certified payroll regulation that we do on public works projects, and an additional two—totaling four—to dedicate towards a public works compliance division going forward. Are there any questions? That was a lot.

Chair Monroe-Moreno:
Assemblymember Backus.

Assemblymember Backus:
I was looking at page 30. Did you say you needed five new positions? On here, it has three. I was trying to reconcile that.

Brett Harris:

That is correct. The recommendations are tiered. In putting together the PowerPoint, it might have looked like three, if you were just looking at fiscal year 2026; but there is an additional two added in fiscal year 2027.

Assemblymember Backus:

I see the increase, now that I am looking at the dollar amount for fiscal year 2027.

Senator Neal:

You were talking about your 90 days nonpublic works movement. On average, how much does it cost you to get this resolved within the 90 days, and how much staff time does it require? Let me give you an example. I do not even know if this is in there, but I can tell you this is a common thing that has been popping up in my district. A private employer has run out of money; they have not paid their employees; their check is bouncing; and then they file a complaint against that employer. But they are still faced with the bounced check fees from the bank, and then half payment. That is a common scenario. It has been happening with the private garbage collector companies.

Brett Harris:

If I am understanding the framing, unfortunately, what happens not infrequently is, if a business goes out of business, we no longer have an entity to pursue to get those wages from. That, unfortunately, does happen, and there is nothing we can do, once the business entity no longer exists, to pursue the wages.

Part of the reason that 90-day rate, especially when we are talking about wages, is so important is, because—you are correct—it is not an infrequent occurrence for businesses to become insolvent.

Senator Neal:

But in this case, they are insolvent for a short period of time, and then they pay their employees later. They keep their employees on the hook. I feel like I am outing a company that has been consistently notorious in my district, but it is real. They are insolvent for a period of time, maybe it is three weeks, and then they pay their employees. They pay them maybe a portion of their money, but they keep going. I do not know hoodwink or Jesus, but they keep going. This is happening in this space, and they are still working, because a lot of the folks who are employed with them are typically reentry persons who do not have a lot of space or somewhere else to go.

Maybe it is something I can talk to you about offline, because it is a notorious company, and they are out there doing private garbage pickup and bulk junk pickup. They have been doing

it now for two years. Every time I get it, I say, call the Labor Commissioner and report him, and report him again, and report him for the 16th time.

Brett Harris:

I would like to know, Senator Neal, offline if you would like to let us know who that is. We do have the ability in our Office to initiate audits without a complaint.

Assemblymember Torres-Fossett:

During the interim, you presented to the Joint Interim Standing Committee on Government Affairs, and we had a conversation about some of the challenges of enforcement as it pertains to prevailing wage. What work has been done, or what work continues to need to be done, to ensure that you have the right support? And, do the budget recommendations that you have in here include the support you need for the enforcement of prevailing wage here in the state of Nevada?

Brett Harris:

We did have that conversation. These positions are meant to support public works compliance. Is it as many as I would like, in a perfect world? I think we know, probably not—but it is a start, because, right now, we do not have any dedicated public works compliance team. What ends up happening for prevailing wage claims or prevailing wage issues or public works issues, very frequently, is some sort of triage system between the chief investigator, the deputy labor commissioner, and me, which is what I testified to in that hearing.

What we would like to do with these new positions is really firm up, as we have with wage and hour and general complaints, a system where it is streamlined, and everyone knows next steps every time. What we also run into with the difficulty in doing that is, in public works compliance, public bodies are the first investigators. We receive the complaint, but it is then referred out to the public body who owns the project. So, if we had more investigators and more staff committed to public works, they could work better with those public bodies, because they are, generally, also then understaffed in doing those investigations.

Assemblymember Torres-Fossett:

As you do that, will there be more money coming into the Department of Labor, to your Office essentially, from any citations that are issued along with that process?

Brett Harris:

We are funded by the General Fund, so we do not collect any of our own fees.

Senator Cannizzaro:

Under your list of challenges—you may have alluded to this—could you talk to us about the threat of Department of Labor derecognition? What that might mean, and whether or not any

of the recommendations for the new positions played into us not losing that for our noncompliance, or whether there is any relation between those two.

Brett Harris:

The way that the U.S. Department of Labor (DOL) works is that states are either Office of Apprenticeship states in which the DOL runs your recognizing of apprenticeship programs for you as a state, or you are a state apprenticeship agency like us, where the state is tasked with recognizing apprenticeship programs. Nevada has the State Apprenticeship Council, which performs this regulatory function. The DOL changed their policies in 2013, and then the Nevada State Apprenticeship Council was moved from the Office of the Labor Commissioner to OWINN [Governor's Office of Workforce Innovation]. When that first move happened, it triggered the DOL sending us notices that we are in noncompliance with the DOL's regulations in this regard, because the DOL says it cannot be a council that has the power to say yes or no to registering an apprenticeship program in the state. That has to fall with the administrator of the agency, ultimately. A council can be advisory but not regulatory. They have sent, yearly or every other year, a new letter stating the same scenario. We met with them earlier this month and had the same kind of conversation. They are sending another letter.

Derecognition would essentially split a couple of things. If we were to maintain the Nevada State Apprenticeship Council, which I believe they would want to continue to function, what would happen is they would only be registering apprenticeship programs for the state. Those programs would then have to register again for federal projects—Davis Bacon programs—in order to employ apprentices on federal projects. The other threats with derecognition, in addition to being inconvenient for our programs and for our contractors in trying to employ people on projects, is we would lose access to the DOL apprenticeship grants. And we do get those grants.

We got a State Apprenticeship Expansion Formula Grant in 2023 for about half a million dollars. They increased our grant in 2024 to about three-quarters of a million dollars. We use that to partially pay back the General Fund for the operations of Apprenticeship, but we also subgrant that money to programs. While your traditional trade programs are generally pretty well-funded, the programs that we subgrant to are nontraditional programs. One that I am particularly proud of is, in October of 2023, we registered a teacher apprenticeship program in this state. It is now the second largest in the country. It has 1,100 apprentices this semester, and that is a big deal. We do subgrant that Apprenticeship Expansion Formula Grant to those programs— them, and the culinary program, which is another nontraditional program that serves Nevada. If we were derecognized, they would no longer give us apprenticeship grants under the DOL.

Senator Cannizzaro:

I appreciate the work that your Office is doing, specifically with the teacher apprenticeship programs. I am working on legislation that is going to touch on some of that, so to the extent

we can talk about ways to make sure that noncompliance does not happen, or if there is anything you are looking at in your Office that we can be doing, I would love to hear the details of that, because that is important work.

Senator Titus:

Thank you, especially, for the apprenticeship programs. It is something that has been critical across Nevada's workforce, but it has expanded more than, as you mentioned, the typical trade programs. I have been very engaged in the nurse apprenticeship programs. Are you involved in that at all?

Brett Harris:

I have our State Apprenticeship Director, Toni Giddens here. I have been working on expanding our health programs. I am going to have her come up. She can tell you our health apprenticeship programs are not specifically by the type of worker, but in the specialties.

Senator Titus:

I appreciate that. Also, maybe you could address doing a social worker apprenticeship program. It has been something we are bringing forward this year. You did not mention it here.

**Toni Giddens, State Apprenticeship Director, Office of Labor Commissioner,
Department of Business and Industry:**

Yes, we are currently working with SEIU [Service Employees International Union]. The issues that we are currently having are licensure issues—in merging apprenticeship with the licensure issues for the state. We are currently trying to move that forward. We have already established medical assistant apprenticeships and community health worker apprenticeships. As far as the social work, we are working with the University of Nevada, Las Vegas, currently to put forth both a social worker and a school psychologist apprenticeship program here in the state of Nevada.

Senator Titus:

Since that is a bill draft request that we are looking at carrying from our Joint Interim Standing Committee on Health and Human Services, I would very much like to be a part of that discussion. I am looking forward to further details.

Chair Monroe-Moreno:

Members, are there any other questions? [There were none.]

Kristopher Sanchez:

I am introducing Sharath Chandra, the Real Estate Division Administrator.

**Sharath Chandra, Administrator, Real Estate Division, Department of Business and
Industry:**

I also have Deputy Administrator Charvez Foger here in the audience with me. I want to preface that we are one of the few agencies within B&I that are funded by the General Fund. That is the context when we talk about the agency. The mission of the Real Estate Division is to fairly and effectively regulate real estate professionals in the state through licensure, registration, education, and enforcement. We are responsible for over 41,000 licensees. We cover real estate, single family builders and developers, timeshares, community managers, appraisers, energy auditors, and inspectors of structures. It is a large licensing pool. We have an education section that is a hub for constituent information, processing instructor applications, education certifications, audits, reviews, development of education materials, et cetera.

We have three commissions. We have the Real Estate Commission, the Commission of Appraisers of Real Estate, and the Commission for Common-Interest Communities and Condominium Hotels. The Real Estate Division is also responsible for the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels. We have over 3,700 homeowners' associations and expanding. That is over 620 units and counting. We also have close to 800 licensed community managers that work in that industry. The Ombudsman's Office provides informal conferencing. We use the alternate dispute resolution process for NRS Chapter 38. We have an education section for boards, associations, and residents.

Here are some of the challenges we have talked about [page 31, [Exhibit D](#)]. The National Association of Realtors had a settlement recently. It has been in the news. Though it does not affect everyone in real estate, it does affect the majority of those who work through the Multiple Listing Service (MLS). Those folks, to very briefly summarize it, are required to sign agreements regarding compensation before they provide a service to the public. We are going to start getting a lot of questions. We already do get concerns and issues that may come from that.

Another challenge is the split of licensees is about 80-20 between northern and southern Nevada. We have a population of licensees in the northern section that do not have a licensing office. We only have a southern Nevada licensing office. This was, I believe, since 2010 or 2011, through the crisis. So, now we do not have an office up there. Everything is serviced through the south. That is one of the challenges, and, of course, enforcement. Real estate compliance gets about 1,300 complaints and has close to 500 cases open—and that is just one fiscal year—and there are commission hearings, and a lot of the inquiries via telephone or walk in. Those are a few things we have.

The last slide [page 32] lists the enhancements. This is the Ombudsman's Office, which is fee funded. It comes through a per-door fee. The Governor recommends adding a Senior Attorney to the Office, because NRS Chapter 116 is complex. The Ombudsman's Office could use some of that support. There is another recommendation in there—please disregard that. The intent

was to swap positions, but after further discussion with fiscal staff, there is a nonbudgetary solution to that. That is not relevant in this context. The only enhancement recommended is the one new position in the Ombudsman's Office, which is fee funded. I will take any questions.

Chair Monroe-Moreno:

Members, are there any questions? You get off easy. I am not seeing any.

Kristopher Sanchez:

Commissioner Bruce Snyder will present the Government Employee-Management Relations Board.

**Bruce K. Snyder, Commissioner, Government Employee-Management Relations Board,
Department of Business and Industry:**

I have been in the Commissioner role since 2013. I will be retiring in just a few weeks. Behind me is my replacement, Marisu Romualdez Abellar. She has been with the agency for more than a decade and was recently appointed by the Board to be my successor. We act as an administrative court. We fill the void with the National Labor Relations Board (NLRB). The National Labor Relations Board only has jurisdiction over private businesses such as General Motors and the unions that represent them, such as the UAW, MGM, and Culinary. Any state that allows collective bargaining among public sector workers has an agency similar to ours that performs the same function as the NLRB. Here in Nevada, it is the Employee-Management Relations Board (EMRB).

Local government employees have had the right to collectively bargain since 1969. At the state level, there has been collective bargaining since 2019 for Executive Branch classified employees. We serve 212 local and state governments and 157 employee organizations—which is the fancy term for unions at the local level. We have 5 labor organizations—that is the term for unions at the state level. We serve over 100,000 employees: 17,000-plus at the state level and 88,000-plus at the local government level. There are 271 bargaining units—14 of those are at the state level. Of the 14, 11 currently have a union representing them. There are 3 that are not yet represented by a union. We have three full-time employees and five part-time board members appointed by the Governor. You can see we had a large increase in cases last year [page 33, [Exhibit D](#)]. I am not convinced that it is a long-term trend. So far this year, for example, we have not had any cases filed. That may have been a one-year bump.

The big issue that is affecting the agency right now, again, is turnover. Not only am I leaving, we have a new Commissioner, but that resulted in a new board secretary. We also have five board members. Four of their terms end in June, and the fifth one, whose term ends a year from June, just resigned. We may have a lot of turnovers on the board, or we may not; that is totally up to the Governor, who appoints the five board members. We have no enhancements. We are small.

Chair Monroe-Moreno:

I like no enhancements. Members, are there any questions? We have one question, then I will have a comment.

Assemblymember Anderson:

To make sure I understand correctly, there is no backlog or any cases that are pending to be brought forward to the EMRB? Everything has already been decided?

Bruce K. Snyder:

Correct. We have in our goals to hear cases within three and one-half months of the initial documents being filed. Our board has taken the step, due to the increase last year, of starting about . . . When we started to see a backlog around September or October, the board doubled up their meetings. They are currently meeting twice a month instead of once a month. So, we hit that goal. We have been fortunate that a couple of cases set for hearing have settled at the last minute. We have not always had to have two board meetings a month, but our board is willing to do that. When they meet, they meet for three days at a crack. So, right now they could be at six days per month.

Assemblymember Anderson:

That is great news.

Chair Monroe-Moreno:

Are there any other questions? I am not seeing any, but as Chair of the Subcommittee, I think I speak for everyone on the Subcommittee. Thank you so much for your service and enjoy your retirement.

Bruce K. Snyder:

I will, and I want to thank everyone here for all the professional courtesies you have had over the past decade-plus. You have treated the agency well, and I thank you.

Kristopher Sanchez:

All right, the last one is Evan Beavers, Nevada Attorney for Injured Workers. Evan is in the north.

Evan Beavers, Nevada Attorney for Injured Workers, Office of the Nevada Attorney for Injured Workers, Department of Business and Industry:

The Nevada Attorney for Injured Workers, often referred to as NAIW, has 32 full-time employees. We are basically two law offices, one in Carson City and one in Las Vegas. We are funded by the Fund for Workers' Compensation and Safety. You heard reference to that earlier when the Administrator of the Division of Industrial Relations spoke. It is the same fund. The source of the funds is assessments imposed upon those who underwrite workers' compensation insurance in the state of Nevada.

The statute that created NAIW mandates that NAIW take cases upon appointment by administrative appeals officers for the Department of Administration, and we may provide public information. In that second responsibility, we have legal research assistants who, throughout the day, take telephone calls from the public. We also take walk-ins with questions. We also provide a very informative web page. It is surprising to me—it always has been—how little information people who work in their daily lives in Nevada—what little they know about workers' compensation when they get injured. We get a lot of information calls. We get a lot of referrals from other agencies that send the calls to us. Those calls are handled by legal research assistants who are not lawyers; the callers are not clients. We try not to give them legal information. We do provide them procedural information for how to negotiate the workers' compensation system.

When someone gets injured at work, they tell their employer, and their employer turns them over to their workers' compensation carrier. A claims adjuster gets them medical treatment and the compensation wages that they are entitled to until they return to work. That is in a perfect world. But if there is any dispute in that relationship, the injured worker's only recourse is to file an appeal into the Department of Administration's appeals process.

The first step is an informal hearing. Officers who are appointed by the Governor, but who are not lawyers, necessarily . . . The insurers show up with lawyers; the employer can show up with lawyer; the injured worker generally shows up without any counsel. When the Hearing Officer renders the decision, any party to that decision can appeal into the second and last level of the administrative appeals process. That is before an Appeals Officer (AO). At that stage, if the injured worker wants a lawyer, the Appeals Officer appoints our agency to represent them. Those appeals office hearings are supposed to be the end of it. The AOs are skilled lawyers. They are familiar with the rules of evidence. The hearings are recorded; that is going to be the record on review if the case goes up. It is the claimants' burden to prove their case. Their testimony is critical. The knowledge of the medical evidence that is in every one of these cases is critical. When the AO enters a decision, that should be the end of it, because the objective is to get that injured worker back to work. But if any party decides to dispute the AO's decision, the only recourse is to seek review in district courts on a petition for judicial review. District court judges, by the act that gives them jurisdiction, are limited in what they can do to reverse the Appeals Officer, but when they enter a decision, if either party wants to object, it goes to the Nevada Supreme Court, which generally assigns a case to the Nevada Court of Appeals. The reason I take you through that procedural process is, you will see, on page 35 [Exhibit D] the number of cases that NAIW handles.

I have had the pleasure of serving in this position for 16 years. Prior to the pandemic, the agency carried 1,000 to 1,500 cases at a time. Since the pandemic, that number has come down dramatically. In our Las Vegas office, those numbers have started to come back up. As a matter of fact, our Las Vegas office is probably carrying the same caseload they did prior to the pandemic. Our Carson City numbers are not that high yet. The numbers that you see in front

of you on page 35 were captured from that period, from the start of July 2023 to July of 2024. This is the hangover from the pandemic. Those numbers are still low, historically. Prior to the pandemic, we would have six or eight cases in district courts at any one time, and we would have two or three cases in the Supreme Court at any one time.

