NEVADA LEGISLATURE
JOINT INTERIM STANDING COMMITTEE ON GOVERNMENT AFFAIRS

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MINUTES

May 7, 2026

The fourth meeting of the Joint Interim Standing Committee on Government Affairs for the 2025–2026 Interim was held on Thursday, May 7, 2026, at 1 p.m. in Room 165, Nevada Legislative Office Building, 7230 Amigo Street, Las Vegas, Nevada. The meeting was videoconferenced to Room 3137, Legislative Building, 401 South Carson Street, Carson City, Nevada.

The agenda, minutes, meeting materials, and video recording of the meeting are available on the Committee's meeting page. The video recording may also be found at https://www.leg.state.nv.us/Video/. Copies of the video record can be obtained through the Publications Office of the Legislative Counsel Bureau (LCB) (publications@lcb.state.nv.us or 775/684-6835).

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Senator Edgar Flores, Chair
Senator Dina Neal
Senator John C. Steinbeck (Alternate for Senator Lisa Krasner)
Assemblymember Venicia Considine, Vice Chair
Assemblymember Lisa K. Cole
Assemblymember Tanya P. Flanagan
Assemblymember Duy Nguyen

COMMITTEE MEMBER PRESENT IN CARSON CITY:

Assemblymember Bert K. Gurr

COMMITTEE MEMBER ABSENT:

Senator Lisa Krasner (Excused)

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Jann Stinnesbeck, Senior Principal Policy Analyst, Research Division
Becky Peratt, Senior Policy Analyst, Research Division
Jen Jacobsen, Research Policy Assistant, Research Division
Heidi Chlarson, Chief Deputy Legislative Counsel, Legal Division
Stephanie Madrid, Deputy Legislative Counsel, Legal Division
Justin Luna, Principal Program Analyst, Fiscal Analysis Division

Items taken out of sequence during the meeting have been placed in agenda order.
[Indicates a clarification.]

AGENDA ITEM I—OPENING REMARKS

Chair Flores:

The Joint Interim Standing Committee on Government Affairs will come to order Madam Secretary, please call roll.

[Roll call was taken and is reflected in Members Present.]

Please let the record reflect six members are present, we do have a quorum. Please mark Assemblymember Nguyen and Assemblymember Flanagan as absent excused [Assemblymembers Nguyen and Flanagan joined the meeting during Agenda Item III], and please welcome Senator Steinbeck who is incredibly excited to be joining us today, look at that face of enthusiasm, and we are sorry to not have Senator Krasner today.

With that, members, I wanted to walk everybody through the agenda, I know it is voluminous and there may be some crossover with some of the questions that you will hear after each presentation, I do ask that if you think that question may apply to you, if you could quickly in your presentation address it—preemptively I think that would help with the flow, because again this is a subject that I think everybody cares about, is very passionate about, but I do know that there are going to be similar questions for a lot of these presentations.

AGENDA ITEM II—PUBLIC COMMENT

Chair Flores:

The very first item on our agenda; we will start off with public comment. Anybody wishing to join us for public comment either in Carson City or Las Vegas, if you could please occupy one of the seats. I want to remind you to please limit your remarks to two minutes, and should you have remarks that go beyond the two minutes, please feel free to submit those in writing to our Committee, and we will make sure that they get uploaded so that everybody can see them.

With that, good afternoon, welcome.

Davida Tyson, Representative, American Federation of State, County, and Municipal Employees (AFSCME):

Good afternoon, Chair, members of the Committee. I have here on behalf of AFSCME, the American Federation of State, County, and Municipal Employees. State employees are essential to the daily operations of Nevada. They serve our communities and agencies across health care, public safety, administration, and social services. A competitive and reliable benefits package through PEBP [Nevada Public Employees' Benefits Program] is one of the most important tools the state has to recruit and retain a qualified workforce. As Nevada continues to face workforce shortages and increasing competition from the private sector, affordable health care benefits remain a major factor in whether employees choose to join or remain in public service. Many state employees have expressed concerns regarding rising health care costs, affordability of premiums, deductibles, prescription costs, and access to providers. Some state employees will see increases by up to 23 percent this year. These concerns directly impact financial stability and overall well-being. When employees struggle to afford health care, it not only affects them and their families but also

contributes to higher turnover and staffing challenges across agencies. Many of our members are struggling to get by, afford bills, and have a healthy family. Investing in health care for state workers and investment in Nevada's public services. Affordable and accessible health care benefits help support healthier employees and strengthen the state's ability to provide quality services to the public. As discussions continue around health care, we will continue to support affordable health care options, improve access to care, and ensuring the long-term sustainability of PEBP. Nevada state employees are dedicated to serving the public, and it is important that we continue supporting the benefits that help them and their families thrive. Thank you for your time.

Chair Flores:

Thank you for joining us. Anybody else wishing to join us for public comment either in Carson City or Las Vegas? Seeing none, we will invite those wishing to join us over the phone. Do we have anybody wishing to join us over the phone?

Audio Visual and Hearings (AVH) Unit, Information Technology Services, Administrative Division, LCB:

If you would like to participate in public comment, please press *9 on your phone to take your place in the queue.

Chair, the public line is open and working, however, there are no callers at this time.

Chair Flores:

Thank you, and I want to remind those of you who may have been wanting or attempting to join us for public comment that we will have a second round of public comment at the very end of our agenda for today. You can do that over the phone or join us in person.

AGENDA ITEM III—PRESENTATION ON ATTAINABLE HOUSING IN NEVADA

Chair Flores:

With that, we will go ahead and move on to the next item on our agenda, which is a presentation on attainable housing from the Housing Division, Department of B&I [Business and Industry]. I believe they are joining us from Carson City. Good afternoon and welcome.

Christine Hess, Chief Financial Officer, Housing Division, B&I:

Good afternoon, Chair Flores, members of the Committee.

Give me one second, I think I am pulling everything up for you. Thank you, good afternoon. Thank you, Chair Flores and members of the Committee for this opportunity to provide you an update on the Nevada Attainable Housing Account. Of course— I am getting my buttons mixed up. (Agenda Item III A-1)

Just a little background and reminder, of course we all participated—you all participated in the 2025 Legislative Session and as part of Assembly Bill 540, there were quite a few provisions that passed in that Assembly Bill. You will see today that I am going to spend most of my time discussing the outcomes that we have so far for the $133 million that was appropriated in the State General Funds to the Attainable Housing Fund. But in addition to the work of the Nevada Housing Access and Attainability Act, we also established a seven-person Attainable Housing Council. That Council provides strategic oversight and

guidance to the Nevada Housing Division. Also, we expanded the definition of affordable housing to be encompassed by attainable housing and added a tier to go up to households in Nevada making up to 150 percent of the area median income. I think we can get into the weeds on AMI [area median income], but what I really love about this section of the bill is it really emphasizes how Assembly Bill 540 and the Attainability Act—how it is really a broad-spectrum solution across housing needs for Nevadans. We are talking from 0 to 150 percent of area median income, and you are going to see how the awards in the initial round of the attainable account actually align with that. Additionally, the bill required local jurisdictions to expedite and incentivize attainable housing projects. Again, you usually hear us speak about affordable housing, but affordable housing is part of attainable housing now. It also enabled contractor licensing reciprocity in communities with a population of less than 100,000, and it created the Nevada Attainable Housing Infrastructure Fund, which will be funded by the issuance of up to $50 million of general obligation bonds. This will support the infrastructure as part of special improvement districts and special assessment districts.