As far as enhancements, all we are seeking at this time is training [page 36]. We have three classes of employees. Our legal secretaries handle very large caseloads. Their skills can never remain static. We are always seeking training for them, for their word processing skills and their case management skills—same thing for our legal research assistants, particularly with the advent of artificial intelligence. We need training for them on a regular basis for conducting legislative histories, and their writing skills are more and more important. We need training for our lawyers, also. The statute requires that every lawyer who works for the agency be licensed in the state of Nevada. That requires that the lawyer pay state bar dues and pay for continuing legal education (CLE) seminars. I do not approve of the payment of bar dues or CLEs. I believe that is what the employee brings to the relationship. But, if, by chance, that employee can find training that benefits their practice, such as how to handle medical evidence, legal research and writing, or administrative law, I certainly want to encourage the employee to take that training. If the employee, the lawyer, gets CLE credits for it, that is good for all of us.

The only other enhancement in there is . . . In the 16 years I have had this job, I have never traveled out of state to a conference. Although I know there are national organizations for conducting workers' compensation—every state in the union has workers' compensation and I think they all go about it differently—I have never been exposed to how other states do it because I have never had the budget to go out of state to one of those conventions, to make contacts with my peers. It is a rather modest recommendation for enhancement. Madam Chair, that concludes my remarks. I will answer whatever questions you or your Subcommittee members may have.

Chair Monroe-Moreno:

Members, are there any questions? I am not seeing any. That brings us up to the end of this presentation, correct?

Kristopher Sanchez:

That is correct. That is the end of our presentation. Thank you, Madam Chair, and thank you to the Subcommittee for your time today.

Chair Monroe-Moreno:

Thank you so much. At the beginning of the meeting, I said we would break for an hour lunch at approximately noon. We are a little behind. Unfortunately, our cafeteria here in the building is not operational yet. We are taking an hour so those of you in our audience have time to go out and get something to eat. We will be back here in our seats at 1:40 p.m. or 1:45 p.m. at the latest.

[Subcommittee recessed at 12:42 p.m. and reconvened at 1:51 p.m.]

Chair Monroe-Moreno:

We will bring the meeting back to order, and we will start with the Office of the Military

OFFICE OF THE MILITARY

D. Rodger (Dan) Waters, Brigadier General, The Adjutant General of Nevada, Nevada National Guard, Office of the Military:

Good afternoon, Madam Chair and members of the Subcommittee. Along with the copy of our slides, you have a copy of our biennial report and our latest Purple Resolve newsletter. If you have any questions on those issues, please let me know. Flanking me are Cheryl Tyler, our administrative services officer—she does an incredible job for us—and our brand-new Chief with about as much time in the Office as I do, Brett Compston, part of the Division of Emergency Management (DEM).

Thank you for the opportunity to present today and for allowing me the opportunity to represent the soldiers, airmen, and civilians of the Office of the Military. I am especially privileged to represent the civilian members of the Office of the Military and the Division of Emergency Management, who are vital and essential parts of the Nevada National Guard. The Office of the Military is part of a global enterprise responsible for the security and defense of our nation. The Office of the Military is also tasked with providing support to civil authorities in the homeland, and engaging in security cooperation efforts with regional allies and partners throughout the Blue Pacific. Since I assumed command of the Nevada National Guard, each day has afforded me the opportunity to lead a workforce of dedicated, innovative, and resilient professionals, military, and public servants. That fundamental commitment to our vital mission is clear, as the Office of the Military has helped keep the watch in our state, and defend our nation in what is certainly the most dynamic and complex environment I have encountered in 39 years in uniform.

Those who seek to do us harm continue to take increasingly aggressive steps to gain the upper hand in military, information, economic, and diplomatic arenas. The Office of the Military is part of a force that helps meet those challenges head on, and we have continued to do so while supporting whole of government efforts to safeguard Nevada's citizens through events such as the Coronavirus pandemic, historic Hurricane Hillary, and wildfire seasons—all while simultaneously synchronizing the deployment of our personnel to support global requirements. The events of the past few years placed unprecedented strain on our people and our interagency partners, and I am proud that we overcame each of these challenges and have emerged more resilient.

Steadfast commitment is more important than ever, as our competitors continue to target the homeland through multiple means in all domains. Securing our state, our citizens, and our way

of life requires constant vigilance, and the Office of the Military has demonstrated time and again that our people remain determined, focused, and ready. But we must keep moving forward. Looking to the future, we will continue to pursue innovative capabilities and procedures to detect, deny, deter, and if necessary, defeat, the mounting threats posed by rogue nations and foreign and domestic violent extremists. No matter the challenge or circumstance, the Subcommittee should be confident that the Office of the Military is always ready and always there.

The global environment continues to evolve rapidly. While the United States has spent the last 30 years projecting power forward to combat rogue regimes and violent extremists overseas, our potential enemies pursued capabilities to circumnavigate our warning and defensive systems and hold the homeland at risk. Countries like China, Russia, Iran, and North Korea are undermining the international rules-based order, and challenging us in all domains. Meanwhile, violent extremist organizations continue to devise plots to attack our citizens and our way of life. The ability to deploy forces, support allies and partners, provide humanitarian assistance, and project presence and reassurance, relies on our ability to safeguard our citizens as well as critical infrastructure, transportation nodes, and institutions. The reality of a vulnerable homeland and the risk associated with violent extremists are driving the Office of the Military to collaborate with interagency and intergovernmental partners at ever-increasing levels. To ensure the security of the homeland, we cannot be satisfied with incrementalism or gradual progress. Instead, through efforts such as Purple Resolve and the state partnership program, we must continue to increase the pace and tempo of our readiness and resilience efforts.

The work is essential, and we are proud of our collaboration with a host of interagency and intergovernmental partners and international allies, as we work together to out-fit our competition, outpace threats, and ensure preparedness, to defend what we hold most dear. Our success has, in large part, been due to collaboration with partners and allies. With history as our guide, the Office of the Military is building and fostering the critical interagency, interdepartmental, and international relationships that are so vital in the security sector. As the Office of the Military looks to a future marked by rapid shifts in security environment, we are guided by lessons of the past. Key among those is that we cannot challenge in isolation. By viewing changing conditions together, any problem becomes more solvable and solutions more feasible. The Office of the Military will continue to build our partnerships, collaborate with our fellow Nevadans, and work towards overcoming shared problems.

Most importantly, we will continue to prioritize our most vital assets, our people: the soldiers, airmen, civilians, families, and veterans of Nevada. With that in mind, I would like to take this opportunity to recognize the select group of Nevadans responsible for ensuring the success and readiness of the Office of the Military—the state administrative office led by Mrs. Cheryl Tyler, and the Division of Emergency Management led by Chief Brett Compston. Their mission is crucial to our state security and safety, and these great Americans have dedicated

their lives to the service of others. Such selflessness and professionalism: Our citizens should rest assured knowing these extraordinary people have the watch. Ensuring the security and safety of Nevada citizens in the United States is an organizational imperative and government obligation, and the Nevada National Guard stands ready to serve. I look forward to partnering with the Subcommittee to deliver for the men and women who keep our country safe. I look forward to working with you to address the challenges we face today and in the years to come.

On this slide [page 3, Exhibit E], I will highlight some of the expansions we have had over the biennium, specifically, in the center of the chart, Hawthorne Army Depot. We have used federal funds to develop a multipurpose range complex. To the lower right, at Nellis Air Force Base, we are colocating a small arms qualification range that the state has funded. We will have weapons qualifications ability to the north and to the south of Nevada.

On this slide [page 4], I would highlight that currently, the Nevada National Guard—the 17th Sustainment Brigade—has approximately 250 soldiers from Las Vegas deployed to the Middle East. Another 30 will deploy in the next 30 days. We have two C-130s equipped with a modular airborne firefighting system supporting the fires in Los Angeles. We have one C-130 in Antarctica, at McMurdo Station, supporting the National Science Foundation, and we have a team of NCOs [non-commissioned officers] strengthening partnerships in the Blue Pacific. Since the last legislative session, there have been 172 Battle Born Youth Challenge Academy graduates; 54 are currently enrolled. With DOD Starbase, almost 3,500 students are enrolled throughout Nevada, concentrated primarily in Clark County and in Washoe County—but we covered the rural areas also with our outreach programs. We had several civil support missions, including Hurricane Hillary, the Davis Creek Fire, the northern Nevada floods, the Super Bowl, Las Vegas Formula One Grand Prix, and the Las Vegas New Year's Eve celebration.

The Nevada National Guard Counter Drug Program had 226 drug demand reduction outreach events for over 8,500 Nevada students and 371 cases supported with seizures totaling almost \$10 million. There were 22 civil support team missions with federal, state, local, and tribal partners. Our chemical biological response and nuclear enhanced support package certified team, with our medical group from the 152nd wing, achieved 100 percent—the only organization in the entire Department of Defense to do so. For our state partnership program with Tonga, we had 20 engagements over the last year; with Fiji we had 23 engagements, and our newest partner, Samoa, 7 engagements. With that, subject to any questions, I will turn it over to Mrs. Tyler with our financial information.

Cheryl Tyler, Administrative Services Officer, Office of the Military:

This slide [page 5] shows that outside of the federal funds we received within our budget accounts, Nevada National Guard receives federal funds to support the operations of the Guard. The Nevada Army National Guard in federal fiscal years 2023 and 2024 received close to \$107 million each year in federal funds. The next slide [page 6] shows that the Nevada Air National Guard received approximately \$74 million and \$75 million, respectively.

Office of the Military state employees provide administrative, accounting, personnel, firefighting, security, range operations, family services programs assistance, environmental, project management, psychological health services, cybersecurity, and operating and maintenance services to the Nevada National Guard facilities throughout the state [page 7]. The agency also has three youth programs under the National Guard Bureau: Battle Born Youth ChalleNge in Carlin, Starbase High Sierra in Reno, and Starbase Henderson in southern Nevada.

A master cooperative agreement (MCA) is established between the National Guard Bureau and the State of Nevada through the Office of the Military [page 8]. The MCA includes all terms and conditions related to the federal funds contribution for the operation and training of the Nevada Army and Air National Guard. There are currently 15 appendices as shown in the slide, of which 12 are 100 percent federally reimbursed. Also shown are the cooperative agreements for the youth programs. Youth ChalleNge is 75 percent federally reimbursed, while Starbase programs are 100 percent federally reimbursed.

Budget account 3650 funds are utilized for the operation and maintenance of all Nevada air and army facilities throughout the state, operation of various programs within the organization, and for the operation of our youth programs. This slide [page 10] shows some of our major enhancements within budget account 3650. The Governor recommends seven additional firefighters to be able to meet our required minimum staffing for emergency response. These are 100 percent federally reimbursed positions. The Governor also recommends a new psychological health clinical manager position and one additional psychological health therapist position to enhance our mental support program. Due to the 67,000 square foot expansion of our Washoe County Armory in Stead, the Governor recommends four facility staff and corresponding operating and maintenance costs. Lastly, the Governor recommends three staff for the base civil engineer office at our Reno airbase. These positions will enable our organizations to meet environmental regulations and ensure compliance, provide inventory management and property control, and enhanced facilities maintenance.

This slide [page 11] displays one-shot appropriations. The Governor recommends one-shot appropriations for facilities maintenance projects for Nevada National Guard facilities throughout the state and the purchase of new facilities maintenance equipment. Lastly, Governor recommends a payout of our federal obligation for the Carlin Readiness Center in Carlin.

D. Rodger (Dan) Waters:

I have been remiss—Madam Chair, to Speaker Yeager through you, on your question earlier this morning: All our budget enhancements are included in the Governor's budget, and we specifically prioritized our budget enhancements, in case there was need to truncate any requests we have.

The Carlin Readiness Center is a unique opportunity. It is a facility that is colocated with our Battle Born Youth ChalleNGe Academy. It was built with federal dollars. Frankly, I cannot recruit to it. So, we have moved the unit out of the area to the Las Vegas area, but that leaves this facility available to expand our Youth ChalleNGe program. It was specifically built not only to serve as an armory but to serve as additional billeting for students, if the program could expand. This is our first step to expanding our capability at the Battle Born Youth ChalleNGe Academy. Then, the second step—once we have that facility and we can prove to the Department of Defense that we have the capability to house more students—we can then request more funding from the Department of Defense and increase our staffing to provide additional throughput for the state

Our resiliency program is Purple Resolve. I am sure you have heard about it. General Ondra Berry created this program while he was the Adjutant General. I was fortunate enough to serve with him. This is our own internal resiliency effort—to support the Department of Defense's efforts—the National Guard, specifically. This is Nevada. This was created in Nevada for Nevadans. We are very fortunate. You have supported this in the past with \$250,000 a year. With that money, I can focus on military training, and defense supports to the civilian authorities training during a drill weekend. We only have 39 days a year to train for the military functions. This gives us the capability to provide off-drill training, specifically for our resiliency efforts, ensuring our soldiers, airmen, their families, civilians, and veterans have the capability to go through this great program. Subject to any questions, I will turn it over to Chief Compston.

Brett D. Compston, Chief, Division of Emergency Management, Homeland Security, Office of the Military:

I am the newest administrator, I believe, in the state. Today, I am accompanied by Jared Franco who is my lead financial officer at the Division. My deputy administrator was not able to attend today. Her name is Sharon Luce. She is ill.

Before you [page 14] is our purpose and mission. Preparing people for their times of need is about helping people recover when they go through times of need. On this slide [page 15], on the left-hand side are, historically, the threats that we talk about here in Nevada. These are threats that we are all familiar with. Being recently retired out of the National Guard, I bring a little bit of a Department of Defense flavor. Some of the things that I worry about, that I am going to drive the Division towards, are these threats on the right, the things that we will focus on. The first and foremost is a long-term outage of critical infrastructure. We are talking power; we are talking fuel; we are talking communications and logistics, and wastewater. This can happen in a couple of different ways. This could happen through a nation state action between the United States and one of the threats that the General talked about. In particular, the one that scares me the most on the West Coast is the interaction with China, in a Taiwan scenario. In open media, we know that the Chinese intent in the Taiwan scenario would be to limit the

deployment of the U.S. military, and you do that on the West Coast by messing with the ports and the deployment nodes in California. Most all the things, many of the lifelines that we need, feed us through the port of Los Angeles, Long Beach, and through the Bay Area. Any disruption in those critical infrastructures will cause those problems. When I talk about long-term infrastructure outages, I am not talking days—I am talking multiple weeks and multiple months. That is a hard thing to talk about, and that is a hard thing to prepare society for, in the event that we find ourselves in those scenarios. Now, that is one way that we could find that critical infrastructure outage happens.

The second would be a catastrophic regional earthquake, most likely in California. We know that if we have a San Andreas event, the Cajon Pass will be severed. As many of you may be familiar, about a week and a half ago, due to the fires in Los Angeles, we had a power outage on the Kinder Morgan pump that feeds fuel here to Las Vegas. We were within, probably, several hours of losing our ability to have a sustained regular gas supply here in the valley. A tremendous effort occurred between the state and the county to try to prevent that. Luckily, we were successful in that. But can you imagine that event not being a couple of hours or several days but being upwards of six weeks or two months? That is a tough thing to think about. But it is something that we need to prepare for.

The other thing that worries me is a Tahoe Basin fire. We saw this happen in the Caldor fire recently. We know that there is limited access to get people out of there, and as we just watched in Los Angeles, the consequences can be catastrophic. We do not want to find ourselves in that situation here in Nevada. The last thing is extreme weather, things like hurricanes in Las Vegas, avalanches in Kyle Canyon, or a 5.6 earthquake that just recently happened outside of Yerington. These are all new things that we must be prepared for and deal with.

So why invest in the Division of Emergency Management (DEM) [page 16]? Well, the Division serves as the operational hub for the state. We coordinate assets; we coordinate information; we coordinate resources. We do that at the state level, local level, and with industry. The Division also serves as the Governor's ability to sense the environment to determine what is coming and, ideally, make decisions left of an event. Our job is to give him options so that we can coordinate the best possible response throughout the state.

Emergency management and homeland security environment for the Division is no longer just a grants management agency. I know that has been part of our history. At this time, we are heavily invested in those things that start to the left, before an event happens. How do we prepare? How do we build resilience throughout the community? How do we train? And then, inevitably, how do we respond and recover? We have seen an increasing number and variance in the types of emergencies, some of which I just listed, but additional items such as having just come through the pandemic. The influence of lithium is a big deal here in Nevada; it shut down all of our major thoroughfares. We have shut down I-15, we have shut down I-80, and we shut down U.S. 95—all within the last eight months. These are things we need to ensure

that our communities are prepared to deal with. Of course, the Division will continue to be a vehicle to receive federal funds. I will talk about the importance of federal funds versus General Funds momentarily.

The challenges we face are on this slide [page 17]. The first thing I want you to know, and I want you to hear from me, is that the Division is essentially new again. If you look at my statistics up here, and I use the end of 2020 as my benchmark, kind of in the middle of COVID-19—the Division has had 81 percent turnover. So only one in five people in my Division have experience in emergency management longer than four years. We have to retrain that. Forty-six percent of my agency is new, either has transferred within the Division, new to the Division, or I have a vacancy. With any transition of that nature, be it from retirements, be it from burnout post-COVID-19, whatever the reasons may be, grant management is hard. It takes time to build GPAs [grants and projects analysts]. It takes time to retrain these people, and that affects our services and our customer service to those downstream. So, you will see a heavy investment in training internal to my team, both on their normal day, their blue-sky job, as well as their gray-sky job, which is in the Emergency Operations Center. We are going to spend the next eight months training from the ground up in the Emergency Operations Center.

The other thing you need to know is I have a patchwork of technology that is not woven together well. It is held together with a shoestring. I am going to invest. I am going to ask you to invest in technologies where I can bring this together. I am going to ask to do this over the next three bienniums, piece by piece, starting with an AI request in here which helps me sense the environment and find out what is happening, instead of monitoring social media all the time. I will walk you through that in a second.

We need to prepare the community to build resilience. We talk about preparedness, and we talk about resilience. Preparedness is training our first responders, our emergency responders, and our homeland security enterprise. Resilience is preparing the public, the whole of the public, to deal with the long-term critical infrastructure outages that I discussed.

The last piece is federal funding. This agency is approximately 94 percent federally funded through grants. We saw a 10 percent cut in grants last year, through all the FEMA grants. Investing in the Division and increasing General Fund percentages, in whichever way we do that, whether it is an increase in personnel, whether it is increase in technology—whichever way that comes—buys down risk. At this point, if we were to lose federal funding, I would be able to retain 3.5 employees in the employ of the state. We would lose all capability. The other concern that we have is recovery. Recovery is something that is funded through presidentially declared disasters. The management costs that come with those—predominantly what we are living on in that arena right now is COVID-19—is what funds that program. We need, unfortunately, to have presidentially declared disasters to continue to fund that program. In the event we do not have additional presidentially declared disasters, which is what we do not

want, at some point, I will have to come back here and ask for assistance, to ensure we can maintain that capability within the state of Nevada.

On the bottom portion of this page [page 18], my bottom line; these are the things that you see in the Governor's recommended budget that are related to the Division. The first and foremost is, the Governor has recommended moving the Division of Emergency Management out of the Office of the Military to become a standalone Office of Emergency Management within the Governor's Office.

The second is, I am asking for assistance with technology, specifically in AI that we have used in the National Guard since 2016, which allows us to be fed the information on when there is a fire, when there is a power outage, when there is a flood, when there is an earthquake, and we typically find that information somewhere between 20 and 40 minutes before it hits any media source. I am asking for seven personnel enhancements, four of which are simply conversions within the budget I already have, and only three are new. And then you will see a BDR (bill draft request) that also comes through, related to the sharing of emergency plans, related to education.

My walkaways [page 19] are: state funds matter; General Funds matter. At this point, we are completely, or very heavily dependent, on federal funding. Should we see a significant reduction in federal funding, there will be consequences to my Division. The homeland security environment has changed. Right now, it is serving as a state coordination hub in crisis. We are being extremely effective at this. We have seen it in the Davis fire. We have seen it in the Callahan fire. We have seen it in a numerous different things, including the fuel incident several weeks ago. We want to remain in that position. And the DEM is rebuilding and retraining.

As I close, I would like to point to this picture that is in the bottom right-hand portion of my slide [page 19]. This is a photo of a sign that was on Mount Rose Highway after the Davis fire. It has all of the state agencies, many of the local agencies, and federal agencies involved, and the DEM is on there. I think that is probably the first time I have seen that in 20 some years that I have been associated with DEM through the National Guard. This is where we want to be. We want to be at the whole of government response. We want to be great partners. Your investments in the Division will allow us to continue to do that and do it better.

D. Rodger (Dan) Waters:

Madam Chair, this concludes our presentation. I appreciate the Subcommittee's attention and the opportunity to give you an update on the Nevada National Guard and the Division of Emergency Management. With that, Madam Chair, we sit for your questions.

Chair Monroe-Moreno:

Thank you for the presentation. We have a few members with questions.

Assemblymember Backus:

Thank you for your service. I know there was a lot of lot done by the National Guard during the pandemic and that continues. First and foremost, thanks to our National Guard as well as the civilians who work for the National Guard Service.

My question pertains to the Master Cooperative Agreement. There includes Appendix 1011 that pertains to ARNG [Army National Guard] emergency management program coordinator activity. How would that play a role with our Emergency Management Division, if at all?

Brett D. Compston:

I can speak to this, simply because I used to run that program for the Guard before I retired. Appendix 10 funds security, and Appendix 11 funds an emergency manager, specifically. It is one person who supports the National Guard in emergency management functions that they need internal to their own organization. It is not the domestic response that the Guard does. It is not the C-130s, or the firefighting, or the flood response that the Guard does, as we traditionally are familiar with. It is their own emergency manager to ensure that they have continuity plans, that they have security plans, that they are able to participate in the emergency management process at large—but not on the response side as we traditionally know the National Guard.

D. Rodger (Dan) Waters:

If you ever come up to Carson City, I offer you a tour. You will see back-to-back hand-in-hand operations between our state Emergency Operations Center and the National Guard's Joint Operations Center. They share a building that is specifically on purpose. That is why you will see funding sites and funding codes that seem to intermix with exactly what is going on in the state, because it is designed to be that way. Why is it Army National Guard? There is no such thing as purple money within the Department of Defense. You are either Army, Navy, Air Force, or Marines. The Army is specifically tasked through the U.S. Secretary of Defense's Office to fund emergency management, primarily at the state level. That is why you see ARNG, Army National Guard on that account.

Senator Neal:

Could you elaborate on the AI piece that you mentioned?

Brett D. Compston:

Absolutely. The AI funding recommendation is specifically designed to monitor all open-source media. It basically scours the web for news reports, social media posts—take your pick of however things tend to show up. You can set the parameters for anything you want. The Department of Defense does it for obviously defense purposes. We can set it up for local Nevada, we can set it up for Western United States, whatever criteria you have, and it will then feed us that data.

I have a duty officer program at the Division of Emergency Management, and their job is to answer the calls, coordinate the resources, and start the response. What this is designed to do is to help them, because right now, you have to watch—you literally have to go on to some social media feed or some application to see what is going on. You cannot do that all the time. But what this company does is, it basically scours the Internet, and it brings that back to you. I was part of the beta test with the National Guard when that rolled out in 2016, I believe. In the National Guard, we called it the bad news app, and typically, at least 20 minutes before it ever hits a news source, we are already aware of it and tracking it. The intent is, at least from the Division of Emergency Management's point, I need to be able to respond quickly. I need to be able to determine if there is a decision that the Governor may have to be involved in, or we may have to synchronize state resources on. I need to be able to do that in a timely manner. If I can do that before it hits social media and it hits the public at large, I can stay ahead of it. As you know, there are two stories: there is the story of what really happens, and there is the story of what ends up on the Internet. The trick in this is, how do we stay ahead of that story so that we can provide transparent and factual data to the public, so they do not fill in their own story. We want to help people understand what is really happening, but we do not want to do it with speculation. We want to do with facts. This gives me a head start on that.

Senator Neal:

How much does it cost? How much is the software?

Brett D. Compston:

We asked for \$120,000 for, I believe, 30 licenses.

Senator Neal:

The 30 licenses are for 12 months, or six months, or five years?

Brett D. Compston:

I believe that is per year.

Senator Neal:

So, it is \$120,000 every year.

Brett D. Compston:

Yes.

Senator Neal:

On your slide, you talked about extreme weather events [page 15, [Exhibit E](#)]. Is it at all being contemplated that extreme weather events could also be the extreme heat that is happening in Clark County? When I was talking to the Desert Research Institute, their numbers were

somewhere around 500 deaths a year from the extreme heat. Is that something that you are at least contemplating?

Brett D. Compston:

Absolutely. I think it is part of resilience, and we talk about these long-term strategic investments in emergency management. It is a little bit outside of my realm, but it is part of emergency management. What happens if Lake Mead continues to go down and growth continues here? That is going to happen at some point. We are going to have to deal with that. So, absolutely, extreme heat is part of extreme weather conditions. I am not going to get into an environmental discussion, but we are seeing different things that we did not see 10 or 15 years ago in Nevada. So, we have to deal with those.

D. Rodger (Dan) Waters:

To elaborate on Administrator Compston's point, we do not do cause and effect analysis for heat, to how that leads, ultimately, to an emergency. What we are doing is preparing for what is occurring right now in our environment—the reality of what is occurring. That is where we have to be prepared for those types of issues, realizing it is going to happen. It is happening throughout the world, but specifically focusing here in Nevada.

Senator Titus:

I have a number of questions, starting with Chief Compston. I have been having meetings when I have been here in Las Vegas. I have some concerns regarding the emergency management system statewide. I met with the University of Nevada, Las Vegas president yesterday. We talked about the dreadful events of the shooting on one of the campuses, and again, the October 1st event. One of the things that came out was the lack of continual, good radio systems communication in an emergency. You and I both grew up in the same area and we know where Pine Grove is, and where those radio antennas are, but yet, everybody is not necessarily on the same radio system for communications. Is that something you are working on in your Department? So that if the call goes out, everybody gets it? You mentioned using AI to stay ahead of it. But if you cannot even get that radio communication . . . Are you looking towards some of those issues?

Brett D. Compston:

The answer is yes and no. Yes, we have hired our first 911 coordinator in the state who now works for us. Her starting point is, all of our 911 systems are not synchronized across the state. I believe we only have one enhanced 911 system in the state, and that is actually in a rural area. We have to address 911 systems, and we are continuing to see 911 outages where, if you have a certain cell phone carrier, you cannot get in for some reason or another.

The second part that you addressed was the radio systems. We have an equally mixed set of radio systems across the state. There is no one unified system. The state manages an 800 system; the Nevada Department of Transportation provides administration for that, and we are

greatly appreciative of that. But then within the greater metropolitan area, there is a different system. Reno uses a different system. Unless there were a mandate, which I am not asking for, I do not know that you can get every single jurisdiction to choose the same thing. That would have to be a whole of government solution, and there are a lot of partners in that first responder emergency management enterprise. It would be really tough without a mandate to do.

Senator Titus:

I, too, do not like mandates, but again, they could buy their own systems, but we could mandate that the systems communicate with each other. I think that is the missing key. I would like to talk to you about that.

Next question: You mentioned an 81 percent turnover since 2020. That is pretty dramatic. Is that just in the Division of Emergency Management? That is certainly not your National Guard agency as a whole?

Brett D. Compston:

That is exclusively, specifically, to the Division of Emergency Management.

Senator Titus:

The solution you mentioned just kind of covered that, but with that kind of turnover . . . I know the prior chief was in the fire service for a long time and deserves to sit on his back porch there in Carson Valley and play with his dog occasionally—I get that. But are there any other solutions or a vision to making some consistency there?

Brett D. Compston:

There is a host of things, a confluence of events, that have come together to cause that. Some of it was just being on for two to two and a half years, for many of those people, in COVID-19. It just broke many of them, and they chose to retire or move on to something that is a little less stressful, and nobody can fault them for that. There were some consequences to being in emergency management, leading emergency management, during COVID-19. A lot of—not a lot, but a decent number of members— simply hit retirement age, and it was time for them to do what was next for them. Certainly, that is admirable as well. The third piece is, some culture within the Division, and that is where I am focused right now, is internally on my environment. I am relatively new to emergency management, other than having been on the other side from the yard, but I am not new to creating cultures and environments in which people thrive. That is my focus right now in the Division. When we started, I had 12 vacancies; I am down to 3, and I am most likely to fill those, I am pretty sure, within the next 30 days. I will then be full, maybe for the first time, since as long as I have known DEM. So, it starts with people. It starts with creating a place that people want to be and that they want to stay.

Senator Titus:

Now, if I might ask a question of the good General. I am curious about your activities in other locations. Do you bill for that? Does the federal government bill for those activities in other locations and then reimburse the Nevada National Guard? How does that funding work? And, and how do you bill for your activities when you are not doing something in the state? How does that happen? I have a point to that question.

D. Rodger (Dan) Waters:

Anything out of the state, unless that would be a part of the emergency management agreement between states, is funded federally. When I have assets in Antarctica, when we have assets over in the Los Angeles area right now, they are actually federally funded directly. There is no cost to the state. There are authorities that authorize the Governor to allow us to go out of state that would be federally funded but under the Governor's control. That is 502(f), specifically [section 502(f) of Title 32, United States Code]. The Governor would have to approve that, for the Nevada National Guard to go out of state and maybe do a collaborative effort with someone else or another state.

Senator Titus:

Do you do rescue missions?

D. Rodger (Dan) Waters:

I have done several myself. As a former helicopter pilot for the Nevada National Guard flying Blackhawks, and Chinooks, and Lakotas, I have facilitated those. As a matter of fact, we just had one earlier this week. However, the Nevada National Guard is the provider of last resource—when no one else can do it—because I can bring assets to bear, frankly, and provide funding that could easily overshadow a company, or possibly even a Nevada division like the Nevada Department of Wildlife. So, providing them those opportunities first and then supporting, where the Nevada National Guard can—that is key to our partnership. That has been ongoing since I have been in Nevada over 30 years.

Senator Titus:

That was really a loaded question, because we have a person in the Las Vegas area who lost a family member. They just finally found his body. Unfortunately, his body is on the back side of Mount Jefferson in my district. It is a recovery, not a rescue. They are not able to bring that body out. I am wondering what the process is on that, something we can take offline that you can clarify for me. It seems to me that, somehow, Nevada is letting this family down.

D. Rodger (Dan) Waters:

I would tell you the Department of Defense specifically prohibits—unless with secretariat-level waiver—the moving of dead bodies, except for expired military during military operations. That said, if that were to be approved . . . that is, as a matter of fact, the mission I was specifically talking about—the one on Mount Jefferson, where Brett and I collaborated with the Governor's Office. The Division of Wildlife has taken that mission. The wreckage is

at 11,200 feet. I would find it very difficult, based on the pictures that I have seen, to believe that body is easily removed from the wreckage. I do not want to sound flippant. That is a mission reality we are facing right now. Would we possibly be able to move the assets, move the wreckage first, to a more accessible location? Those are mission possibilities that, as this continues—as I was talking about, if those resources are not able to do it, or expire in their capabilities, that is where the National Guard could specifically come in. But I would say again, the Armed Forces Rescue and Recovery Coordination Center specifically turned this mission down.

Senator Titus:

I appreciate that explanation. I know that was not something on the agenda, but again, it is something that is happening. I appreciate your engagement, and your sharing what you can do, so the citizens know that you are indeed out there. There are certain expectations and misunderstandings of capabilities and responsibilities to families. They just want to see some solutions. I appreciate your answering that.

D. Rodger (Dan) Waters:

For some additional emphasis on that, Senator Titus, I should give some context. I will turn that over to Chief Compston.

Brett D. Compston:

I would ask you to reach out to me after this. Some developments have occurred today, and it is strictly safety. I would love to speak with you afterwards.

Assemblymember Torres-Fossett:

It is great to see you again. During the interim—Adjutant General Berry was still in his position at the time—we had a presentation that talked about 911 and some of the issues as they pertain to, specifically, rural Nevada, but there are issues sometimes here in the urban core as well. They brought up what they were doing to address those issues. Could you give us an update on that? I know that came up with Senator Titus. Could you tell us specifically what is being done, because if we are not going to require it, if we are not going to mandate it in statute, I want to make sure there is actual progress.

Brett D. Compston:

As I stated earlier, we have brought on board a 911 coordinator whose specific job is to try to bring that system together. There are a number of different 911 systems across the state of Nevada and at different levels of performance. Ideally, we would want to get to an enhanced 911 system so that they can all communicate effectively together. We are not there yet, but that is her sole mission in life, is to try to bring that closer together, so that at least the 911 centers will communicate in a more enhanced and synchronized way.

Assemblymember Torres-Fossett:

When the Division presented in the Joint Interim Standing Committee on Government Affairs, that was the exact same conversation we had—and that is exactly what I heard. I am wondering, what is the update from the last time that I had this conversation with you, and what does the timeline look like for that to begin?

Brett D. Compston:

I am not familiar with the prior discussion. I joined in November, but I will get you an answer.

Chair Monroe-Moreno:

Members, are there any other questions? I have one. In your opening presentation, you mentioned the Youth ChalleNGe program, but as I look at our highlights for today, the Governor is recommending a reduction of \$1.6 million to temporarily eliminate 11 vacant positions at the Nevada National Guard Battle Born Youth ChalleNGe Program. Can you expand upon why those positions are currently vacant, and what you are doing to fill them?

D. Rodger (Dan) Waters:

It goes hand in hand with the building acquisition that I talked about out at Carlin. We have to have the facilities first before we can request the DOD funding share; the reimbursement ability for the Department of Defense to pay to reimburse the state that fronts those costs for those 11 positions. I made a decision to bring those back until we actually have the available facilities. Once we have the facilities, then we will work with the Department of Defense in securing that additional funding, filling in those positions, and again, increasing the throughput for the Battle Born Youth ChalleNGe Academy.

Chair Monroe-Moreno:

You talked about the number of students who have gone through the program. Have the current vacancies impacted the number of students who have been able to go through that program?

D. Rodger (Dan) Waters:

We are moving at 100 percent of our DOD funding. So, that is a limiting factor right now. Though it is a program of record, youth programs, DOD-wide, receive a limited amount of funding. Nevada gets a slice of that. The slice of what we actually receive, unless we have additional facilities—we are executing at 100 percent. I would add, this class is the first time we have had 100 percent state employees, and we did not have to use state active duty with our soldiers or airmen to backfill that staff. It is a great news story. Fifty-two; The graduation is in July. I would invite every member of the Subcommittee and the Legislature, for that matter, to please get out there and embrace that program. It is an incredible program to help young people recover their high school, get back on track, and become productive Nevadans.