This is a snapshot of the Nevada Attainable Housing Council. As I noted on the previous slide, it is a seven-member Council, it includes appointments that are made by our elected officials both from the Senate and the Assembly, and our Governor. Automatically, the Director of Business and Industry is part of the Council and actually the Chair, the Housing Division Administrator—so Administrator Aichroth, who is on vacation otherwise he would be here. I would be running the slides, and he would be leading this presentation at this point. Then it also includes members with various levels of expertise, and you can see there in the expertise: banking and financing; builders and developers; multifamily; low income; and representation of the general public. We have had a few meetings already of the Attainable Council and their input and guidance truly is helpful. As we launch this, I think one of the things I would speak about is this Nevada Attainable Housing Fund and the $133 million. This really is a new space and new territory for the Nevada Housing Division, not all of it, but certainly components of it. To be able to have that guidance from a Council with varied expertise has been extremely helpful.

As part of Assembly Bill 540, the $133 million did not require the promulgation of regulations; however, it did require a system that the Housing Division utilizes as a requirement of the federal process for low-income housing tax credits, and that is the release of an allocation plan. Many of you have heard us speak about low-income housing tax credits and when we speak of that, we are not speaking about regulations, we speak about the Annual Qualified Allocation Plan. In the case of the Nevada Attainable Housing Fund and the $133 million, the Housing Division put forward a 2025 Allocation Plan in the fall. It had a public workshop, so certainly we welcome, always, public input, but it did have the opportunity for public input, and it was noticed accordingly. Then we also took that feedback, the original, and came to the Attainable Housing Council, incorporated their feedback and guidance, and developed the 2025 Allocation Plan. The allocation, the distribution of the $133 million was actually designated in statute as part of AB 540. Here on this slide, you will see that there is $83 million for the development opportunities, $25 million for homeownership opportunities, and $25 million for local government matching fund. That was actually designated in statute in those proportions. Then what we did further was make sure that the testimony that we shared and provided throughout the legislative session, the information we gleaned from the public workshops, the Housing Division's internal staff, and our understanding of industry best practices was reflected in the 2025 Allocation Plan to provide essentially program guidance. That was released, adopted, and that helped set the framework for an application process. That is what we are going to talk mostly about today, and then I am happy, of course, to talk about other things whatever the Committee would like.

Before I launch into the application process, for those of you that will recall from session, the Attainable Fund has $25 million for home ownership, the Housing Division—and this was part of the allocation plan—had $18 million that we carved out for our own program because we have existing infrastructure in place, and we knew that we could help Nevada homeowners to get into home ownership quickly. We also had $4 million that was set aside and went to Nevada Rural Housing for the exact same reason. So, $22 million was actually opened up and we all launched our programs on December 1, 2025. That was pretty awesome. That happened really immediately after the adoption of the Allocation Plan, both the Nevada Housing Division and the Nevada Rural Housing teams working together launched their programs and opened on December 1st. This slide that you have in front of you here is really some early results, actually midway results at this point, of the $18 million and $4 million. What is incredible right now, we have, and I will speak specifically to the Housing Division program, and then we can also address some of the Rural Housing statistics as the Committee would like. But what is incredible is we have over 338 loans funded. I can tell you though, in our queue, we have another about 330 that are reserved, because for our lenders and our lending community, right now, we are communicating that we only have 300 loans left. We are two-thirds through the project but with the loans that are funded, 98 percent are going to first-time homebuyers. That is exciting and usually what we all want to see. Also, the average purchase price is $377,763, and I do have a breakdown of Clark County should anybody want some Clark County numbers—we can discuss those; and I can talk a little about the area median income levels as well.

Also, what is really important to note, and again as part of Assembly Bill 540, in the initial allocation, the requirement of this homeownership program was that it serve essential workers. Essential workers are defined in Section 7 of Assembly Bill 540 as construction labor, health care, education, and public safety. Here we wanted to give this Committee an overview of where the loans are going by professional sectors as this point. What I do want to assure the Committee is the Nevada Housing Division does have other programs available if you are not an essential worker and those programs are going like crazy right now too. The other thing I wanted to share was a little bit more of the details of the Division's program. This program allowed us to do some unique things that we currently are not doing with our other programs, and this program has $20,000 that is available to homeowners that are essential workers, homebuyers that are essential workers, and that $20,000 can be used for interest rate buydowns, can be used also for down payment assistance, closing costs, or some combination thereof. To give you an idea of what that looks like in our Worker Advantage Program, if you take a conventional 30-year mortgage right now, the rate today on the market is 6.875. In our Worker Advantage Program, our rate for a conventional 30-year mortgage is 5.75 percent. If you are doing an FHA [Federal Housing Administration] loan with the interest rate buy down, it can be as low as 5.25 percent. You can really see where the access for many Nevada homebuyers has come in and it has just been phenomenal and highly successful. Again, I am going to, Chair, if it is okay, I will keep going, and we can have questions at the end unless you would like me to pause, otherwise.

Chair Flores:

No, that is perfect. Thank you.

Ms. Hess:

Going forward here, as I mentioned, we had an application process that opened after the adoption of the 2025 Allocation Plan. We opened applications for this program on October 30th, and then we also went through a review process and evaluation, which did also include some back and forth with applicants because this was a new program. Although I would say certainly in the programs that I am running, there is often an opportunity for question and answer, some technical assistance, and ultimately, we made awards in February of 2026. As we went through there, the evaluation process included Division internal team members with subject-matter expertise, and we also brought in third-party expertise as it made sense. It was a very thorough process; we scored all the applications; and we will talk about who was awarded. Generally speaking, actually not generally speaking, but our awards did go to the highest scoring. We did allow in our scoring process the opportunity for both scoring and some subjective conversations and discussion and evaluation to happen. Again, I think what is really important here to understand is we took great care with a brand-new program and with also some activities that are not typically done by not just the Nevada Housing Division, but by other housing finance agencies across the state. We are not the first one funding these types of things, but I can tell you, we are in the first cohort of housing finance agencies doing this work across a broader income spectrum than just low-income housing.

I think again, on this slide, what I would like to emphasize for us is the great interest. We were highly oversubscribed, 1.5 times oversubscribed for the entire program. And in the development opportunities category, we are 1.8 times subscribed. Again, going back to the Allocation Plan, the distribution of this funding, if you will recall, was set out in statute. We had the Development Opportunities at $83 million; Homeownership, this was the remaining $3 million from that $25 million balance; and then local government matching fund at $25 million. Also, I want to be clear, the local government is not competitive at this time. In our Allocation Plan, we appropriated—not appropriated, we allocated dollars to the local jurisdictions by population; so that way, the local jurisdictions would have access to a pot of money that is just for them and I anticipate, as we look at the 2026 round, that will still stay the same. So local jurisdictions as we get to that slide, for those local jurisdictions that have not yet accessed funds that were set aside for them, those will still be there. And our office will be offering technical assistance to make sure that we can get those local governments to the table, whether they are establishing new incentives and measures for attainable housing or whether they have actually existing opportunities for them to be reimbursed on a one-to-one basis. You can see here, we had $166 million requested of the Attainable Housing Account, $111 million remained out of the $133 million; and we awarded $64 million across 19 projects.