Chair Monroe-Moreno:

Many of us on this Subcommittee were there at the Legislature when the legislation was passed to create the program. We are very happy to support it, because a number of us are military brats. Next on our list of questions would be Senator Nguyen.

Senator Nguyen:

I am bringing us back to some of those earlier questions that you had about proposing the AI software and how that would be utilized. What other types of law enforcement or military agencies use this software? Is it something that other law enforcement agencies in our own state currently use? That is my first question.

My second question is, as you had mentioned, our Guard is the last resort protection here for our citizens. What kind of involvement do you have in initial investigatory sweeps of social media and the Internet? Is that a primary function? Are there other law enforcement agencies that are also doing this? What kind of priority is it? There are a couple of things about the security of the program that we are using, as well as what other people are doing in this space.

Brett D. Compston:

I will speak on behalf of the Division of Emergency Management, and I will address, slightly, the National Guard piece. As far as users within the state of Nevada, within government, I cannot speak, specifically, to any other agencies that are using it.

Within the Executive Branch, the proposed licenses specifically are for my Division, as well as the Homeland Security Advisor within the Governor's Office. What we would like to do is use this across multiple executive agencies for, not just emergency management, but you can monitor roads and crashes. We would like to be able to use the buying power of the state to spread this throughout the Executive Branch, if other agencies so chose to do it. Obviously, there is buying power in more licenses. That is the best I can answer on how that is used and who the users are.

In regard to the National Guard, the National Guard uses this same program, which is how we were introduced to it at the Division. It is used DOD-wide. It is used in active duty. It is used in the National Guard. All DOD resources have the ability to utilize the software, and it has been in use since 2016, at least. Now, very specifically, the National Guard does not monitor civilians. This is a software that monitors open source, social media news platforms, dispatches, all open-source data that people are generating. It is not monitoring people in any intelligence way.

Senator Nguyen:

I just have some concerns. You are saying it is not monitoring Nevadans and the citizens of the state, and you are saying it is open source, but all of our social media accounts are out there. It feels very like you are monitoring people in the state of Nevada as a part of everything that

is out there in the open, which is abundant nowadays. I can ask some of my questions offline. That answers some of the questions I had about the security of the program. Who hosts it? Is it hosted here in the United States? I am assuming, if it is a DOD program that is used in other DOD functions, that it is probably not an out-of-country, foreign program, is that correct?

Brett D. Compston:

That is correct. It is a U.S.-based company. It is not a DOD program. It is simply a license that they purchase.

Senator Nguyen:

I misspoke; not a DOD program, but one that obviously has been utilized by the DOD. So, I am assuming there are some protections in there to make sure we are not using something that is storing our data out of the country.

Brett D. Compston:

Yes, and at any point, we would be happy to provide any information or specifics on the product that we are proposing. We are happy to do that and bring that in at any point.

Assemblymember Backus:

I had a point of clarification, Chief Compston. When you were identifying those who would be holding the licenses, I understand it would be for the Division of Emergency Management, but then you indicated something in the Governor's Office. Was that a separate license? Say, if the Legislature does not end up agreeing with the move of this Division out of the National Guard into the Governor's Office, is one of the licenses also going to be left with the Governor's Office? I was curious to the purpose.

Brett D. Compston:

Yes, it would be one license. It would be for the Homeland Security Advisor who we do, literally, work with day in and day out, all day long, in regard to emergency management and homeland security.

Chair Monroe-Moreno:

Senator Neal, do you have another question?

Senator Neal:

Yes, thank you, Madam Chair. Can you tell us the name of the company that you are getting the AI software from?

Brett D. Compston:

Yes. It is called Datamir, and their subset is called First Alert.

Chair Monroe-Moreno:

Members, are there any other questions? I am not seeing any. Thank you so much for the presentation.

D. Rodger (Dan) Waters:

Thank you, Madam Chair. Thank you for the opportunity to present and update you on the Office of the Military and the Division of Emergency Management. If anyone has follow-on questions or requires additional information, please feel free to reach out to us. We are here for you.

Chair Monroe-Moreno:

We definitely will be. Next on our agenda is the Department of Corrections.

DEPARTMENT OF CORRECTIONS

James Dzurenda, Director, Department of Corrections:

Our mission still is the same as it was. We are Department of Corrections that improves public safety by ensuring a safe and humane environment that incorporates proven rehabilitation initiatives that prepare individuals for successful reintegration into our communities.

When we talk about our mission, it is important that we understand, first of all, the difference between evidence-based practices and best practices [page 2, [Exhibit E](#)]. We operate in both evidence-based and best practices; best practices when evidence-based is not supportive or nonexistent, in some cases. We also ensure the best use of Department resources and educate stakeholders and customers. But it is not only to educate—my goal, which I have always been open and transparent about, is also to educate stakeholder customers and have them involved in the process. We are also improving our communication to make sure that the community or the Legislature are not finding out secondhand. Our communication should be always open. That is what my goals are for the agency, which I have improved and continue to improve.

We have some challenges which have been brought up with the budget recommendations [page 5, [Exhibit F](#)]. Good and bad, we have improved our hiring process dramatically. When we are talking about our hiring process . . . When I first discussed the legislation in the last legislative session, we were, on average, at 34 percent vacancy rates for correctional officers, some as high as 49 and 50 percent at Ely and Lovelock Correctional Center. I wanted to let everyone know today that we are at 19 percent. I have to say this. I want it out in public because it is impressive. When you talk about the southern part of the state—I am talking about Southern Desert Correctional Center, Three Lakes Valley Conservation Camp, High Desert State Prison, Florence McClure Women's Correctional Center, Casa Grande Transitional Housing, and Gene Conservation Camp—the last week of December, we had zero correction officer vacancies. Zero, to the point where I did have to cease hiring in the south at the time. Today we are up to 1.2 percent in the south, and that is only because of retirements at the beginning of the year, for those who retired at the change of the year.

The Governor recommends transfers of positions, which I will explain a little later in my presentation. That will open vacancies again in the south. It is because of the transfer of our populations from the Ely State Prison, which was the max custody facility, to High Desert where we now have them, which changes the actual staffing plan for both of those facilities. I will get into that further and explain that.

We still have, as I mentioned in this presentation, the staffing problems in the rural areas. They are not like they were last session, but we still have problems with recruiting and hiring. In the very last class for correction officers in the north, we had eight new correction officers start at Lovelock Correctional Center; we had four start at Ely. When I determined and decided to remove the maximum custody population out of Ely and move them to High Desert, a lot of it was the scare of a . . . We had a significant incident that resulted in a homicide. When I was looking at the emergency response there, finding out that even in the aftermath of sending the offenders who were involved to the outside hospital, in the follow up with searches, we only had 8 staff out of the entire facility who were not working 16 hours. And when we needed 22 staff to correlate the emergency response on this who had to work over 16 hours, it is really scary in a place where you have the highest security offenders. This was the catalyst for why we had to make this move happen. It was over the emergency response.

When you talk about staffing plans, maximum security has an extremely higher level order of staffing that they need to make the operation work. That is because when you are dealing with the highest security levels, when you are talking about those who are either on condemned units, or max custody, or what we call high-risk profiles, it needs higher staff ratios to escort even one individual, even in monitoring, and working in housing units. That is why, again, it was important to move that custody down to High Desert. I could reduce the needed staffing at Ely State Prison to the new population. The new population at Ely State Prison is now protective housing—lower level. It is lower-medium security, which is still medium, but it reduced our staffing needs by 69 officers. That reduced our vacancy rate. It increased the number of offenders in there by two times. We have twice the number of offenders in there with a lot less staff necessary at that facility for security purposes.

The challenges I am going to bring up in this presentation are related to programming. When you have a population that was moved up there with a lower-level security, with the type of population that is protective housing, the need for programming is more important. These are offenders who are, literally, going to be getting out sooner, who I need to prepare, and change behaviors, and change addictions—whatever those behaviors could be. More importantly, because I need to get them out to the community, the challenges of programming are going to be important for us to be looking at and targeting at the Ely State Prison.

When we look at another part of my presentation, I am going to be talking about the rollout of tablets. Last legislative session, it took me two years—and I will explain why it took two

years—to get tablets in work and in the process of getting put in place. One of the reasons for the delay was the Federal Communications Commission (FCC). The FCC changed the rates, changed what we can and cannot do on tablets, and what we can do with communications. That was all pending on what we were going to do with communications contracts. We changed vendors to a contract vendor that we believe is going to give the offenders better opportunities and has more range of programs we could do through the tablet administration—whether it is law libraries, whether it is changing of behaviors, programming, anything that does with communications, with getting families involved, with getting communications to the courts—all that was added in with the new company that we chose. The company's name is ViaPath. We could not start ViaPath until the contracts ended with the current company, which was Securus. It ended January 4, 2025. We had to wait. We were all planning. We got all the equipment, everything, in before the change of the contract so we could start on the ground running. Today, all the telephone communications have been changed over to ViaPath from Securus. ViaPath already is starting all the new infrastructure issues that are coming around, especially at Ely, with no fiber optics and with the light level of communications from there. They already are implanting their own telecommunications into those facilities to make sure we have full access and full communications with phones, video visiting communications to the court programs, and things we will need to make sure they are successful in that area.

When we are talking about communications, too, we are having a difficult time transitioning our communication center, which is our phones and information technology (IT), from the Ely Conservation Camp. Back when they built the place, all our telecommunications and our communication operation center was made at the Ely Conservation Camp, which is no longer in existence. It is still there today. Trying to find a way to move all those communications over to the main facility has been difficult, to say the least. ViaPath will help us in some of that because they have to do it for our tablets anyway. We are going to benefit with this new company being able to move at least some of our important telecommunications and communication centers to the Ely State Prison from the Camp, until we can fully move it over.

The next important thing to discuss is our medical staffing. Our Medical Director is with me today. We are still struggling statewide, not just in the rurals, even though this is the first time in eight years that we have a full-time medical doctor at Ely. We are struggling with certain classifications of medical and mental health personnel, especially in the rurals. We are getting the communications out and working with local colleges and universities to try to push getting additional medical staff. It is my hope I can eliminate some contracts with medical professionals. Medical contracts are bleeding my budget. They are too costly. Having full-time regular employees work for the Department of Corrections will be a huge factor for all of us. We teamed up with the Department of Health and Human Services to try to recruit, using a company called All Star. All Star is a recruiting, marketing, and hiring agency that did wonders for us in the law enforcement piece, but we also work with local and state hospitals in the country with recruiting. Utilizing them with the Department of Health and Human Services to fill not only our positions but theirs as well—that can benefit all of us in the communities.

While we are on the topic of medical, I want to bring up what is probably one of my largest concerns: making sure we have adequate medical and mental health services for the population that I monitor and watch. We saw a huge reduction in emergency and life flights out of Ely with the change of population. We were averaging eight life flights out of Ely with the higher security maximum population. One life flight out of Ely to the hospital they need to get to is an average of \$25,000 per flight. Those helicopter services are contracted out of Salt Lake City, Utah—to get their helicopter services to our facilities to get them there. When you change a population from maximum security to lower medium, the incident rates are dramatically reduced. When you are talking about a protective housing population, it reduces even more because the population, simply put, want to be there. They are scared to get involved in an incident that will require them to be moved to a higher-level facility, because of the population they are scared to be around—whether it is the gangs or the more violent offenders. They cooperate more. They do not fight as much, or hardly at all. The incident rates are reduced dramatically. We have not had one life flight out of the Ely State Prison since the transfer of them down to the maximum security facility at High Desert. Also, the amount of hospital care has been reduced dramatically. The only thing that increases is the medical staff necessary to operate the facility on triage. We still have a high number of offenders who are on psychotropic and chronic medications who still need to be triaged. When you are doubling the population, that means we need more medical and mental health staff to triage that population. That is what we are working on now. As I said, it is a dramatic increase to have at least a full-time medical doctor who covers that facility.

That will help with the large-scale programming with these tablets. The largest program they use nationally on these tablets is called Moral Recognition Therapy or MRT. The National Institute of Corrections says it plays the biggest factor in reducing bad behaviors with offenders before they go home. Investments in the right programs, as I said when I was talking about evidence-based programs, makes the most dramatic change in population behavior when they go out into the community, which is what we are trying to do with the tablets. With those tablets, we can have larger-scale programming that does not require the number of resources, staff, and money that we would need if we did not have it. That is why you do not see a lot of recommendations for staffing increases for programming. I do believe we are going to see that change with the tablets. I hope to be able to prove to everybody and report to the Legislature—to show what the difference is in the changes of behaviors or successes on the tablets, related to programming. I will need that for the next session as it comes up.

Infrastructure is still considered a problem. We have had dramatic increases in improvements to infrastructure, but we are far from there. The budget addresses infrastructure issues we believe are our most important. It is not everything we need. We need a lot more infrastructure help. We have been working for a while on fence lines that I mentioned last session at the Southern Desert Correctional Center. They have broken ground and are working on lethal/nonlethal fencing that is built, beginning at four feet underground and four miles around the facility.

We have had dramatic improvement in our kitchens. We already remodeled the kitchens at Southern Desert. We are at High Desert now. We have to hit every kitchen in the state. We have failed equipment and problems around that, especially when dealing constantly with years and years of health report violations. So, it is important to fix the kitchens of all the facilities. You will see that in the budget.

Other pieces of our failing infrastructure are simple things such as doors. It sounds simple to the public, but very important to security is having high-security doors that do what they were designed to do—which they do not today. When you have doors that have life spans of 20 years that are now 30-plus years old, the rollers on rolling doors are all worn down. They do not roll like they used to, and they have a lot of play. We have had facilities where high-security offenders were able to pop those doors because of the wear and tear on those doors and were able to come out and assault staff and other offenders; Very unacceptable. These are things that we are challenged with constantly. These are things we really need emergency help with—things you will see in the budget that are being presented—our doors and infrastructure of our building. You might have read in the news about shower doors being broken out, with high-security offenders taking over housing units. This is something that is absurd to me that should never happen. Simple things like this should have been done many, many years ago. However, as they say, it gets kicked down the road and now we are stuck with it. Now I am trying to change those things for the safety of all so that we have less incidents, less problems, less deaths, and less assaults.

Infrastructure are things such as our water systems, our HVAC systems, as we see every single year. One of our big priorities in the capital improvement projects (CIP) is changing all our water evaporation units at the High Desert State Prison, at a price tag of \$58 million to replace them. Will it resolve everything? It probably will not. However, we need to have efficient life-saving measures there in the hot times of the summer. Also, as a backup for all this, we ordered over 100 individual swamp coolers to go into cells if there is ever a failure in cooling around the state. We brought it in for a lot of our psychotropic medication clients who are on that status because their body temperatures tend to be a lot hotter than those who are not. It is important for us to make sure we are protecting life as we come across some of these hotter days and making sure we are okay. We also ordered multiple swamp coolers that are portable that can go into housing units all over the state. We bought at least a dozen right now. We are looking for more. They are at least \$10,000 apiece, but they will prevent us from seeing any huge issues around cooling when that does happen.

I mentioned at one of the hearings, in case you were not there or were not involved in that hearing, the water systems that we have in the State of Nevada prison systems, for the housing unit, especially down in Indian Springs . . . The water comes from a long distance, and when the water comes from a large distance across the desert, it heats up. We are getting warm water into our cooling systems that are supposed to cool—it is very difficult for us to cool. Those are

things we have worked on. Those are things we got experts for who deal just with swamp coolers from the State Public Works Division. They came in, did evaluations of our systems, and they said what we needed. That is why we are asking for these replacement swamp coolers. They passed their shelf life over seven years ago, and are not at the capacity for cooling that they used to be. It will help. It will not resolve everything because we have other things in place that we are working on, but it will be an issue that, hopefully, will not be as bad as last summer where we were getting desperate on our heating issues inside those facilities like High Desert.

Another thing I am dramatically working on, where I have already seen a lot of progress, is changing the culture of the staff to understand how important it is for reentry, and how important it is for staff to be able to assist in changing behaviors of the offenders so that they get out and our families are protected. That has happened. I have seen the change. We are working with multiple activists and volunteer groups who are going to play a big part. This will not only save us money but result in me not requesting more funds because we have a lot more access to resources that are not a cost to the state or because there are other departments that will help. There are a couple of them that are important to stress and to show.

We teamed up with the University of Nevada, Reno on something called Tech Hub. It is going to be involving training our offenders on lithium mining and providing actual jobs for those offenders who would want them. If we sell it to the offenders enough to show how much of a sustainable life that would be—a new life—I think it is going to play a big factor in some of our releases. We have also teamed up with the Governor's Office of Workforce Innovation. We have had them set up at the Florence McClure Women's Correctional Center. We are trying to stress working to get vocational education services up and larger, because we know we can get offenders into the trades more easily than into some of the business fields. It is also a very sustainable life for those offenders who can get in it.

It is important for the Legislature to see what was done as a start at the Southern Desert Correctional Center with Vocational Village through Hope for Prisoners, who are looking at expanding statewide. The training there is extremely impressive. It is something that, if you have not seen it, you really need to. About two weeks ago, we had the state legislature from the state of Florida come to visit the Vocational Village to see how we do this, how we team up with the Department of Motor Vehicles for the commercial drivers license, how we do the training, and how these companies actually hire. They are trained and certified tradesmen—the offenders they have trained. It is impressive for everyone to see and to be open to, so the public knows how much is being put into that.

The other things that are important are medications for opioid use disorder (MOUD) and medication-assisted treatment (MAT). We have started this in the Department of Corrections. It is years and years of coming that should have been started many years ago, but—this is where it is talking about change of culture—the culture that was in existence did not believe

that the offenders in long-term prison sentences needed any type of medication-assisted therapy or any type of treatment for addictions. Their belief was they are in prison long term; there should not be any drugs in prison; their treatment should be basically an absence of drugs so they will heal themselves. It is far, far from the truth. The only ones that benefit from that are gangs. Gangs know that people who are still addicted get more addicted when they are in prison, and they get more desperate. They get more desperate, so they start having these trades inside the prisons to where the gangs are able to make money on them. Once they run out of money, they get more desperate and cannot buy the drugs of choice, so they go to things like what we call spice and K2, which are very simple to send through the mail system. You can actually buy it now on Amazon. You can buy pieces of paper that you and I would think are perfect and have nothing wrong with them but are laced with spice and K2. It is coming in dramatically.

Working through the Department of Health and Human Services, through the opioid funds, we test ran scanning of mail at the High Desert State Prison. We got it in last week. The very first week of our training on the mail, we discovered an unusual amount of K2 spice opioids. There was even a cell phone that was built into the middle of 180 pages of legal mail so nobody would see it. We found that through the scanning system. The scanning system has already been proven. I am hoping to bring it back so I can show all the data to prove we will need this statewide. Right now, I am just considering it a test.

The other thing we brought in was a body scanner to help with some of the drug issues in the facilities, through the Department of Health and Human Services, again through the opioid funds. We got the body scanner in. There are parts that the company is backordered on that we are waiting for. It is going to be another tool to really combat some of the drug trades in the prison system. We have unfortunately had some accidental overdoses on the drugs that have come through. The last one was at the Lovelock Correctional Center. The cell partner said it was K2 spice that came through the mail which we could not detect with the human eye. We need machinery to be able to do that for us. That was the very last accidental overdose death we had.

I think it is irresponsible of the state if we do not provide MOUD and MAT therapy for offenders who are leaving our system. A lot of our offenders do not like their addictions. They do not want to be on their addictions. They have no help for their addictions. This is the start in trying to get their addictions in control so we could set up services in the community, whether it is through parole and probation or discharge planning. For those offenders who actually do want help, those are important to make sure they are successful when they leave. We found out that we do have a significant number who are begging for help that we are asking the state to be able to help. This is going to be the first time. They really do believe we are going to be able to see those benefits and be able to help those offenders who really do want it.

Another important thing that everybody is probably thinking about is overtime. How do we curb overtime in the state, especially when we had this dramatic decrease in vacancy rates in correction officers? When you first look at it, if we were only talking overtime that is related to the master roster or our post charts, it would be very difficult for me to explain why there is still overtime. Why is there overtime when we have zero vacancies for the last week of December, and we had about 1,000 hours of overtime in those facilities? This is what we have to face and what we have looked at every day: As of yesterday, we had 9 officers on military leave, 8 on administrative leave, 15 on light duty, 7 on Family and Medical Leave Act, 92 at the Academy, 20 who are not even at the Academy who are working, 30 at the hospital post, and 11 who have been assigned security for the capital improvement projects. None of that is counted in my budget. Those are issues that will keep coming up—when that is 201 officers, just yesterday, who are not counted, who are considered under overtime, that we fail to realize—those are our concerns that we need to make sure are in the back of our minds.

What we have for curbing overtime is called a minimum staffing plan. Our minimum staffing plan is required at every facility to say that full operations of the facility can only happen if we have these number of staff on duty and in their posts. When we do not have enough, it is considered below-minimum staffing. What we do to try to curb the overtime is, instead of hiring additional staff for overtime, now we do rolling shakedowns and rolling housing unit lockdowns. It is temporarily closing a housing unit. It could be one or two hours a day. We roll them from one unit to the next, to the next, which will require less officers, but it also has additional staff when they are locked down to be able to do shakedown searches, drug searches, and even doing drug tests.

In our budget, you will also see what is important to me. I know it is to everybody. It is an increase in drug testing. Right now we do not have enough to test every offender who goes out into the community who comes back, who had access to drugs in the community. We do not even have enough drug testing to be able to do that. We really need to do drug testing, not to find people to do something with, but to help with the treatment. Those who have lapses in their treatment that we are currently doing—it is important for us to know who they are, and what is happening, to move them into better locations if they are being too tempted in certain areas. It is important for us to increase our drug testing, which we see in the budget. The Governor recommends additional funds for that.

The other issue constantly raised publicly is food services. We are on a sole contract now for food services with a company called Aramark. I have heard so many different complaints from families that their loved ones are receiving inadequate food, not enough food, or nutritional levels are not meeting minimum standards. I just want to make sure everybody understands—I will have Aramark available for any presentations—Aramark has their own nutritionist that they use in every state. We are following standards at every single state in the country that uses Aramark, and those standards for nutrition are the same. We are now hiring kitchen staff who

should be in the kitchen. We are making them be in the kitchen when they are serving the meals to make sure the meals are fully served.

We set up inmate committees in every single facility, every single housing unit, that are allowing the offenders to be a voice. We do those committees once a month. They have offenders in those committees who talk about a range of everything from solitary confinement to segregation, to medical and mental health services, to food services. When we met just this month, the issues around food were not that it was not good in quality. That never came up in any one of our inmate committees across the state. It was about quantity. So, what we are doing about the quantity is, now we are requiring each of our food service supervisors at the facilities to monitor what is going out. I cannot say this is proven, but we have been told by the offender committee that instead of getting a full scoop of potatoes, the offenders would give a half a scoop, and they would build it up at the end of the day so the offenders who work in the kitchen would have more food. That is what we are being told, so now we are going to monitor exactly what is coming out of the kitchen, to make sure everybody has what they were supposed to get. If they get the amount they were supposed to get, it does follow national nutritional levels.

We are not creating malnourishment with offenders because of our food services. We are not. We are not providing bad quality food. We are not. We allow the offenders to pick from the foods that they like. We do a survey that goes out, and we do a meal chart every 90 days, so they can pick it out 90 days in advance. They can say if they do not like something, and we will keep it off the menu. If they like something more, we will put it on the menu more. They can help pick the services of food that they want as long as it costs the same. It does not matter to me what they get. If they like it, we will give it. Anyway, Aramark said they have presentations that they can provide, if anyone has issues related around the food services.

The next thing that is important to talk about is the JFA Associates population numbers [page 8, [Exhibit F](#)]. A lot of states use JFA. It is a company that updates states on projections for prison populations trends. It reviews changes of laws that may affect prison population numbers, the number of residents coming in the state, going out of a state—all that plays a factor in the prison population forecast. JFA is not an analysis that I put my full trust in because I know, a lot of times, they are wrong. I am not too convinced they are the best ones out there. However, I go with what they are telling me at this point. If you watch their projections, they are telling us that the prison population in Nevada is changing, which we know it is. The minimum security is decreasing, based upon certain laws that went out, which were good for the state, but we see changes in our prison population. Our numbers are increasing. So, if we are decreasing our minimum security and increasing our population, that means that our medium and maximum beds are being filled faster. It is when, not whether, we are going to have to open Warm Springs Correctional Center—it is going to happen. It is not in this budget, but it will happen.

If you look at our projections and those numbers going out, we are running out of beds. What we have to do is be prepared for it. What we found out when we were remodeling the Casa Grande Transitional Housing in Las Vegas was, every month you wait, the cost of those repairs go up and up. If we repair and get Warm Springs Correctional Center, which will open—maybe not this year or next year, but I think it will be sooner—we have to be prepared for it. It is in our best interest and money to repair those things that need to be repaired, the equipment that needs to be replaced, the issues that need to be fixed before you could put any offender in there. We need to do it as soon as possible. This will save in the long-term expenses that happen throughout the state that we wait and wait and wait for, and then when it becomes an emergency, because it will be, because we are running out of those beds, we are going to start seeing, eventually, offenders sleeping on the floors if we do not open Warm Springs. We have to be prepared for it now. When you talk about having it as an emergency, when it is too late, when we already have offenders sleeping on the floors, trying to get equipment quickly does not happen. We find out that with that type of equipment, and the larger-scale equipment, it is always on back order. It is always in a position where we do not have enough public works and employees or contracts that could come out quickly enough to help and get the system up and running at Warm Springs. We need to do it now. If we do not do it now, we will still make it happen, but I am telling you it will cost the state more and more money the longer we wait, and we are not going to be prepared for the onslaught of having more offenders coming into the institutions and have nowhere to put them.

If you see what the JFA population is projecting [pages 8 and 9], with the minimum security being reduced around the state, I did request in the budget to close the Wells Conservation Camp. You say it is a conservation camp; we were not doing any conservation there. We were not doing any conservation training. To me, the expenditure to repair the long-term issues—it needs a new roof; it needs a generator—those issues that are coming up are too costly. It was my decision to look at closing the Wells Conservation Camp and move the majority of those offenders, which are the lowest level of offenders who are what we call community trustees, to the Carlin Conservation Camp. When you move them, there is still work that has to be done at Carlin but not as much as at Wells. My concern that I spoke to the Carlin community about not too long ago is, if I can reduce a minimum to more community trustees at Carlin, we could utilize more of those offenders in the community to prepare to prevent fires. I could put more community trustees out there. I cannot put the minimums out there, but I could put the community trustees out there, and I told the community I can increase those numbers with this move that I am doing with Wells and Carlin; I can actually get more workforce out there for offenders who want to go there and volunteer to help the communities prepare so they can prevent fires in the future. The brush that never gets removed along those train tracks are a devastation for the firefighters. That is a perfect position for us to be in to make sure we can help prevent forest fires with this type of population up in that part of the state. I think it is going to go a long way for all of us.

Quickly going over the major enhancements [page 10, Exhibit F], the prison medical bill is under budget account 3706. The last legislative session went in a great direction with providing appropriate health care for incarcerated women. I am talking about mammograms and pelvic exams. However, what we found out was, medical doctors are refusing to do certain mandatory medical exams, like mammograms, on girls who are 14 years old, which the *Nevada Revised Statutes* required us to do. They said, If you are doing these every six months, every year, starting at the age of 14, you will probably see more cancer with these populations when they get older. One of the bills I am pushing to get through this year, which will also affect our budget, is to make it community standards for the women who are incarcerated, not above standards. Whether those standards are following the Medicaid standards or community standards, whatever it will be, it will be much better than what we are doing now, potentially creating a hazard down the road for these young women who do not know what they are really dealing with, and having the refusals from the medical services that you will see in there.

Funding for the Director's Office [page 10] comes under budget account 3710. We have to continue contract services with a lot of our equipment today. We have licensures that we have to continue and the upkeep and maintenance services of equipment like tasers and cartridges, and licensure certifications and training comes with a cost. We need help with continuing those contracts. We also want to add more safety equipment to our academies, especially with the change in our population with more higher-level security offenders. We want to make sure that, not only the staff are protected better in having those tools, but also, if you look at programs, programs are not successful and cannot be done unless everything is safe.

A lot of these tools including tasers, ammunition, gas masks, and all of them—they are actually also for the offenders, making sure they are safe so we can do safe programming. When the offenders do not feel safe, you get those offenders going to programs who probably should not be there. Those offenders who are not involved in gangs and who are trying to do the right thing will not go to programs because they are going to be too scared to leave and figure they will probably get targeted by gangs at the programs. The only ones who tend to go to programs when things are not safe are gang members, because that is where they are going to do the recruiting, and that is where they know you are going to have the tougher and the more fearless offenders go. You have to have security before you can have successful programs. So, a lot of these things are not only for protection of the staff to make sure that they are safe, but also for the offenders and making sure they have that blanket of protection so they feel they can go to programs safely. That will be in the increase in the munitions, gas masks, restraints, tasers, cartridges, and other services related to training and licensures.

I mentioned earlier the increase in the drug testing, not only increasing the number of times we are drug testing, but the cost of drug test kits, went up dramatically, especially when you have companies that realize the nation is under scrutiny about how it is treating the opioid crisis. When that happens, companies make more money because they start raising rates of certain

drug tests and things that we need to curb it. But we have to provide and continue those services at the same numbers, or more than, we are currently doing.

The other thing that was important: Senate Bill 413 of the 82nd Session talked about time calculations, which I am not an expert in. When I came to the state, I had no clue how Nevada did it. It is extremely confusing. It confused even the courts because there are many different levels of time calculations based upon the year, the date you were arrested, even different times of year in the year that you were arrested. The laws have always changed, but they never grandfathered them. The time calculations are so difficult in this state. Senate Bill 413 of the 82nd Session helped to make it more consistent. It will also allow the offenders and the families and the courts to see what it looks like before they even get sentenced, by doing it by percentage rates. However, we ran into some complications on this.

Our offender management system is an old system that was outdated, I would say, 15 years ago. It is called our notice system. It is run by a company called Syscon. Syscon notified the State of Nevada over 15 years ago that their system was outdated and needed to be upgraded. Money was never there to upgrade the system. Year after year, entities that had Syscon doing their systems, like Clark County Detention Center, had upgraded it over and over. We have not. We never got the funding to be able to do it, so we did our own "patching" which they call it, making up our own forms that we input into the notice system. The forms were done by something called Java, which does not exist anymore. We cannot even use our own system. Try to use a system that is outdated and unusable for these new calculations, and S.B. 413 cannot exist. For us to upgrade the system—you cannot go from the lowest level to the highest level without doing testing and going from each level up. We were due for, I believe, a March 25 deadline in the Legislature to have our computer system set up to be able to do computerized calculations. It is not going to be done. The company says it is impossible. They have been working on it. They are in their first upgrade right now.

When you do an upgrade in these systems, you cannot just do an upgrade and say goodbye, let us work on the next. There has to be a series of testing—months of testing—to make sure that we are calculating sentences correctly so we are not letting people go too early or holding people too late. Once we get to that system . . . it is called . . . it is up to level three. We still have to get to level six. Clark County Detention System has already upgraded theirs. In comparison to them, the company told us they are looking more at March of 2026 for getting our system in compliance with S.B. 413 in doing calculations by computer. What we assured some of the Legislature already is that we will still abide by and follow Senate Bill 413, but it is going to be calculated manually. We are not going to be holding offenders longer than they are supposed to. We are not going to be letting people out sooner, but we will be doing hand calculations until the computerized system is up and running 100 percent and working.

Once the computer system is up and running and working, we will be on the exact same level as Clark County. Why is that important to us? It is important because now we can share

information back and forth. That is sharing information on security risks. It is sharing on profiles. It is sharing on history. It is sharing discipline history at either location. It is dealing on those that have had failed treatment or successful treatment. We can now share information back and forth—or will, March of 2026. It is important for us to know, because it is going to be important for the community to know that we will have the same information back and forth, and now we will be able to share it with the local communities' systems which we have already done. Things that have failed, things that have worked, the issues that we have had with offenders: They can use it for their treatment when they go back into the community. It is great mental health history that they need that they do not have today, going back and forth. That is big for the state, and I know we are going to benefit from this when it is up and running. I thought it was important to share where we stand with Senate Bill 413 and the help we are probably going to be asking for during this legislative session with extending over to March of 2026, so it is done correctly, and we are not jumping the gun and starting too early and having mistakes.

Chair Monroe-Moreno:

Thank you. Before you go to page 11 [[Exhibit F](#)], we have members with a few questions. I am going to give you a break so you can catch your breath. We are going to go to Senator Nguyen, then Senator Neal, and then Assemblymember Backus.

Senator Nguyen:

I have a couple of questions around the same topic if that is okay, Chair. During the December Interim Finance Committee meeting, there was a request from the Office of the Governor to reallocate some American Rescue Plan Act (ARPA) money for culinary equipment to the correctional centers, including at Warm Springs Correctional Center. I just want to be very clear: That was equipment the Governor was proposing to put into a correctional center that is currently closed. Is that correct?

James Dzurenda:

Yes, it is.

Senator Nguyen:

Okay. Then yesterday, I specifically asked the Governor's Chief of Staff whether or not . . . I had indicated that it was not currently in the budget to reopen Warm Springs Correctional Center, and I think you confirmed that it is still not in there. Is that still the understanding that you have?

James Dzurenda:

Yes, that is my understanding.

Senator Nguyen:

And then I asked whether there was going to be amendments, because I know the Governor is also bringing a criminal bill that had some additional costs. And again, the Chief of Staff indicated that they were not opening the Warm Springs Correctional Center. My question today, one day later, another executive agency branch is in here, and you are indicating that while it might not open this year, it might open next year because we are going to have bigger numbers, and those incarcerated individuals are potentially going to have to sleep on the floor. Do you believe that this will have to open up within the next year or within this biennium?

James Dzurenda:

I do not think it is absolutely necessary that it needs to open this year or next year. It is only a prediction. When we are looking at the JFA numbers, I cannot say that offenders will be sleeping on the floor this biennium. However, it is very possible they could. All I am saying is, at my level, I would want to be prepared for that in case it is.