At this point I am going to break out the various categories and hit some highlights. Again, I am happy to answer any questions at the end that you may have, but I am going to hit some of the things that I think are most interesting, at least to me in the Housing Division; you will see them also on the right-hand side of this slide. The Development Opportunities category, we actually broke down even further and that was done in the allocation plan. We set aside funds for land acquisition, multifamily rental, Low-Income Housing Tax Credit projects—LIHTC projects. Multifamily rentals that were below 100 percent of the area median income, that was a policy decision made by the Division to propose in the Allocation Plan and was accepted. If you will recall, we could go up to 150 percent area median income, but in the Division, we felt like any projects that came forward we wanted to see what it looked like at 100 percent of the AMI [area median income] for rentals and below for multifamily. Then there was the "for sale" section of single-family duplex, tris, quads, townhomes—those single-family development for sale developments that are really

not getting built right now, right. Those homes that we are all saying, "Where is our 1,600 square foot starter home?" In the end, we recommended 12 awards here, includes 358 "for sale" attainable homes across those 5 projects; 1,208 multifamily rental apartments are included in here. One of the things I want to point out that I think is incredibly interesting in the multifamily rental category, we ended up only making two awards. Both of those awards are grants. These are the only two grants that are going out initially in this round. These grants are for two supportive housing projects, one in the south and one in the north. Again, I think it shows how the Attainable Housing Act does cross the whole spectrum of Nevadans in need of housing. We are addressing the conversations of Nevadans above 60 percent of area median income, and then also those below, and especially our most vulnerable. Another thing that I think will be of interest to this Committee—30.8 million of the funds were awarded down in southern Nevada, 20.9 million in northern and rural Nevada. Leverage was something you heard us talk a lot about throughout the legislative session and in our testimony; these funds are meant to have other funds come alongside of them. We are not looking to 100 percent fund a project. That leverage can look like the value of land, equity investment, other finance, other debt coming to the table. On average, the leverage ratio here across the Development category was 11.5, approximately 33,000 per home or apartment and 48 million was deployed as loans with most returning—anticipated to return within 2 to 4 years.

The next category we will talk about is the homeownership category. In this category here, we had four applicants. They were all great with only $3 million we decided to issue, just divide it up at $75,000 each. I think what I find most notable about this category of applicants is that there was not one northern Nevada, meaning Washoe County applicant. We had Rural Nevada Development Corp., that is a long and trusted partner of the Nevada Housing Division apply, Neighborhood Housing Services of Southern Nevada, Clark County, and Las Vegas all applied and so they were all awarded $750,000 each. You can see they are just kind of a broad brush of their programs, but these are their programs, not our programs—of course.

The next category that we are going to speak about is the Matching Fund category. And this one we can get into a little bit more if you would like of which communities got which amount. There is a table in our Allocation Plan that has a list of all the jurisdictions and again, we just did it by population, took the 25 million and proportionately designated the dollar amount for each local government. It was not a competitive process, and in fact, we are getting ready to distribute those funds now to the local governments, but they have all been—had the awards, and are well aware of their award amounts. In this category, this was a matching fund requiring local governments to be one-to-one match. I will say this is an opportunity for the Housing Division to provide more technical assistance. It was probably—it was a category as I looked at it that I thought needed the least attention, because our local governments do this all day long and in the end there was an opportunity to provide more and better and stronger attention to our local governments and we have had those conversation without local governments. The eligible activities that they could apply for reimbursement on a one-to-one basis were for incentives that they offered to expedite approval of attainable housing projects, reimbursement of waiving or deferring the payment of fees or taxes for attainable housing projects. If you will recall, this is directly a result of Senate Bill 103 in the 2019 Session, so our local governments have been doing this, and it has just been a heavy, heavy lift on them; so they were very welcoming of this reimbursement. Then "C" taking any other action within the authority that increases the supply of attainable housing. One question we have had from our local governments, "Well what about our preservation projects and rehabilitation projects?" Across the board, the Nevada Attainable Housing Act is focused on supply and increasing supply. Preservation and rehabilitation efforts would not be eligible in this—for these matching funds. We had

six local governments apply; three of whom were awarded funds, again, out of their respective allotments, not because the others will not get there, it was really more of a conversation. For example, our City Council approved this waiver of fees for this project, it is a new construction LIHTC project, we would like to submit that. That is great. The project has not started construction yet. In my work that I have done, I have seen projects that are approved by various city councils that might get a fee waiver, but they never actually financially close and begin. So it was more of a conversation that I need to have with my local governments to be a strong partner so that I can help them understand at what point—and they can help me understand as well—at what point that expense is felt by the local government. That is just one example of a learning opportunity.

I really went through, I mean, I could talk about the attainable account really as long as you would like— Chair, I know you have a long agenda. Just outlining next steps. As I indicated, the awards that were made in February, we are in the process right now of executing agreements, disbursing funds. As you saw, we have down payment assistance programs already active two-thirds of the way through their funding even. That is the phase that we are in now, we are currently making revisions internally to our 2026 Allocation Plan that will be released this month for the public and public input. We will be scheduling a public workshop most likely early- to mid-June. After that public workshop, we will present it to the Attainable Council for their input. Once we adopt the 2026 Plan, we will open the 2026 applications and again anticipate awards being made in September–October of 2026. It has really been a privilege and an honor to do this work both on behalf of the Legislature and the Governor's Office for our Nevadans. It has been fun and new and different, and we might get into some of those questions as we are crossing into territories that are also new for the Housing Division. With that, I am done, Chair. Thank you.

Chair Flores:

Thank you for walking us through all that, appreciate you. We will start off with Senator Neal.

Before I forget, please do let the record reflect that Assemblymember Flanagan and Assemblymember Nguyen are present.

Senator Neal:

Thank you, Chair. I have different questions. In 540, it also mentioned about creating this housing database. Is the data you are giving us today from that housing database or does it still need to be created? That is my first question.

Ms. Hess:

Yeah, thank you, Senator Neal, for the question. Chair, is it okay for me to go direct?

Chair Flores:

Please go direct. Thank you.

Ms. Hess:

Okay, thank you. Thank you so much, Senator Neal, for that question. Assembly Bill 540 also had some cleanup language of NRS 319 for the Housing Division, of which included the database, Senator Neal. We currently have a database and that has been an active conversation within the Housing Division, because I think the interpretation of database,

how the Housing Division has presented our, to date affordable housing data is really through a database that is also accessible to the public called NVHousingSearch.org. The opportunity to present this data that I presented today is actually, while in previous years, the Housing Division has not considered it part of the database, I would include it part of the database and that is actually being developed right now. So that is something, if I may, Senator, the Housing Division launched the application for the Nevada Attainable Housing Account on a brand-new platform for the Housing Division. It is called Neighborly, actually we might have been the first applications for our entire Division to go active on Neighborly. Neighborly is a software platform that we are launching all Nevada Housing Division programs on. We currently have open a development application for our 9 percent round and actually it includes 6 sources of funds for our subrecipients. The Attainable Account from '25 is there, we will have the '26 there and additionally, we have our multifamily bonds have been applying in calendar year '26 on Neighborly and our recently closed homeless services applications went on Neighborly. One of the things that has interested Housing Division leadership most about utilizing Neighborly is the opportunity to produce dashboards and provide better data for you all and better transparency of our data, meaning outward facing to the public and for report purposes for you. That is my very long answer, Senator, and hopefully it was helpful.

Senator Neal:

Yeah, it was, thank you for that. Can I follow up?

Chair Flores:

Please follow up.

Senator Neal:

In the database, are you also going to be tracking, or is this a conversation on the reimbursement payments to municipalities so when they come and say, "Hey, we waived X amount of taxes." I think it is important for us to know. Are we tracking that as well when they ask for payments—are you—is there—is that going to be in the database or is that going to be found somewhere else where we can have some transparency around; alright, they waived $1 million in taxes and then they went to the state and into this pot then asked for reimbursement for a $1 million in taxes.

Ms. Hess:

Thank you so much. As always, Senator Neal, I love your great questions. Actually, if I could put you in my pocket and we could work on it together, it was what I was working on today. We are currently, as I mentioned, Neighborly is new, but I am going to be asking our local governments to request their reimbursements twice for me, and I know they will because they are amazing partners, and it is also easy to ask because it is just going to be one draw. Like I said, they are currently submitting their draws to us in our usual fashion, which is old fashioned, too much manual, too many emails, it is not modernized. Neighborly, for us, has modernized even that process it is brand-new. Yes, when they submit their draw requests and if they do not want to do the extra step, that is okay, I will do it on the back end. I will be having the reimbursement requests come in per AB 540, I utilized and accessed and requesting reimbursement on fees that I waived. That is letter "B" fee waiver, I waived a million dollars, I am requesting $500,000. That will be tracked in Neighborly, and I will be able to easily show that.

Senator Neal:

Awesome. Final two questions. In Section 19, I am not sure if the Housing Division wanted this language or not, but it is one of the things that was put under the Housing Division, this Rental Payment Program associated with landlords. What is the status of that? When will that come online? Are you guys in the process of developing it?

Ms. Hess:

We are not in the process of developing that at this time, Senator.

Senator Neal:

Okay. Then final question, it is really Section 40 and then Section 46. This was the B&I provisions when they talked about provisional licenses; do we know how many provisional licenses were given because someone there was missing labor. Also, in Section 46 they had the ability to waive licensing even if it was a suspended license and then renew it and then also pay for their fees. Do we have any kind of—is that being documented in Neighborly? How can we find that information?

Mr. Hess:

Thank you, Senator Neal. That will be maintained by the Contractors Board. If I may, I can reach out to the Contractors Board, and gather that information, and get you a direct contact, and also inquire about those questions in particular, and also about how that may be tracked.

Senator Neal:

Thank you. Thank you, Chair.

Chair Flores:

Are there any additional questions? We will start here in Las Vegas. Seeing none. Do we have any questions up in Carson City?

Assemblymember Gurr:

No questions.

Chair Flores:

I apologize; I went too quickly down here. We will go to Senator Steinbeck, please.

Senator Steinbeck:

Thank you, Chair. Could you please expand on when you talked about the access for the lower interest rate for some of the qualified applicants; how they were able to obtain those. Is that covered within the homeownership opportunities awards? Or how exactly is that accessed?

Ms. Hess:

Thank you so much for the question, Senator. Those lower interest rates for Nevada homebuyers are—that is part of Worker Advantage Program. That Program, which is utilizing $20,000 per homebuyer, allows the homebuyer and the lender to work together to decide how they would like to utilize that $20,000 of which many are utilizing that to buy down an interest rate. That was the example I gave to you. For example, where right now a conventional mortgage—30-year mortgage is 6.875 percent. Through the Worker Advantage Program, which Worker Advantages are named for the Attainable Housing Funded Down Payment Assistance Program, through the Worker Advantage Program. Homebuyers can access that Program if they, again, meet the four essential worker requirements: health care; construction labor; education; and public safety. That conventional loan they could buy down the interest rate, and it could be 5.75 percent. That Program is accessed in partnership with the lenders, the Housing Division does not make its own loans. Public-private partnerships, that is actually our model of business across the board and certainly when it comes to our homebuyer programs. Lenders across Nevada are approved lenders, which it is not difficult to become an approved lender of the Nevada Housing Division, just have to become one, but they can access that Worker Advantage Program through a portal that we have and make this Program available to their homebuyer, if they are an essential worker. The essential worker income limits, we did not talk about, but they must be a resident of Nevada for six months. Some of the things that we spoke about in session and that $20,000 is actually going to come back to the state. It is a no interest, no payments for 30 years and it is only due upon sale/refinance.

Senator Steinbeck:

One quick follow-up, Chair?

Chair Flores:

Please.

Senator Steinbeck:

Thank you. Is the number of applicants for that are limited each year, or—and approximately how many have we had in the last year?

Ms. Hess:

Yeah, oh my gosh, I can get back to you on the number of actual applicants. What I can tell you is the number that—.

Senator Steinbeck:

Or awards, Yeah, awards as well.

Ms. Hess:

Okay so that $18 million we really said, okay at $20,000 apiece, that is 900 loans. Again, Senator, I could have you in my office this morning because we were just talking about the fact that we will likely help those 900 Nevadan households by the end of June, maybe early July, and that $18 million will be exhausted. The question for us internally is what is next? We, of course, have our Home is Possible Program; that is the one where if you are not an essential worker, you are accessing now. That does not include $20,000 though to buy

down interest rates. Their interest rates are higher than this essential worker program, but really the question will be for the Attainable Council. When we go to do the 2026 Allocation Plan, there is certainly an opportunity, or the public workshop, if someone says we love this homeownership program, you have $30 million left for 2026, and I am going to say of which $16 million goes to local governments. I think we have $46 million, so $16 million goes to local governments that is set aside so we have $30 million. Someone can come to that public workshop, or we might release it now and say this program has been so popular we would like to recommend extending the program and putting another $3 million, $5 million into the Worker Advantage Program and Down Payment Assistance Program. That is my long answer to in short, this program will expire after 900 households access it. That said, there are opportunities if Nevada loves this program for us to keep it going with some more funding. But we do also have other homeownership programs that are helping approximately 1,300 households a year. That is run out of our Single-Family Bond Program and right now, we are issuing approximately $450 to $500 million in mortgage revenue bonds to support our Single-Family Program and the Down Payment Assistance.

Senator Steinbeck:

Thank you. Thank you, Chair.

Chair Flores:

Next, we will go to Assemblymember Flanagan, please.

Assemblymember Flanagan:

Thank you, Mr. Chair. Thank you for the presentation. Can you— I would like to hear more about the essential worker pool. Just more details on how that structure, who falls into that pot, some of them make sense to me. Public safety, I would like to get a little bit more on because sometimes people in health care fields and public safety can make very generous salaries, so I would like to understand how that works and then of the loans that have been distributed. Can you talk a little bit about demographics, and who has been selected?

Ms. Hess:

Thank you for the question. I can definitely give you the demographics, but I do not have them handy, so I cannot give that to you today, but that is an easy follow up for us. We maintain all of our loans in a portal called E-Housing Plus, and so running that type of data is something we do not on a daily basis, but often. I want to see if I have even some Clark County numbers for you here that might answer your questions. No. Okay, I do not have any demographic numbers handy, but I can get you a further breakdown of the demographics as a follow up if I may.

Regarding the essential worker, so that was defined in Section 7 of AB 540. Now, when I say defined, it was listed construction labor, health care, education, public safety. The Housing Division team, which we have 3 members of our team, and they have been doing this work; 1 of them has been with us for 12 years; another 1 actually comes from the lender side, which is an amazing experience; and then, we have a newer team member who has been with the Division just shy of a year. But the 3 of them work together with our third-party consultants, but they handle the questions from the lenders. It is really the lenders and homebuyers who will make an application or submit for a loan and declare that it is a health care category worker. At that point, it is trying to understand if they are. Now, obviously—if it is somebody who is not doing health care and they choose the health care category, we come back and we deem them ineligible in that category. That happens almost

on a daily basis where that person then comes back and provides more detail about their work, and it may in fact fall into health care. I think that is, because the categories are broad, we do not specifically have a job title that you must have this. We will go and work with the lenders and the homebuyers to understand if they are able to qualify here. Typically speaking, the Housing Division loves to be able to help people become homebuyers. We are usually trying to work as much as we possibly can and within this program to help people qualify as essential workers. And for those who just simply are not one of these four categories, we again have our other programs available to them.