The bills that the Governor's Office would put through that you are saying could increase the population—maybe they could—but it is not going to happen overnight. I think we will still be okay. I do not know that for sure. JFA says we probably will not, but our analysts are saying we think we will because we still have capital improvement projects that are closed housing units that are going to be open this biennium. So, it will open up some more room. I cannot tell you yes or no. I want to be prepared, and it may not need to be open this year or next year, but I just like to be prepared.

Senator Nguyen:

These JFA population predictions are based on the current law, including the changes that occurred in 2019 that you said were actually good for the state, but we will still see increases with those JFA predictions.

James Dzurenda:

Yes, that is correct.

Senator Nguyen:

You have been here for a while, on and off. Have those JFA predictions been pretty accurate in their determination of those numbers?

James Dzurenda:

I do not think I have ever seen it.

Senator Nguyen:

You have never seen it accurate?

James Dzurenda:

No.

Senator Nguyen:

Are they always higher, or are they lower?

James Dzurenda:

Both. And this is national. I dealt with JFA in New York City and Connecticut, and I have never found them accurate, and I have always found it above and below it. It is a type of data that is impossible to monitor. In the state of Nevada, they are predicting it higher only because they believe there is going to be more of a future influx of California residents moving into the state of Nevada, which could also increase some type of incarceration rates.

Senator Nguyen:

Is this a program, or is this something that we pay for that is not accurate?

James Dzurenda:

Yes, it is a program, but believe it or not, it is the most accurate program in the country—just that I have never seen it be accurate.

Senator Nguyen:

Based on your experience, in this state and other states, but in particular in this state, with some of these forthcoming potential pieces of legislation, I do not understand how we can have such a definitive statement that we would not need to open up this facility. Are there contingency plans other than people sleeping on the ground?

James Dzurenda:

Here are other factors that you have to look at: When I am talking about moving in tablets, when I am talking about doing mass programming, if we do evidence-based programming that the Department of Justice is telling us will change behaviors 51 percent or more of the time, we could see a decrease in population if these programs work. This is going to be the very first time I can do massive programming statewide through long-distance tablets, whether it is Pell Grants for college courses . . . All that should reduce our population. But will it happen? I do not know. I am looking positive to say we may end up seeing a lower than projected rate than the JFA, which I am hoping for.

When you talk about JFA, I think our agency, or one of our sentencing agencies, probably if they increase their staffing and analysts, they probably could do a better job than JFA anyway, and I think our state should be managing it and monitoring it because we have more resources in our state to know what is really happening in our local cities and our economy. If I did nothing and we did not change the way we are doing programs and treatment and MOUD and MAT therapy, I would say, yes, we probably would be higher and probably would more likely have to open Warm Springs sooner. But if we do what I am trying to do, it is going to be more

successful than anyone thinks, and we are going to be a little better off. It is hard for me to say yes or no and whether it is going to happen or not.

Senator Nguyen:

Chair, I know he covered a lot. I have a question about full-time employment positions (FTEs) and the Inmate Welfare Account.

Chair Monroe-Moreno:

Hold on. Before you ask that, I want to follow up regarding facilities.

Talking about the reopening of that facility, you are saying we are going to need it and you want to be prepared, but here is the problem that we have as a fiscal committee. If that were to open in the interim, it would wipe out our Interim Finance Committee (IFC) Contingency Account, and we cannot do that. So, it is either going to have to be a yes, it needs to be put in this budget, evaluated, and calculated—what that cost is going to be for this biennium so we have the funding—or it is not going to happen, because we are not wiping out the IFC Contingency Account for this. Go ahead with your question Senator Nguyen.

Senator Nguyen:

I know you covered a bunch of topics. My next question is, we have made some progress about funding some of these FTEs with State General Funds, but how many of these FTEs across the state are still being funded through the Inmate Welfare Account?

James Dzurenda:

I think we are still at about 62. It might be 42, but I remember 42 and 62—it is one of those numbers—that are still full-time employment positions that are being paid through the Inmate Welfare Account and not the State General Fund. I do not know the exact number, but I think it is one of those two.

Senator Nguyen:

The Inmate Welfare Account is still the proceeds from the markups on commissary items, phone kickbacks, or incentives that the prison might get when people utilize long distance and telephone services, and this very substantial tablet program that we are going to expand. I am assuming there are also some added benefits. Do we have an itemized determination of how many of those 42 to 62 positions are funded from that? Is there a distinction on doing it from tablet kickbacks, as opposed to marking up tampons and feminine hygiene products?

James Dzurenda:

No. First of all, I made a commitment to the state that I will not mark up any hygiene items in the state.

When you talk about any money that comes in from revenue for those purposes, whether it is video games the inmates are playing, those type of things, or if there are markups of certain commissary items, those do go to the Inmate Welfare Account to pay for these positions. If those positions actually went through the State General Fund and the State General Fund paid for those, the markup items and other items can be reduced. The FCC stepped in and looked at the communications pieces and put limits on how much those companies can actually make on revenue from those services. The State, today, can no longer receive any funds for telephone calls. Telephone calls are out, but everything else . . . There are things that we can do with services that are not provided today that could be benefits to the offenders or perks. I could say they will be charged a fee for transfers of money or whatever we have that will go into the Inmate Welfare Account.

Senator Nguyen:

Where is the majority of this money coming from, amongst all these different pots?

James Dzurenda:

Today? The telephones. It was all the telephones, but now it is going to be shifting. The majority is going to be between commissary, gaming, and certain electronic implementations of apps that they can use on the tablets. A lot of it is going to be coming from cost to move money around, like you are paying with a debit card, paying for certain things. The charges are going to be moved into the Inmate Welfare Account. We do not have that in place yet, but that is where I believe it is all going to come from.

Senator Nguyen:

The telephone thing; When does that start to implement?

James Dzurenda:

January 1st of this year. It already did.

Senator Nguyen:

So, the budget that you have proposed—does it take into consideration what you thought you were going to get from phone charges?

James Dzurenda:

Yes, but it also took into account the tablets. So, we balanced off how much we can actually get in from revenue from the tablets than it was with the phones. It is just shifting the cost.

Senator Neal:

I have so many questions. I was reading about the projections for the prison population and that you currently do not have a contractor for the projections, and that the new contractor that is being brought on will not have a projection until November 5 of this year. What are you building your projections from, to get to 10,000 offenders?

James Dzurenda:

I am sorry, can you repeat that, so I understand what the question was? Sorry.

Senator Neal:

You have a contract with JFA Associates. That contract has expired. You now have a new contract with Justice Planners. They have not produced a forecast, and you will not get that forecast until November 5, 2025. How are we calculating the projections? You have a projection of an increase of 538 offenders, and it is showing 10,739 offenders forecasted for fiscal year 2026. How did you come up with the numbers if your forecaster is no longer contracted?

James Dzurenda:

We have analysts in our Offender Management Division (OMD) who drew up what they best believed was the forecast that could be used in the analysis. We also worked with the Department of Sentencing Policy to come up with what they believed would be built into the forecasting. Our actual OMD analysts were the ones who came up with those numbers, based on what they believe it could be with what they have. That will also not be accurate, because there are so many factors that we do not have access to that we are hoping this new analyst company will, including a lot of the economies that I said come from the states around us and how that is going to affect our prison population. Right now, the November report would not mean anything today because they do not have the full information that they need to be able to project that projection. So, we did our own.

Senator Neal:

On page 15 of your presentation [[Exhibit F](#)] for Lovelock, for decision unit enhancement (E) 711—what are you saying the cost will be to replace this one washer and one dryer?

James Dzurenda:

I believe they are at \$100,000 a piece, but I am not sure. I will have to get that for you in a minute.

Senator Neal:

Okay. I have a follow-up question on that. One of the ARPA requests that we had through December included \$69,455 for laundry equipment at Lovelock. So, what did that pay for?

James Dzurenda:

I will check, but I believe it was the ionization process that was involved in the laundry. If it was for the actual equipment, I will get you those numbers in a second and whether it was for a washing machine or dryer.

Senator Neal:

In the write up, it specifically said it was laundry equipment; no ionization, no special magic on clothes. It was laundry equipment, which appeared to be a washer and dryer. Then there was also a general cost of roughly \$4.9 million, and that \$4.9 million had a mix. There was stuff blended in for culinary equipment for Northern Nevada and Ely. I was just curious, because in your major one-shot under Budget Account 3762, you were saying you were replacing warehouse and culinary equipment under E-711, which is High Desert State Prison.

I am wondering, for the \$4.9 million that was culinary equipment—there were actually four requests for culinary equipment. This was the largest one though. Where was this \$4.9 million roughly spent? It kind of breaks it down, but why did not some of that go to the High Desert State Prison if you knew you needed culinary equipment, and this was part of a request within the past biennium—really, summertime?

James Dzurenda:

We did split it all up. All of our culinary in each of the major institutions all needed upgrades. All had continuous violations. We targeted the first come, first served on those that had the most violations over the years, which were Southern Desert and High Desert. We had to target those first. When we went and looked at how to replace and upgrade the culinary at the Ely, Lovelock, and Northern Nevada Correctional Centers, that was the remainder that you see. That did not include Southern Desert or High Desert, because those were our two major failures. It was just a way we were able find to fund it to be able to finish this project off. We had a company called Cooks, an outside contractor from another state, that came in and evaluated each of those kitchens, told us exactly what we needed, how much it was going to cost, and what it would bring us up to the health standards. It was all built into trying to find the funds in any way we could to be able to get all those facilities up to grade.

Senator Neal:

Thank you for that. You said that Southern Desert Correctional Center was not included in the culinary equipment?

James Dzurenda:

That is all done already. We already had funding for that. We already completed the projects for the culinary at Southern Desert. They finished that, and we already had the funds that were helping us to get through High Desert, and that is where they are at now. Southern Desert is completed.

Senator Neal:

That was completed with the ARPA money? The million dollars of money from the request in December 2023?

James Dzurenda:

I am not sure of the date of the request, but it was the ARPA fund, yes.

Senator Neal:

Okay. Also, I had a question on the medical copays for which you want State General Funds of roughly \$4.6 million. I was trying to understand, number one, what the prior costs were, and I am concerned how you arrived at those numbers. Did we fund this in the 2023-2025 biennium? What did we appropriate? It was far less than \$4.6 million. It was more like \$187,000 for each fiscal year for the cost of medical copayments. How did you arrive at the \$4.6 million cost for medical copayments?

Kenneth Williams, Medical Director, Department of Corrections:

Our partner Russ Alfano might be in the audience at Carson City. I believe we are referring to the funds that are charged if there is an offender who causes an assault that results in hospitalization. There is policy that allows us to charge that fee for hospitalization back to them. In general, they are not charged a copay if they have to come for chronic care or even for an acute visit. The only fees that might be aligned with copays would be the result of aggressive behavior towards others. Russ Alfano can fill you in on some details.

Russ Alfano, Administrative Services Officer, Department of Corrections:

Copays were eradicated in Senate Bill 416 of the 82nd Session. We stopped charging copays per se, but when the adjustments were made, the authority to receive copays was taken from our GL [General Ledger] 4683, which is what we call Assembly Bill 389. That funding line for our GL, what we call A.B. 389, is actually NRS 209.246, subsection 1, paragraph (b), which allows us to be reimbursed for actual costs expended on behalf of an offender, for those costs that result from altercations, self-inflicted, or sports-related injuries. The copays, although they were eradicated, the line item for the revenue, which was our GL 4697, was not removed from our budget. That untouched authority in our GL 4697 was then utilized, in addition to GL 4683 and a portion of our GL 4201, which was at the time nonindigent copays and medical copays. That is what that GL funded. When the adjustment was made as a result of S.B. 416 last session, the reduction to authority was done in our GL 4683 instead of having that reduction take place in our GL 4201 and 4697. Does that answer your question?

Senator Neal:

No. What I am trying to understand is, in Governor's recommended budget, there is a recommendation for the 2025-2027 biennium to replace that revenue with \$4.6 million. So, when I was going back through the audits while we were listening to the presentation, there has been a history—I think they are called kites. There has been a history of not necessarily getting an accurate number on, number one, offenders who requested medical care, received it, et cetera.

You did not answer how you arrived at a \$4.6 million revenue loss that would be in the Governor's budget recommendation when I do not believe that was even close to the prior number that was represented that you might have been charging the inmates before the bill

passed and became law. That is what I am seeking for you to break down and try to help me understand. Does that make it better? Do you understand what I am asking?

Russ Alfano:

Yes. In short, the \$2.3 million that is recommended in each year of the biennium is the amount of money we had been collecting through the A.B. 389 mechanism, which is NRS 209.246, subsection 1, paragraph (b). It had nothing to do with the copays, and it is not related to the copays. The \$2.3 million is an average. I believe it is the seven-year average. Again, this is just collection of funds as a reimbursement for those charges that qualify. It was \$2.29 million, so we rounded up to \$2.3 million, and that was the recommendation that was put in for each year of the biennium.

Senator Neal:

I have to get this right. You said it was a seven-year average?

Russ Alfano:

Yes.

Senator Neal:

The seven-year average is not medical copayments. Tell me what is included in the average. Break that down, and then, on top of that, is it also interest, because, you know, we had some debt collection. What is in this seven-year average?

Russ Alfano:

We would have to step back to prior to the 82nd Session last biennium. Prison medical has three revenue GLs that are related to inmate charges. The first GL is 4201, which served nonindigent inmates for copays and things that are charged, such as copies for medical records and whatnot. The second GL is 4683, which is what we call A.B. 389. Prior to the 82nd Session, it was around \$1.8 million in authority. We have historically been bumping that up through the processing of work programs, and that is where I got the \$2.3 million. The final revenue GL is 4697, which was strictly copays for indigent offenders in custody. That was between those three. The first one, I believe, is \$155,000, and you will have to forgive me, I do not have notes in front of me. The bottom one was GL 4697. Those were the two copay ones. That one was around \$253,000. General Ledger 4683, A.B. 389, NRS 209.246, this year, currently runs at \$1.4 million.

The reduction for copays as a result of the passage and adoption of Senate Bill 416 in the last session took place in that revenue GL, instead of the two copays GLs that it should have impacted. However, authority being authority in the state, we moved ahead with it and brought the surplus authority that we were not able to gather through copays because we stopped charging for copays. That balance of unused authority between those two revenue GLs that were not adjusted with the adoption of Senate Bill 416 we put in with GL 4683, which was the

viable GL that we currently still use, because that is tied directly to the NRS that allows us to be reimbursed for expenditures that are as a result of self-inflicted, altercations, or sports-related injuries

James Dzurenda:

We will have it all broken down for you piece by piece, so you see exactly where that actual money came from. We will provide it to the Legislative Counsel Bureau.

Senator Neal:

Thank you.

Chair Monroe-Moreno:

Assemblymember Backus.

Assemblymember Backus:

I have a quick follow-up to my colleague's questions regarding our incarceration forecast. Right now, the best thing we can use is the JFA population forecast in understanding that we have available 11,515 beds for males. When I look at it on this chart [page 8, Exhibit F], it looks like we would hit that maximum capacity in 2031. We may be able to slide through, maybe not, three bienniums until we have to look at other resources.

My question is, and one of the hot topics that has been lingering, is rolling back our minimal levels for property-threat crimes. Right now, Nevada's number is more than less of that of Texas. If we roll that back, do these forecasts, whether it is JFA or the new software we are going to use, take a look at that? I would assume we would have a huge spike, because that type of crime would have a mandatory minimum of one year incarceration, if we roll those numbers back, which would end up being one-fourth of what Texas imposes.

James Dzurenda:

The simple answer is, yes, they have to. That is part of the analysis for any company we hire. It looks at new laws and the effects and impacts they make. When you talk about the minimum of a year, they will still stay in the county, so we do not even get them anyway. They look at the lengths of those prison sentences; not just the jails. The jails do not impact the Department of Corrections.

Assemblymember Backus:

Then that is what is going to push us in the need sooner, if we do start passing some of these laws for mandatory sentencing. I understand there is time served, but some people likewise could be out, and then they end up getting the time served. These numbers could squish it, and what would end up happening is we would then need to open up the facility a lot sooner.

James Dzurenda:

You are correct.

Assemblymember Yeager:

Director Dzurenda, it is good to see you. In my time in the Legislature, I have worked with three different directors in the Department of Corrections, and I have always appreciated, and still appreciate today, your vision for what the Department of Corrections is, and that is to correct issues for offenders. We are not a department of prisons or incarceration. We are a department of corrections. I certainly appreciate talking about education of inmates, talking about the substance use disorders, and the medication-assisted treatment. That is the preface.

What I want to ask you, though, is, when you were talking about the changing population of the prison, you mentioned we are seeing fewer offenders who are low risk, more offenders who are high risk and medium risk, and that is changing resource needs. You made a comment that the reduction of low-risk inmates was a result of legislation that the State passed, and you said that was good for the State. I wanted to ask you to elaborate on what you meant by that, as Director of the Department of Corrections.

James Dzurenda:

There is an impact that the community must pick up. I assume the state does this: When you are looking at those offenders who should be in a prison setting that we consider a safety and security risk to the community, if they are not coming to prison, there needs to be something in the community to pick up the help that they need.

Any time we can move offenders into the community for appropriate programs, or to be able to make them more successful by what we can provide in the community—without being a safety risk—is most important. If we can say that there is going to be a safety risk by putting people out there and leaving them out there, then obviously the prison setting is what you need. When I said that it was good, I saw some of the good things A.B. 389 made. There were some offenders who could have done better by being left in the community by getting the programs they needed. However, I did not see that happen in the state—that they actually got those programs they needed. I did not see the communities pick up on what we were doing. So, yes, it was a good thing. However, I think the state mismanaged or mishandled it. They did not get those programs they needed in the community that we were giving them in the prison system, which should not happen, if that makes sense.