Chair Flores:

Next, we will go to Assemblymember Nguyen, please.

Assemblymember Nguyen:

Thank you, Chair, and thank you, Ms. Hess for your thorough presentation. I always enjoy the information that you give in the regular session and even now in the interim. My quick question on administrative things, on the "Next Step and Timeline" in my document here. I see public workshops for the 2026 Plan, can you tell me more about that and when are they scheduled?

Ms. Hess:

Thank you, Assemblymember Nguyen, and thank you for the kind and generous words. I appreciate that, and I love coming before you because every time I am before you, we are talking about housing, and I love housing for Nevadans. Regarding the public workshops, we have not yet advertised it. Per NRS, I think it is a 15-day notice, but we will be sending out a notice. Essentially I anticipate the document to be out next week, provided to the public and at that point we will advertise a public workshop—that we have not decided two weeks would be a minimum notice to me—we would likely give probably three weeks, but the Allocation Plan will also be available. At that time too I will schedule or request of the Chair of the Attainable Council a meeting that will follow the public workshop probably by a couple of weeks so that we at the Division can collect the feedback, whether we receive that feedback in writing or at the workshop, make changes or not to the original 2026 Allocation Plan that has been posted and will present that to the Attainable Council. So, the date has not been set. I would say the public workshop is going to happen either end of May, beginning of June, and at that point we will set an Attainable Council meeting for the end of June most likely and that will be the point that we adopt the Plan. I have the Neighborly already teed-up. I will make the revisions necessary in the portal, and we will be able to open for applications hopefully as early as mid-July. Again, kind of go through the same process. I will say at least this time, well we had such a demand, but at least this time we, on our end are a little better at going through, knowing what we are getting ourselves into for the review of those applications. So again, our goal will be to make the recommendations of awards late September, early October—latest.

Assemblymember Nguyen:

Just a quick follow up, Chair?

Chair Flores:

Please.

Assemblymember Nguyen:

In terms of how the public can participate, I know that this is a, you said the public workshops, as in plural, so there are probably more than one planned, right?

Ms. Hess:

No, we only have one public workshop, and it is virtual, and there is call-in information as well, and we also welcome written comment.

Assemblymember Nguyen:

Okay.

Ms. Hess:

There are multiple ways that the public can engage with the Division to provide their feedback as part of the "workshop."

Assemblymember Nguyen:

Got it. Okay, because I see a (s) in the presentation. I want to make sure that there is not something I am not seeing.

Ms. Hess:

Yes, if there is a (s), there is only one.

Assemblymember Nguyen:

This is something that is going to be reoccurring every fiscal year in terms of the plan is to only have public access one time.

Ms. Hess:

The Allocation Plan will be adopted annually. I would say this is at this point more of a calendar year type of Allocation Plan, and that is how it modeled after the Low-Income Housing Tax Credit Qualified Allocation Plan with is an annual plan on the calendar year. As you can see, we adopted at the end of 2025, the 2026 one, of course it would not make sense to adopt the 2026 Plan in January since we barely, we were still scoring the 2025. So, 2026 is a little later but I would anticipate then the 2027 to fall a little more in line with the calendar year.

Assemblymember Nguyen:

Great. Thank you so much. Thank you, Chair.

Chair Flores:

Members any additional questions. Seeing none, and I will go back to Carson City as a courtesy to make sure we are not having any questions up there?

Assemblymember Gurr:

Still no questions, sir.

Chair Flores:

Perfect, thank you and with that we will go ahead and close out the presentation. And if we could have you submit those answers to the entire Committee on demographics, please. (Agenda Item III A-2)

Ms. Hess:

Thank you, Chair, for sure. Thank you so much for your time.

Chair Flores:

Thank you.

AGENDA ITEM IV—PRESENTATION ON STUDY CONCERNING HOUSING ISSUES IN NEVADA

Chair Flores:

The next item on the agenda is the presentation on the study concerning housing issues with HopeLink of Southern Nevada.

Good afternoon, welcome.

Aaron Sheets, Chief Executive Officer, HopeLink of Southern Nevada:

Good afternoon, Chair and Committee. Thank you for making a little bit of time for us to speak today. We are going to speak a little bit today about housing stabilization services. A little bit about HopeLink to start. We are in our 35th year—we started in 1991. Our Mission is simple prevent homelessness, preserve families, provide hope. Our programs are all designed around homelessness prevention. Basically, in three large areas: scattered site; emergency shelter; and rapid rehousing. In those programs today we have about 1,000 of our neighbors in our care in approximately 350 separate residences that we are caring for with intensive services and housing services. Today we are talking about the third leg, housing stabilization, which is really designed to keep people out of those first two programs. (Agenda Item IV)

The scale of the challenge, I do not think will be new news to anybody here, 8 to 10,000 people experiencing homelessness on our streets; 78,000 units short of affordable housing or attainable housing. I have heard recently that number is as high as 88,000. We have 88,000 households at extreme risk. Now these are families that are, they make 30 percent or less of our area median income, and they pay 50 percent or more of that on their housing costs. That is over 300,000 people that are highly vulnerable to eviction, and that is what these services are really designed to prevent.

Why prevention matters so much is because that first episode is really the tipping point. Once someone has experienced homelessness, they are 2 to 3 times at higher risk of falling back into homelessness; 25 percent fall back into homelessness within 18 months of any services that they received, and the impacts on children are highly compounded— 3 to 4 times higher developmental delays in these children, increased school disruptions in these kids. We talk about chronic absenteeism so much the number one cause of that is housing instability. Higher rates of post-traumatic stress, depression, anxiety, obesity, asthma, even

malnutrition; these are things that that we could prevent with a more stable household and of across the course of their lives they will have greater system involvement statistically. Prevention is the thing that we think will help our system the most and it develops the highest return.

What happens today is we intervene too late. We have to be experiencing homelessness, you have to have an eviction file, you have to have a shelter entry, you have to have some kind of crisis system contact, before services kick in, and the results are higher costs, worse outcomes, we have system overload, and of course our schools and children are suffering for it. Crisis response is necessary, but it is not efficient. There was a study in 2018 that Clark County did that showed that we spend $73,000 per year on emergency services for people experiencing homelessness. Where our data shows that on average it costs less than $5,000 to keep them housed, and they do not experience any of those negative consequences. We believe a better approach would be earlier intervention if we could act sooner, perhaps when rent is seven to ten days late, when there is a utility shut off, when there is a job disruption, when a school counselor calls us identifying instability; these are all indicators of housing instability and problems with actually paying their rent. Our strategy would be a statewide virtual first system. We provide our homeless or our housing stabilization services virtually 98 percent of the time today. The system already existed to this. We do not need additional brick and mortar to take this to other places and to the rurals. We need to respond rapidly, and we would like to deliver these through a public-private partnership led by an agency that has a proven track record of providing these services well, like HopeLink. Our goal here is to meet people before that crisis escalates.

A Nevada housing stabilization fund, what that would look like, we believe it is a smarter investment. It is flexible funding for earlier interventions—short term support to prevent long term crises. It would cover things such as rents, and utilities, and auto repairs, childcare copays, employment services, case management services, and a variety of stabilization services. We do not believe that this is welfare or charity. We believe this is community infrastructure that is necessary for the health of everyone. Obviously, the question is always where does the funding come from? We understand the budget constraints that we are under here in the State of Nevada. But what we believe is we are already paying for these things. We have contracted with the Corporation for Supportive Housing to quantify what the costs of instability are over these five main sectors: health care; the justice system; education; economic mobility; and emergency services and homelessness prevention. We believe that these costs are already being incurred, they are not integrated well and they are not aligned well.

What we really need— We really think needs to change first is that we need to shift these trigger points, so we do not have to wait until people are on their last thread, their last breath, or their last dollar. We need to act earlier in the system. We believe that earlier response will have better outcomes, serve more households, resolve issues faster, and lower our ultimate system costs. The timing of these services drives the outcomes. Everything we do really is under the banner of keeping Nevadans housed. We are—we support every effort to build more affordable and attainable housing, but we believe we have to have a parallel strategy that actually goes alongside that to keep people housed until that housing is available for them. We believe it protects our families, our children, our communities. And our ongoing commitment to you is as we get more data and as we get this research more completed, we will share it with you to show you that a system that prevents this in the first place is a system that works best for our community. I thank you all for your time, and I am available for any questions.

Chair Flores:

Thank you for your presentation. Members, we will open it up for questions. Senator Neal, please.

Senator Neal:

Thank you, Chair. How can I ask this? This past legislative session we did AB 475, which was the $23 million in rental and eviction assistance, $15 million went to the county, a certain amount went up north. However, the question is, were you able to benefit from any of the $15 million that went to the county? Were you able to apply for it?

Mr. Sheets:

No, Ma'am, we were not. We are involved in helping to inform on that legislation and we thought we would be, but, no—we have not. That has been kept in the eviction diversion system in the court system from my understanding, but it has not gotten out to any of us.

Senator Neal:

Okay, so all $15 million that went to Clark County is in the court eviction diversion system, not for actual rental payment assistance.

Mr. Sheets:

I believe they can do rental assistance in that program. I could not tell you how far along they are or if that is being executed at this time, but my understanding is, yes, there is the legal component with Legal Aid and there is also Clark County is going to facilitate any of that rental assistance that they determine is warranted in that, but we are not involved in that.

Senator Neal:

Chair, maybe that is another piece of the puzzle that we need to break down, because I guess what I am trying to figure out is where are you getting— so I looked at your financials and so it has a large, your largest category are grants. Who are you receiving grants from? Are those all federal?

Mr. Sheets:

No, we get them federal, state, county, and from the jurisdictions. One of the issues with that we have, we have 29 different grant sources, they all have different criteria we can apply them only to certain demographic areas, certain income areas. It is very inefficient, which is why we are talking about it would be great if we had a fund that had the same criteria statewide that could be applied for. It would be so much faster to get that money out to the people that need it.

Senator Neal:

Follow up? Okay, so you informed on AB 475, but you received none of it.

Mr. Sheets:

Correct.

Senator Neal:

So let us, so here is the question. Let us say you get another bite at the apple in 2027. Eviction diversion dollars come up for rental assistance. What would you need that language to say other than what was said in AB 475? Because you sat at the table thinking, "Oh, you know, we are probably going to benefit from this." This is what I am assuming, and then it passed and then you received no benefit. What would be the ideal, because based on the data you put in here, it is $5,000 to keep them housed. It is more expensive; $93,000 to keep them unhoused. What would a new version of eviction diversion need to do in 2027?

Mr. Sheets:

I do not know how that exact language should look, but it needs to be for rental assistance and not, I mean if we call it even housing stabilization services rental assistance, I do not know how the language got hijacked this time, to be honest with you. I do not know how that process happened. We did think that would be coming to us a large amount, if not all of it, because that is what we do really, really well is those types of services, and that did not happen, but that has not been communicated to me why that did not happen, or how that process actually took place.

Senator Neal:

A solution orient— A solution would be for the future is for rental assistance and for nonprofits to be able to specifically apply for a pot of money to deal with their specific populations who are doing it. So, you would you want in the bill like a criterion like this is what you know, because clearly, we would need to set a process. We would need to set regulatory process on what would a competitive bid look like in order to make sure that the money goes out, but you would want to make sure that anything that happened in the future it did not go specifically to the courts.

Mr. Sheets:

Yes, we would like to have the opportunity to apply for it without a doubt.

Senator Neal:

Okay, because I am just trying to understand what is meant by a need for flexible funding because well it looks like we did flexible funding but did not meet your door.

Mr. Sheets:

Exactly. Now, flexible funding to us is not just rental assistance, it is anything that keeps that family housed, so it could be other things. Oftentimes we find a car repair in order for a person to actually continue going to work to make their own money to pay their own rent. It is something that would be necessary. So, we were looking for flexibility in a fund that we could pay for a myriad of things, all that would keep them stably housed.

Senator Neal:

Final follow-up?

Chair Flores:

Please.

Senator Neal:

How often do you work with, and I am assuming you do, but how often do you work with, because typically if they are homeless, that means they are also meeting the Division of Welfare Services, right? So that means they get drawn into SNAP [Supplemental Nutrition Assistance Program], TANF [Temporary Assistance for Needy Families], and different categories of support, and there is some flexibility within TANF and SNAP in order to pay for different things. How often do you work with them in order to deal with this? This is my verbiage, I call it a snowball, and then mitigate the different factors. I only know this because I have pulled these triggers multiple times where I had an individual that Welfare was able to, as long as they were on TANF, SNAP, we could take care of a certain amount of car insurance or we could take care of paying the registration and different things because a lot of those things fall out of place or they get behind. I am wondering how have you layered these pieces of support. And then when you answer that question, how do you also layer the DETR [Department of Employment, Training, and Rehabilitation] Workforce Support and other dollars that may be at play that can assist?

Mr. Sheets:

Sure. We actually privately fundraise for what we call diversion funds. We have a pot of money that we use ourselves for those creative solutions that we can green light internally. It is just so much faster than having to go to another agency to get that done. So, if it is something that makes sense in that case to keep someone going, we raise money for that ourselves. It is not a huge amount of money, but they are little pieces that actually add up for a client it makes a big difference. We actually have a program internally it is called CareerLink that we work directly with over 50 employment partners, including DETR, to actually get people that are in our programs enhanced employment or initial employment, if they do not have that. All of our partners pay living wage jobs—that pay living wages so people can eventually get stable with that job under our care, so we have that layered in already, and we are always looking to expand that partnership.

Chair Flores:

Next, we will go to Vice Chair Considine.

Vice Chair Considine:

Thank you, Chair. Thank you for the presentation, it is very thorough and succinct—very clear. My question is about eviction as well, because by the time you are in the court system there is already a lot of fees piling up. I am seeing a lot of leases that they are putting into lease if they have to put a document on your door, they are charging you another $200 and $350 on top of anything; so that is piling up. Have you thought about a way, or should we start brainstorming ways to help people before they are in that system to avoid all those extra fees?