Assemblymember Yeager:

That does make sense. Just a comment, if I could. I think your vision for what correction should be is important for us as a state. It is not just about ensuring that folks are not victimized again. It is about ensuring that offenders can reenter the community, can be productive members of society, and get their issues treated. I would ask that you continue to be a leader in that space and you continue to work with our community partners, whether it is the jails, whether it is the

local resources, because I think the model that you are trying to create at the prison is a great model, not just for our local jails, but for our community organizations, whether it is probation or parole. Continue to do what you are doing there, because, to your point, I do think the community has a part to play in this. If we can keep somebody out of prison in a way that does not jeopardize public safety, in a way that keeps them on a path to recovery and eliminates recidivism, we should certainly want to do that, not just from a moral standpoint, but from a budget standpoint, because it is always going to be more expensive to put someone in prison. As we have talked about today, there is a lot of costs that go into that. So, no question, just a continued plea for you to lead in this space and to try to work with folks who maybe are not quite up at that level just yet.

Chair Monroe-Moreno:

I would like to remind the members and all the agencies that are coming before us this week and next week that these are just quick budget overviews. We will have subcommittees that will do deep dives into all of these budgets. That is where the heavy lift will happen. With that being said, I do have two questions for you.

The first one is: Are all the housing units in the Ely State Prison open and being used, or do you have any housing units that are closed? Some were closed last session.

James Dzurenda:

August 2024 is when we opened all the rest of the housing units there. They were going through capital improvement projects (CIP) for wiring and redoing all the panels and door controls—not the doors themselves—and all that was completed. Yes.

Chair Monroe-Moreno:

My last question is, there was \$395,000 that was approved last session for a staffing study. Can you tell us what happened with that?

James Dzurenda:

Yes. That was already done. You will see it in February's BOE [Board of Examiners]. It went out for request for proposal (RFP). The company that was selected was called Corrections Consulting. You will see it come out in the BOE.

Chair Monroe-Moreno:

That is all the questions that we had thus far. Can you get through the rest of your booklet quickly?

James Dzurenda:

I can. I was told before I came here, this whole presentation had to be 15 minutes long. These are several important things that we are asking for. There is going to be a change to our post charts, which I already mentioned. We are looking at moving positions from Ely State Prison

to High Desert State Prison because they have to follow that population. It is a budget wash, but I have to be able to present that to be able to move those positions. The Governor recommends an additional 49 correction officer positions at the Southern Desert Correctional Center for emergency response. It is called correctional emergency response units. It is the only facility in the state that was never budgeted for an emergency response unit. The reason behind it was they believed that the staff that were at the High Desert State Prison would be quickly and adequately deployed from High Desert over to the Southern Desert to assist in these emergencies. However, with the change in the offenders who are at High Desert now, I do not want to remove our emergency response teams, even temporarily, to move over to the Southern Desert Correctional Center to assist in their emergencies. There will be a presentation on that in the other subcommittees about the increase in the 49 new positions recommended for Southern Desert.

The Governor recommends staff member increases for grievance coordinators in various facilities. It is important to try to see how we can reduce lawsuits that are in the Department of Corrections. Part of any lawsuits that go to the Supreme Court is they have to go through the exhaustive grievance process first. However, I do not feel comfortable that we have an adequate grievance process in the State of Nevada for the Department of Corrections. We have no one agency individual who is assigned to hold everyone accountable to make sure that everything is fully investigated, followed up, and responded to correctly, and who makes sure that if he sees continuous patterns of behaviors that affect grievances, that they are corrected. With one individual I could assign to do just this at those facilities, I know can reduce lawsuits down the road and be able to effectively provide services to the offenders that they are not getting today that they really do need help with. Hopefully, if I do get these positions, I will be able to show on a spreadsheet the changes from predeployment to postdeployment, where the grievances actually went to court cases following exhaustion. I believe it is going to be an important factor, not only for the state, but also for the offenders, to get things done. You will see that added in there.

The other thing added in there is a recommendation for program officers. It is for one program officer at certain locations—because of the increase in vocational education programming and also the assistance of the tablets—to have someone there who can be an on-site monitor or provide assistance for programs, and to make sure the offenders are getting the right and appropriate programs that meet their classification needs to make sure that we are consistent. You will see that as well.

The other recommendation is for the transfer of the inmate-drivers that go from High Desert to Ely State Prison. When we changed the population numbers prior to August in Ely State Prison, every cell had to be single cells. We could not double up the offenders—and most of that population—to be celled with anybody. The facility was half the size because four units were down as part of a CIP project. To increase that now, to make it fully opened, it increased our inmate-drivers. We are talking about our laundry, our soaps, our clothing, and food—all

that have to do with the increase in the numbers there doubled the population. However, it decreased the inmate-drivens at the High Desert State Prison. Because of those inmates who were moved up to Ely, our numbers went down by exactly half of Ely at High Desert. You are going to see the move of our inmate-drivens to increase at Ely but decrease at High Desert, but it is actually a wash in the budget. That is all I got today, and I am open for questions.

You can see the one-shots that are recommended as well. On those one-shots, the only thing that has not been shared with the Office of Finance, Office of the Governor, yet, though, is a dump truck. We just recently found a used dump truck that we can remodel, repair, and replace. We do not need a dump truck. Those are extremely expensive. Ely State Prison does not have garbage services from the city or the county. We have to use our own dump trucks. That is what it is for. I think we are in good shape. We can request to have that taken out. The Governor's Finance Office does not know that yet, but I do have a dump truck.

The other things you will see on there [page 17, [Exhibit F](#)] are CIP projects. The most important ones I drew up as the highest number in priority. When you are talking about an increase in recreational space, if I could get our number one priority, which is an increase in the recreational enclosures at the High Desert State Prison where the higher security is, I can actually abolish solitary confinement in the State of Nevada. That is how I can get offenders out safely. That is how I can get staff to be safer when the offenders are out of their cells. I think it is going to be a big deal for the country knowing that the State of Nevada can possibly abolish solitary confinement completely. That is one of my ways of being able to do it.

The other thing, my number two, was increased recreational areas at the Ely State Prison. You had offenders who did not go out in large groups when it was the state prison with the max. I need recreational space so I can put out a large group of offenders at the Ely State Prison, which I do not have now. Believe it or not, recreation is considered programming when you are talking about socialization skills and getting people to work on teamwork and have real recreational activities as part of their programming. I cannot do that at Ely right now on the outside because we do not have recreational space for large number groups. Those are important.

Another thing I already brought up that I know is probably going to be questioned is the HVAC [heating, ventilation, and air conditioning] system at the High Desert State Prison. I desperately need the CIP project to replace those HVAC units that are at the High Desert State Prison, so we do not have the same issues that I have year after year, every summer, of the overheated housing units. That is all I have. Everything else is prepared in the presentations that you can look at if you have questions. I am here for any questions and if I can help.

Chair Monroe-Moreno:

Members, are there any additional questions?

Assemblymember Yeager:

You mentioned the dump truck. My question was, what do we think the savings will be, because we are still looking at \$88 million in the red on this budget. I am assuming it is not an \$88 million dump truck, but I wanted to get a cost figure on that.

James Dzurenda:

I hate to say this, but I think it is only \$150,000—but it is something. I will contribute something.

Assemblymember Yeager:

Every little bit helps.

Chair Monroe-Moreno:

All right, seeing no other questions, I thank you so much for the presentation. We look forward to the deeper dives in the legislative session into your budget.

James Dzurenda:

Thank you all very much.

Chair Monroe-Moreno:

That, members, brings us to our last agency of the day, and that is the Department of Veterans Services.

DEPARTMENT OF VETERANS SERVICES

Chair Monroe-Moreno:

Good afternoon.

Mary L. Devine, Colonel, Director, Department of Veterans Services:

Good afternoon, Madam Chair. It is a pleasure to be here. It is an honor to be in service to the veterans of the great state of Nevada. I would like to introduce my team members who are with me today. In Carson City, we have Joe Theile, my administrative services officer; Kate Baltazar-Dodge, one of our financial representatives; and Jacob Clodfelter, who is our contracts, grants, and agreements person. We also have with us here in Las Vegas, Brandon Torres, my information technology (IT) professional; Terri Hendry, our public affairs person; and Zaconia Turner is one of our outreach personnel.

In Carson City and here in the room, we have many of our veteran service organization partners including the United Veterans Legislative Council. We have a member of Vietnam Veterans of America Sierra Nevada Chapter 989. We have some Disabled American Veterans (DAV), and we have some American Legion folks, and a couple of Gold Star family representatives with us.

The mission of the Department of Veteran Services is pretty simple. We come to work every day. We work hard to make sure we are providing a connection between our veterans and their benefits, whether those are federal benefits or state benefits. It is a great place to be. We have the awesome opportunity and responsibility to connect those benefits, to work with our veteran service organizations, and to make sure that our 216,000 veterans in Nevada are connected to their benefits.

We will go a little deeper into the demographics of the Department and of the veterans here in Nevada [page 3, [Exhibit G](#)]. Seven percent of Nevada's population are veterans, with a total of about 216,000 veterans statewide. Our largest population is in Clark County, with 151,000 veterans. Our smallest population is in Esmeralda County, with 124 veterans scattered around. Yes, they are there, 124, and they are loud. We talk to them frequently. Our older generation is comprised of our Korean War veterans and our World War II veterans, while our Vietnam veterans and peacetime and Gulf War veterans comprise the bulk of our current veteran population.

We spoke a little bit earlier about the demographics of our veteran population. This is a really wide demographic. The Gulf War population is a pretty wide reach of the first Gulf War and then the 20 years of conflict that we had post-9/11. Those populations are vastly different in the way we reach them. We will talk about that throughout the briefing. A lot of our veterans want that face-to-face touch, but we also have a need for the face-to-face. We have a need for websites, for apps, and all kinds of different things in the way that we reach our veterans.

As I said, the needs vary. Some of our veterans need assistance transitioning out of the military and need help with employment, education, or buying a home. The Nevada Department of Veteran Services (NDVS) provides assistance during this phase of a veteran's life and career. They may also have health care needs, and our veteran service officers (VSO) provide help with filing VA [U.S. Department of Veterans Affairs] claims, including claims that fall under the federal PACT [Promise to Address Comprehensive Toxics] Act, which expands benefits in health care. The PACT Act underscores the unique health care needs of those who have served in our military. Because of their service, they may have been exposed to toxic substances and suffer from trauma or injuries. The PACT Act is a promise to address comprehensive toxins. It is where our service members are presumed to have conditions based on their military service and not the other way around.

That has increased service at our Las Vegas VA. They are now seeing about 750 new patients per month, which means they need to add one primary care team to their force every other month. That is something we work on with them quite a bit. We talk with their public affairs folks and the chief of staff at the hospital to see what we can do. It also impacts our services in northern Nevada, where they are adding just over 160 veterans per month to their care teams.

We also work with our third partner in VA health care, the Salt Lake VA, which is where members from Elko and other portions of Nevada receive their care through.

We must use all forms of contact and media to outreach. This includes tables at events, social media, web outreach, and a few other mediums that we use. We are partnering and collaborating with over 200 veteran nonprofits in the state of Nevada to make sure we have the ability to collaborate and communicate with them to get to those unique veteran populations.

The VA compensation has a tremendous impact on Nevada's economy. The most current geographic distribution of the VA expenditure shows that Nevada's veteran population generates more than \$1.9 billion in compensation and pensions annually. This includes VA expenditures which are income sources to our veterans in Nevada. Those are compensation payments, pension payments, disability, dependency, and indemnity compensation, and burial allowances. The expenditures in this category reflect monthly payments made to individual veterans, retroactive payments, and one-time payments that are also included for back pay on their VA compensation claims. In some cases, we have seen individual veterans receive back payments in excess of \$100,000. Those are life-changing payments that our VSOs have been a part of. It is important that we reach out to these veterans so that they receive the benefits they have earned. We do that, right now, working with our 23 to 25 veteran service officers (VSOs) and our partnerships with the other veteran service officers throughout the state.

This is our plan to get after some of the things that are in the Governor's three-year plan [page 4, [Exhibit G](#)]. We will be focusing on attracting talent in addressing health care shortages in our workforce—we will talk more about that—ensuring our veterans have access to the appropriate services. What we are focused on across the budget areas is increasing our quality measures and our internal management control, our process improvement in both our northern home and southern home, and all that we do to provide excellent customer service. Essentially, we are focused on being good stewards of our fiscal resources and creating a workplace and culture that fosters an environment of inclusion. We want to become a place where people want to work, and they want to stay.

Our efforts include retention and development of workforce at our state veterans homes. Our Crombie Academy at the Southern Nevada Veterans Nursing Home is a workforce development program that provides free certified nursing assistant (CNA) training. This program is designed to train and retain CNAs who provide a critical role within our state homes. Our CNAs provide care to our residents at some of their most vulnerable times, from feeding and bathing, to preparing a resident for the day or going to bed. Oftentimes, our CNAs are the first people our veterans see in the morning and the last people they see in the evening. This four-week program prepares participants to take the state exam, which is required to take the CNA certification. We have had great success, and you will see through our other conversations that, right now, the Department has 20 vacancies in our CNA roles at the southern Nevada home.

Our veteran service officers are also critical to connecting our veterans to their earned benefits. We want to ensure all certified VSOs receive quarterly trainings and one annual, collective, training for enhancing skills. The collective training event will pull subject matter experts from our partner organizations such as the Veterans Administration (VA), the Veterans Benefit Association (VBA), the National Veterans Legal Services Program, and other community partners. Our continued collaboration and partnership with our federal, state, and nonprofit organizations are imperative to meet our goals of ensuring our veterans have access to appropriate services.

There are nearly 200 nonprofit organizations that support veterans within the state of Nevada. Each of these nonprofit groups are registered as either a 501(c)(3) or a 501(c)(19) organization, where they reach out to help our veterans in various ways. Collaboration with those organizations ensures that we have a wider net to touch and to talk to our veterans. Of those is a long-time key partner, the Perry Foundation. The Perry Foundation provides health care trainings for support and caregivers. They also provide military cultural training, as well as education about the resources and treatments, ranging from military sexual trauma to Parkinson's Disease, as the VA recognizes both as presumptive conditions.

We will also remain focused on the continual improvement of what comes through our customer service for the veterans we serve. Recently, in collaboration with the Buildings and Grounds Section of the State Public Works Division, we moved our headquarters in Reno to a much larger building in the South Meadows area. The building provides space for our veteran service organizations and groups to meet and gather at our facility. The long-term goal is to obtain the entire building, where we can create a veteran outreach center in northern Nevada. We are also moving our headquarters out of the Grant Sawyer State Office Building to the McCarran campus, where we are in the Storey Building, just a few blocks away.

The major challenges facing NDVS in this biennium are fairly straightforward [page 5]. It is recruiting and retention of our clinical staff. I mentioned before that we have 20 vacancies in our CNA ranks at the Boulder City home. That is causing an increased burden on our agency staffing and causing our labor costs to go up. We are reenergizing the Crombie Academy—we had to take a break. We had one of our Registered Nurses move from our organization to another organization, so we had to hire. We have just hired back our primary trainer for that, and we will be back in full swing with the Crombie Academy. We also paired with the Department of Health and Human Services (DHHS) and the Department of Corrections for the clinical staffing. Unfortunately, we were not as successful because the primary source of our clinical shortages is in CNAs, and that was not something that organization could help us with.

The next thing we face is the cost of construction for our capital improvement projects (CIP). If all our CIP projects go through—and I ask for your support on our CIP projects—the Nevada Department of Veteran Services will be in simultaneous construction of about half a billion

dollars' worth of projects by the time you add the state cost and the federal matching funds that we will receive from the VA.

Our budget priorities in the next biennium are clear. They are staffing, making sure we hire those CNAs and all the other members of our staff. We currently have an 11 percent vacancy rate. Those are primarily—I know I sound like a broken record—they are primarily those CNAs that we are rotating through.

In front of you this legislative session, we have five capital improvement projects, the largest one being the northern Las Vegas Home, which we are in planning for right now. That will be next to the Department of Motor Vehicles office on Decatur Boulevard. Our next priority for this budget session is equipment replacement and maintenance. We have in front of you a number of one-shot items that are to replace vehicles, skid loaders, and things like that for our northern Nevada cemetery and our southern Nevada cemetery. Those are things that have been in front of and asked for in multiple sessions. We are at the point, with most of our equipment, that if we do not replace it, we will have to rent equipment because we can no longer get repair parts for those pieces of equipment.

Workforce development is a high priority for me. One of the things that changes the culture is making sure our workforce understands that we value their skill set, that we will develop them, and that there is opportunity for them. I talked briefly about the training we want to do with our VSOs. It is not just our own 22 VSOs; it is any certified VSO in the state of Nevada. We would pull them together annually to have a refresh or a retraining with them to make sure that every VSO within the state is provided the same information, the same benefit of training, and we are giving our veterans the best possible service that we can.