Mr. Sheets:

That is exactly what this presentation is about. We need to move those triggers earlier, so we do not get there. That is exactly what we are talking about, and we need to be more creative with that because we wait too long. Another point to you when we went back and analyzed all the COVID assistance, HopeLink prosecuted tens of millions of dollars over the over the years for rental assistance during that time, and we found that the fraud rates were extremely low, 1.5 to 2 percent. They were not what we thought they would be, and that was largely on the landlord's side. It was not on the tenant's side. So, when we design

these programs, we also want to design it to where we have easier access and all the things that we are asking for them up front. Maybe we could relook at that again and actually make it easier for people to apply for this because with our HMIS system [Homeless Management Information System], and a lease and an ID [identification] we can document a lot of things without needing obsessive documents upfront, okay. But yes, earlier intervention is everything I was just talking about if you have a referral from a school counselor, if you are getting TANF, if you are getting food stamps, you are already income qualified we can move with assistance really, really quickly and we can get a check out—an e-check in 24 to 72 hours. Think about what that would do for our community. This is what we are talking about wanting to do.

Chair Flores:

Thank you, and next we will go to Assemblymember Flanagan, please.

Assemblymember Flanagan:

Thank you, Mr. Chair. Thank you for the presentation. I noticed in the report you have rapid rehousing, scattered site emergency shelters, and other stabilization resources. Can you talk a little bit—I am curious like if there are partners who you work with that have certain housing units set aside to place people like this, who those partners are, and what the number of resources or units look like. I am curious.

Mr. Sheets:

Yes, we have over, oh gosh, well over 40 landlord partners that deal with us. We are well known in this industry because we work with them, and we try to make sure that they are kept whole through all of the craziness that goes on with our clients. But, yes, we have partners, both of them rapid rehousing, we have 275 units right now and so there is always a need. We are always talking to new landlords about gaining more inventory, we have three people full-time, they are our housing navigation and that is what they do. They go out and they work on those relationships with the landlords in town. We actually have an event at the end of the year where we award a "landlord of the year," and we bring them in and we thank them. We have a great relationship with that group, and we are always looking to increase that. Did that answer your question?

Chair Flores:

Members, any additional questions? We will go back to Senator Neal, please.

Senator Neal:

I just have one question. So, when you mentioned that, you said you saw the fraud more so even though it is 1 to 2 percent on the landlord side, can you give more of an explanation? I guess the thing that popped up in my mind was because, you know, maybe you watch the news and maybe you stay away from it for pure sanity, that the landlords currently are trying to sue and get reimbursed for the COVID assistance, and which is wild alright. Talk to me about what you saw on the landlord side.

Mr. Sheets:

Yeah, those are national statistics. I will be honest with you, the reason we have such great landlord partners, because during COVID not one of our landlords missed a payment. One was never late. They always had their money on the first, we came in and we made

sure that they were taken care of, so our clients were taken care of, so they never experienced any of that. But what the national data was showing was landlords would sometimes accept payment from more than one agency because they were not using HMIS effectively. If you use HMIS you know that a person has already been assisted and then as the Assemblymember answered earlier, they were jacking up the fees, they were tacking on fees that were not necessary. Those are the things that were shown in that national report. It really was striking to me, because we build these programs anticipating a certain percentage of fraud, but it was much less than we thought it would be.

Senator Neal:

Can I ask another question?

Chair Flores:

Please.

Senator Neal:

Do you think it would be helpful within this apartment landscape conversation when we are talking about housing stability to also start potentially, because I am assuming that when you step in as a nonprofit that is helping, if they are hiking up the fees and they know it is a nonprofit helping a person that is unhoused. Have you attempted to bring legislation or influence legislation to go after some of those fees and also, this five-times co-signer, three-times rent because I am assuming that still hits them squarely, right? And an agency is still saying, "Hey, we still have to come up with three times the rent in order to get this person a house," which is actually a large dollar amount knowing that even within the affordable housing space, it is still a sizable amount when you do it per person.

Mr. Sheets:

Thank you for that question. The short answer is, no, we have not been involved in legislation, and no, we do not deal with people that actually operate like that. Rapid rehousing by statute, the lease has to be in the client's name. We can only pay two times deposit to put them in and it has to be fair market rent, or we have to do a report that shows why it is not fair market rent. It is called rent reasonableness, where you actually take other units, it has to be no more than other units that are in the area are charging for the same exact unit size, things like that. We are able to ensure fairness in that way and our landlords, they understand that this is not guaranteed rent, but it is as guaranteed as they will get because as long as the clients are engaging with us in services, they are going to get their money. I will tell you over 70 percent of our clients are domestic violence clients fleeing domestic violence or sexual exploitation, and sometimes they get found and sometimes we have to move them. The way we work with the landlord is we guarantee we are going to move them out to another place, but we will move somebody else in that unit. They will not lose any money in that unit. Again, it is the way we maintain our relationship and grow with those relationships.

Senator Neal:

Thank you for that. I am definitely interested in that statute, because I think first of all, I think even though that statute is built upon folks that are in need, I feel like in the current housing market instability and supposedly, the Governor is pushing for housing stability. The Legislature has been talking about housing stability and homelessness that, two-times the rent is actually, should be the normal standard or two point five, but it certainly should

never be three times the rent. I know that in the affordable market that is a different because there is an AMI and those are different kinds of apartments that have an AMI criteria, but the reality is that when you put the 88,000 that are housing risk. That is everyone else who is potentially making $40k that cannot afford $2,500 a month, nor can they afford three-times that and trying to put that up, and so I am interested in a larger—I guess, I will not say it is equity but a larger reasonable rent factor that allows everyone to be housed from the rurals to the south. Because I do not have a rich grandma, and I do not know anybody that does that can pay as a co-signer five times the rent for someone else. Like legit, when you are talking about a non-AMI property, like five times the rent as a co-signer, you might as well tell them you have to be making at least over $100K just to co-sign for somebody. But I know that this is an active group of lobbyists who are like, "I want to get my money, and I do not care how they have to do it." Maybe we could talk offline about how to get some equitable rents, not a rent cap, but how it works in the universe for folks to actually stay housed if you do not make any money.

Mr. Sheets:

I do have one point to say; two different things we are talking about. Housing stability is keeping people that are housed that are paying their rent, that are employed, housed, low-income folks. Rapid rehousing, the people we are talking about our relationship with the landlords, those have often—they are coming from homelessness. They do not have any income, so they are not being qualified on that. The relationship with HopeLink that we have with the landlords is what gets them in. We work with them through our CareerLink Program to get them gainful employment, so within six to nine months they can actually take over that unit themselves—so that is how those two programs work.

Chair Flores:

Senator Neal, any follow up?

Senator Neal:

No, I am thinking about legislation in this space. I tried it already and it died, but you know I always have a good comeback.

Chair Flores:

Any questions from Carson City?

Assemblymember Gurr:

Yes, Chair. I think I do have one. Under the better approach system that you have got, you outlined strategies to go forward. Is there a road map and how you are going forward with those strategies?

Mr. Sheets:

Well, we do—we have a concept for what a program like this could look like that was not part of the presentation today, but we do have a concept. The size of which would be how much funding we could find for it would determine how many people we could help. But yes, we do have a concept on how this could work from day one starting off with an assistance application that would work for if you needed rental assistance, and employment assistance, and legal assistance to make sure that we are staving off an eviction all in the

same application, so we do not have to refer you out. That would be step one and make it easy for them to be able to qualify and get that assistance out quickly.

Assemblymember Gurr:

I think that sort of answers the question. How do you identify and what does somebody in trouble that needs that assistance, how do they get a hold of you? How do they know about you? Is it through their landlords? Or I would assume that an awful lot of tenants do not know about your issue in the north or your organization, so is there any other— How do you get start the process with somebody in trouble?