Information technology (IT) security is a big priority for me. We have multiple interfaces within our Department where we have access to both the VA databases and other areas, so our IT team is of paramount importance. We will keep them trained. You will see in one of the budget recommendations where we are asking for a SolarWinds IT training software system to keep our skills current, and we have multiple one-shot items to replace our IT equipment that is consistent with the Governor's Chief Information Officer's requirements.

The final thing you see on our budget priorities is travel. Nevada is a big state. We need to get our VSOs to those rural areas so we can serve those rural veterans. We do have one VSO in Elko. We are trying to hire another VSO in Elko. We are in big competition with the mines out there. We do not offer quite the robust salary that the mines offer, so we are having a little bit of trouble recruiting that VSO, but we will be successful and get there. We do have VSOs in 11 locations, but we would like to have them in many, many more. The opportunity to offset that is by having benefits clinics with our partners. The VA, the VBA, all of us going out together and having remote clinics takes money, takes travel, and that is one of our largest priorities.

Quickly, the five priorities that we have on the capital improvement projects are all upgrades for existing projects or they are things like pulling the utility lines for the northern Nevada cemetery. We were unable to finish a project there because the utility lines cost more than what they had forecasted originally, so we need the additional funds for that. The other project, the largest, is the \$78 million for the North Las Vegas Veterans Home. There is a need for Nevada to have over 600 beds for skilled nursing facilities for our veterans in the state. We currently do not have 600 beds. We have just over 300. This facility adding 128 beds would put us much closer to what we need to serve the veterans who are currently here in Nevada.

I will talk briefly about the lines of effort for the Department. We have four very simple lines of effort that we are working on within the Department. One is our benefits, and that is what we talked about: Connecting our veterans to their benefits, whether those are federal benefits or state benefits that are here within the state. It is primarily something that is carried out by our veteran service officers and our outreach personnel. The other thing we talked about under this line of effort is interments at our cemeteries. For those of you who may not know, the Boulder City Cemetery is the second busiest state cemetery in the country. They do somewhere in the neighborhood of eight interments a day. That has a big toll on our folks, and we are working hard in that core competency of taking care and training our people, to make sure we are giving those folks who are out there at our cemeteries the best care that we can. It is a rewarding career field, but it is very demanding to see that level of loss day after day after day. We also have our cemetery in Fernley. We are doing great things up there in Fernley. It is not quite as busy. We have a great staff up there. We are working on the improvements to that facility, and we have great support with the various community veterans organizations.

Our next line of effort is health care. Our health care is where we currently operate the two veterans homes; one here in Boulder City, the other one in Sparks; one managed with state employees, one managed with contract employees. We are actively reviewing the management controls and how we manage the Sparks home, to determine at what point it may be likely that we would want to convert that home from a contracted facility, to bring those great state jobs to Nevada, and have them have state employees in those facilities.

We are going forward with the CIP project for the approval for construction in the North Las Vegas Home. That grant paperwork has been submitted to the VA. We are waiting for that April 15 deadline for that grant; they will prioritize us in the April 15 deadline. As soon as the CIP goes through, and with your approval, we will send the legislative notes to the VA as well. That information has to be to them by July 15, 2025 for them to consider us for the 2025 list. Then, we would be able to construct or go to bid for that job in the 2026 time frame.

Our third line of effort is development. This is a new line of effort for the Department. I have mentioned a couple of times that there are roughly 200 nonprofit organizations. As we take care of our veterans and their health care needs, as we reach out and we do the homes, and we

put them in what, in many cases, is their final home before we pay honors to them in our cemeteries, we also have a need to reach out to our veterans organizations. Those veterans organizations are the ones that reach out to those 216,000 veterans even more than we have the ability to. Those are our partners. Those are how we get the word out.

One of the biggest things that we need to do is collaborate with those community partners and those nonprofits to help them get their membership numbers up. Those membership numbers are what carries the voice of our veterans forward. Over this next biennium, you will see that, in that I have asked for a position called a development coordinator. That development coordinator would be the person who helps us with our roundtables, who helps us get information out to your jurisdictions, to sit down and say, where can we do targeted outreach? Where are our veterans who are considered to be untethered? An untethered veteran is a veteran who is on the VA's rolls or the Veteran Services' rolls, but has not taken advantage or filed a claim to take advantage of his veteran services. We now have the ability, partnering with the VA and the VBA, to determine where those untethered veterans are. We can take a look at those veterans and set up our veteran service officers and our outreach people and our VA partners at those fire stations or libraries or in those communities where those veterans are, so we can, hopefully, reach them a little faster and do that targeted outreach. That is what that development portion is for—is to talk about how we can better engage our community, whether that be educators, whoever is out there, clergy, all of those things, to get the message out to our veterans.

Our fourth line of effort is our operations, our administration, and our finance. Those are the things we do in-house that take care of our veterans service organizations. We have asked for two enhancements there. One is grants and contracts. That would bolster my staff to two people who do contracts and grants. It may sound a little strange that our Department would need that, but we do about 180 contracts a year. With the management of those contracts for the homes and everything that we do, it is a large number of contracts to manage, care, and feed. We also are working in the grant space. We are one of the recipients of opioid grant funding. We are receiving two tranches, \$700,000 per year, for opioid abatement and for help in the veteran space. We are reaching out to multiple community partners, and our contract for that will go out very soon. In advance, the grant money will come to us in July 1, 2025, in the beginning of fiscal year 2026. However, we are leaning forward, and we have put out a request for proposal for a needs-based assessment in this current fiscal year, to see what needs we have out there in the veteran community, to get ahead of this grant money coming in, so when we do receive it, we will be able to hit the ground running with that.

We have also asked for one additional human resource (HR) position. That position would be officed here in Las Vegas. The whole goal of that is to get ahead of all of those hiring actions that we have, as we roll into the construction and, ultimately, hiring to support that North Las Vegas home. We would like to go into that with all state employees, so that HR commitment is very, very important to us.

As for our budget overview [page 6], again—we have the three skilled nursing facilities—leaning forward, saying three, because we are going to build a third one, and I want everybody to start thinking about us as three. Wishful thinking. We have 11 veteran service officer locations spread all over the state. We do want to get more. We need to get into Laughlin, Pahrump, and a few other areas. We have two veterans cemeteries; we talked about those. Our headquarters offices are beautiful. Our facilities are a great upgrade to what we had, and we have the ability now to host our veterans service organizations within our buildings so they can have their meetings at our buildings, and we can be that force multiplier for them.

The Department right now has 257 full-time equivalent positions (FTEs) and 249 contract staff that are supporting the home in northern Nevada. We will add approximately 200 staff members to that mix when we stand up the next home in North Las Vegas. We have three budget accounts: 2560, 2561, and 2569. If you look at the block below that [page 6, [Exhibit G](#)] our overall ask of State General Funds this legislative session is just under \$11 million. It is just over \$5 million per state fiscal year. Our generated funds that we bring in from 7 other sources is just over \$153 million. Those sources are from the VA: They are primarily the VA in our homes and the stipends we receive for a burial as our burial reimbursements. They are Medicare and Medicaid, and some private pay that we have at our homes.

I wanted to show you our Strength-Weaknesses-Opportunities-Threats analysis [page 7]. I want to leave you with . . . Our strength is our staff, our advocates. We have 1,000 registered volunteer veterans advocates who are trained and help us with our outreach. You will be seeing, over the next legislative session, our advocates taking a much greater role in what we do with our outreach. We have a very knowledgeable staff of veteran service officers, and our partners in our veterans service organizations are amazing. Their commitment to what happens for the veterans is really awe inspiring.

Our weaknesses right now? Right now, we do not have the budget allocation to expand the framework for growth. That would be clear that everybody is here asking for more, but right now, our mix is one veteran service officer to 14,000 veterans. At some point, we would like to have one veteran service officer to 3,000 veterans.

We would like to capitalize on our public-private partnerships. That is not something that we have really prioritized in the past. That is where that development line of effort comes in; those public-private partnerships. Nevada has generous citizens, and we would like to be able to take advantage of the generosity of our citizens. That was very evident last year when we did the Day of Gratitude at Allegiant Stadium. The Raiders donated about \$3 million to that event, and we had a clergy group that brought in over \$4.5 million worth of donated goods. There were 15,000 veterans at that event. Every veteran left, or their child left, with either a toy or a brand-new pair of shoes, and they were smiling ear to ear. If we can just take advantage of a small portion of that to help our veterans on a daily basis, imagine how powerful we can be.

The threats to us right now are the rising demand for our services and the rising cost of health care. Right now, some of our veterans are very well insured in the private sector and are not using their veterans benefits. We see that changing with the more aggressive marketing of the PACT Act; a few other things which will put a greater demand on our VA hospitals—the three that support Nevada; our aging veteran population; and the changing demographics of the state.

I would like to leave you with the opportunities that we have. The public-private partnership is something we will be exploring, and I look forward to talking and working with each of you on that. Our nonprofit collaboration is something that we must do. That is where our veterans go first. In some cases, for their information, they go to their local VA, or their local Veterans of Foreign Wars (VFW), their American Legion post, or they go to that buddy who is associated with another group. We want to be there and be a full partner and help them. Our targeted veteran outreach is what I talked about briefly. Now that we know where those veterans are by zip code, how do we set up those targeted events? How do we reach those younger veterans? We need to be at things like soccer games. We need to be at the first day of school. We need to be at other things. We do not need to be always at the veterans-specific events.

We will focus specifically on the veteran transition assistance. We are working with other programs within the state and one of the biggest success stories in the Department is, just recently, I will be hiring my Deputy Director of Benefits. He was a SkillBridge intern coming off of active duty, and he has two master's degrees. One is a master's in business administration and one in international studies. He has worked extensively all over in active duty, at the National Guard bureau level, as well as here at the state level. His name is Rommel Ferrer, and he is going to be a great addition to our team.

The last thing that we really need to do is expand our digital ecosystem. That means not just getting a hold of our veterans through web-based or app-based things. It has a lot to do with medical records. One of the biggest barriers to our veterans being able to access their benefits is their access to their medical records. So, part working with DHHS and other portions of state government is that we would like to introduce some ideas related to the aggregating of digital medical records for our veterans, so when they file their claims with the VA, we already have that information in one digital footprint so that they have the ability to forward their claims and their digital information faster.

In conclusion, I want to say that Nevada has a proud history of service, from our battle born roots to the members of our active component and the members of our Nevada National Guard serving abroad today. I recently had the opportunity to participate in a ceremony honoring one of our World War II veterans, and it reminds me why we are committed to serving our veterans. His name is Onofrio "Nono" Zicari. He is 102 years young. Nono fought on the beaches in Normandy and was presented with the French Legion of Honor in Las Vegas just two weeks ago. His story and legacy represent the best in all of us. Nono has 6 children, 8 grandchildren,

and 12 great grandchildren. He is an amazing, amazing picture of resiliency and the best in all of us.

With more than 216,000 veterans in Nevada who have proudly served at home and abroad, the Department of Veterans Services is proud to serve our veterans and stands ready to support the Governor, our lawmakers, and the citizens of Nevada. Thank you for this opportunity, and I would be more than happy to take any of your questions. I know I stand between you and dinner.

Chair Monroe-Moreno:

You are fine. We had a late lunch. Members, are there any questions?

Senator Dondero Loop:

I see that you have the 24-hour skilled nursing care in a 96-bed state skilled nursing facility. If the world was your apple, how many beds would you actually need beyond that 96?

Mary L. Devine:

We would need about 600, and those would be a combination of our skilled facilities. I would take each of our facilities to 120- to 128-beds; it really still feels like a home at that size. I would take a look at some things like domiciliary care, as well as adult daycare to give our family members some respite.

Senator Dondero Loop:

You must have a waiting list, then.

Mary L. Devine:

We have a waiting list in the northern home, and we are working on that down here in the southern home with our census. Yes.

Senator Dondero Loop:

Thank you very much. Thanks for what you do, and thank you to all of our service members who are here today.

Assemblymember Backus:

One of the things I noted you talked about a few times was the number of nonprofits that you collaborate with. You noted upwards of 200. I was talking to some constituents in my community, some veterans who relocated to the Las Vegas area, and they had a really bad experience with a nonprofit that overpromised and did some questionable activity. I was trying to understand the role of the development coordinator, but I do not think this is going to fall in the scope. Do you have some sort of consumer protections for our veterans when it comes to referring outside services?

Mary L. Devine:

The biggest consumer protection we have right now is with people who are referred to as claim sharks. Claim sharks are the people who are out there charging our veterans to help them file their VA claims. Since the legislation has been passed and we have sent out a letter, and there are protections in place for our veterans, we have not forwarded anything under the current legislation to the Office of the Attorney General. But, that is still a huge issue, with our veterans going to people who are charging them, in some cases, 50 percent or more of the monthly stipend they receive from the VA. I guess the answer to your question is yes and no.

As far as vetting the veteran service organizations that are out there, we do a lot of work with what we call the big five, if you will: the DAV, the American Legion, the VFW, and those. We do talk to our folks in the committee and at our round tables and the service commission, but we do not have a formal vetting for all nonprofits.

Assemblymember O'Neill:

Colonel, I just want to say thank you very much for your presentation today, but I really want to extend thanks to the various veterans groups. It shows their service. They have been here since 11 o'clock, waiting diligently to serve you so we can serve you and still serve our state as a whole. I also particularly want to thank the Vietnam Veterans of America, Chapter 388, who have been sitting there in Carson City so patiently. I have to get even with Tom anyway.

I have to ask a question. As I recall, we do have a bill coming forward this session to strengthen the sharks activity and be a little stronger in preventing their taking advantage of our veterans. Is that correct?

Mary L. Devine:

That is correct. Adding more teeth.

Assemblymember O'Neill:

That is it. We can go to dinner.

Assemblymember Brown-May:

It is really, really good to see you here. Yesterday, we received some information about the Nevada State Veterans Memorial, Las Vegas, at the now-closed Grant Sawyer Building. Was your agency given an opportunity to weigh in with regard to where that should go? Are you going to be charged for any of the storage fees while we are waiting for it to go somewhere? I am curious to know how that worked through your agency.

Mary L. Devine:

I was consulted. I was given a couple of choices. One was Boulder City, and one was North Las Vegas at Thunderbird Park. We went and talked to the councilman in Boulder City, and he said he was honored to have over 30,000 veterans buried in his community, and to have the

veterans home, and that he would not be offended if it went to North Las Vegas to share the wealth. We talked with a couple of city councilmen in Las Vegas about the project. So yes, I was consulted. We will not be charged storage fees for that. The memorial will be on a long-term loan to the City of Las Vegas. It will be retained by the state as the State Veterans Memorial, and it will go from where it is right now at Grant Sawyer, to Thunderbird Park, on a parcel of land in the exact same orientation that it is right now. It will not change its orientation. They are doing some great work. They are working with the original designer, the architect, and some of the construction teams are on the project helping. There has been a huge outpouring of support from the original designers of the memorial.

Assemblymember Brown-May:

Thank you, Director, for that clarification. I am glad to know that you have been involved and our veterans are going to be honored the way they were originally intended to be honored.

Chair Monroe-Moreno:

Members, are there any other questions? I am not seeing any.

As a child of a veteran and seeing the work that you do in my community—when I reach out to your office to help veterans in my district, the phone is always answered and the need is always met—I wanted to tell you, thank you to your office for what you are doing here.

Mary L. Devine:

Chair, it truly is an honor. Last year, when I was asked to step in and take this position, it kind of came out of the blue for me, and it has been one of the best career decisions I have ever made in my life. It is an honor to be here. Thank you.

Chair Monroe-Moreno:

Members that is our last agency for today, and that brings us up to the last item on our agenda, which is our second opportunity for public comment. We will start with public comment here in Las Vegas, if there is anyone who would like to make public comment. [There was no one.] It looks like everyone who is still here in the room is walking towards the exit door. So, we will go to Carson City. Is there anyone in Carson City who would like to do public comment? It does not appear anyone is doing public comment there. Do we have anyone joining us on the phone line who would like to make public comment? [There was no one.] Thank you all for battling through a very long day, and for everyone who joined us here in person and who watched online. With that, this meeting is adjourned [at 5:04 p.m.].

RESPECTFULLY SUBMITTED:

Legislative Commission's Budget Subcommittee
January 22, 2025
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Geigy Stringer
Committee Secretary

APPROVED BY:

Chair Daniele Monroe-Moreno

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
	C	1	Brenda Scolari, Director, Department of Tourism and Cultural Affairs	PowerPoint presentation titled "Tourism & Cultural Affairs FY26-27 Biennium Enhancements"
	D	1	Kristopher Sanchez, Director, Department of Business and Industry	PowerPoint presentation titled "Department of Business and Industry Department Budget Overview"
	E	1	D. Rodger Waters, Brigadier General, The Adjutant General of Nevada, Nevada National Guard, Office of the Military	PowerPoint presentation titled "Adjutant General and National Guard Office of the Military January 22, 2025"
	F	1	James Dzurenda, Director, Department of Corrections	PowerPoint presentation titled "Nevada Department of Corrections LCB Subcommittee Budget Presentation SFY26-27"
	G	1	Mary L. Devine, Colonel, Director, Department of Veterans Services	PowerPoint presentation titled "State of Nevada Department of Veterans Services FY2026-2027 Biennium Budget, Budget Accounts 2560 2561 2569"
S.B. 78	H	1	Steven Cohen, Private Citizen	Email to the Legislative Commission's Budget Subcommittee dated 1/22/2025