Mr. Sheets:

We get a lot of calls daily. We are on 211—welfare, social services, other agencies in town—in southern Nevada, which is where we are located, and where we have dollars for services now—they all refer to us. We are well known and people do not have a hard time finding us. The larger problem is having funds available to assist them. That is always the issue. We are always limited there, but people do not have a problem getting a hold of us. And if we were to do a program like this of housing stabilization services, earlier interventions, there would be a PR [public relations] component built into that. We would have to do a little bit of advertising to get that word out there that here is the link you go to because it would be a website portal that people could apply on. That is why it could be anyone, anywhere in the state could apply on it, upload their documents to get the process going quickly. That is the vision.

Assemblymember Gurr:

Thank you, sounds like a little more work to get it in process. Thank you, Chair.

Chair Flores:

Thank you. Members, any additional questions? I do not believe we have any more. Thank you again for joining us.

Mr. Sheets:

Thank you very much for the time. Appreciate it. Thank you.

AGENDA ITEM V—NATIONAL TRENDS IN STATE GOVERNMENT AS IT RELATES TO ARTIFICIAL INTELLIGENCE AND CYBERSECURITY

Chair Flores:

We will switch gears a little bit, and next we will move to the next agenda item, which concerns national trends on state government as it relates to artificial intelligence (AI) and cybersecurity. I believe we have somebody joining us via Zoom.

Good afternoon, welcome, thank you for joining us today.

Adam Kuckuk, Policy Associate, Elections and Redistricting Program, National Conference of State Legislators (NCSL):

Good afternoon, Chair, and members of the Committee. Thank you for having me here today. Now very quickly for those of you who are unfamiliar with NCSL, we are the nation's

nonpartisan organization supporting the work of both legislators and legislative staff. We provide a variety of services including nonpartisan research, so if you have any questions about what is presented here today, or anything else, please do not hesitate to reach out to myself or any of my colleagues.

Now, today I am going to be very briefly going over trends in AI [Artificial Intelligence] legislation across the states. (Agenda Item V A-1) First, we will be covering recent legislation broadly and then we will be diving into deepfake legislation, more targeted legislation, and then the comprehensive legislation that we have seen some states introduce.

Now a quick disclaimer is that I am part of the Elections and Redistricting Program at NCSL, so my expertise is particularly around AI as it pertains to elections. At NCSL there are experts in almost every single one of our policy programs who covers AI. While I try to answer any questions you may have today, I may have to follow up and defer to them.

To begin, I wanted to cover the legislation that we have seen across the 50 states. This chart is showing the legislation that was introduced in 2025. As you can see, there are many different categories of AI legislation ranging from housing to energy issues to creating new crimes among many, many, many other topics. In the 2025 Legislative Session, all 50 states introduced legislation on the topic. NCSL was tracking over 1,200 bills related to AI with 45 states adopting a bill and nearly 200 measures being enacted. This year in 2026, we have already seen over 1,200 bills, and we are on track to seeing much more legislation on AI this year than last year.

Diving in a little bit into exactly what these bills are covering. A popular trend in AI legislation has been particularly been around deepfakes. One of the biggest areas that legislators have taken a look at is AI that pertains to elections. Now, currently, 29 states have enacted a law regulating AI and political messaging, specifically. States have taken a variety of approaches the most common, however, is requiring a disclosure that a political advertisement used AI. A handful of states have also introduced prohibitions. Another thing that we have seen around deepfakes since 2019, we have seen 40 new laws enacted around sexually explicit deepfakes, and most of those laws have been enacted. Most of them have focused on deep fakes depicting minors specifically. Then of course, there has also been legislation surrounding the name, image, and likeness of performers and actors and deepfakes depicting them.

Now looking at AI a little bit more broadly outside of deepfakes, states have also been regulating other areas. At least five states have enacted legislation focused on AI chatbot applications specifically. Another area we have seen is AI in the health care sector, over ten states enacted laws in 2025. An example of this is Arizona, which enacted a law prohibiting the use of AI in denying medical claims. Another example is New Mexico where they directed their board of nursing to create rules for the use of AI in nursing. Then also other states have focused on creating private-public partnerships and initiatives to foster AI innovation and deployment through their state. Now, in large part, states have been focusing on trying to create comprehensive AI regulations. Over the last couple of years, we have seen a handful of states do so. Colorado was one of the first states to enact a comprehensive law and their law applies to high-risk systems and requires developers to avoid algorithmic discrimination in consequential decision areas such as education, employment, and essential government services. The law adds requirements such as disclosing known and appropriate uses of the technology and also disclosing the data used to train the system. Developers are also required to implement a risk management policy and conduct an impact assessment. Utah is another example state that has recently enacted

comprehensive legislation. They passed their Artificial Intelligence Policy Act which imposed disclosure obligations on covered entities for their use of generative AI technologies. The law creates two new entities. It creates an AI regulatory body called the Office of Artificial Intelligence Policy, and it also creates the AI Learning Laboratory Program, which is tasked with studying the impact of AI with companies deploying the technology in their state. Utah also enacted another law which built upon this, and it requires certain disclosures when generative AI and AI chatbots are used in consumer transactions and in regulated services such as legal and medical context.

A couple more states that have touched these more comprehensive legislation. California, last year, enacted SB 53, which focused on transparency and safety of large AI models. The law requires large frontier developers to implement and disclose an AI framework. State agencies are required to create an inventory of high-risk automated decision systems. Then, there is also Texas, which enacted HB 149 and they required the disclosure of AI and of AI uses and prohibits developers from creating systems designed to make discriminatory decisions. The law prohibits the government from using AI in specific ways such as ranking people based on personal data. It also prohibits developers in the private sector from creating tools that incite self-harm or criminal behavior. A new ten-member advisory body will monitor AI use across the state government. Now both Texas and California laws both focus also on AI innovation as well with government coordination in California to provide AI infrastructure for startups and researchers, and there is a regulatory sandbox to test AI innovations in Texas.

I want to quickly highlight that we have many, many resources at NCSL on artificial intelligence, most prominently we have our AI legislation database, and then we also have several different reports going over different policy areas including law enforcement, artificial intelligence in the government and elections. Then we also have our legislative use of Artificial Intelligence Survey from 2025.

I would also like to quickly highlight that this summer NCSL, of course, has our Annual Legislative Summit. I would encourage all of you to take a look at if you are interested in attending. With that, I am happy to take any questions.

Chair Flores:

Do we also have Jackson Littlewood, if I am not mistaken, joining us via Zoom?

Jackson Littlewood, Policy Analyst, Center for Results-Driven Governing, NCSL:

Yes, Senator, I would just go— Adam, I think was going to go first, but I can go as well.

Chair Flores:

Sounds good. Members, do you have questions now or would you like both—get the second portion of the presentation and we can do them altogether? Let us do that. Mr. Littlewood if you could please proceed with your portion of the presentation.

Mr. Littlewood:

Yes, let me go ahead and share the screen.

Chair Flores:

Thank you.

Mr. Littlewood:

Good afternoon and thank you to the Committee Chair for the invitation to speak today. I am happy to provide you today with an overview on recent state legislative trends related to cybersecurity. My colleague, Adam, already provided some context, but for those of you unfamiliar with NCSL this slide here (Agenda Item V A-2), which I believe you have, provides a little bit of an overview of what we do. As a brief agenda for today, I will start off by giving some background context to the issue of cybersecurity, then I will give some summary statistics for what we saw in 2025 legislation specifically, and then finally, I will discuss four key trends in cybersecurity legislation with some example bills.

Many aspects of our daily lives now, such as banking, health care, managing a business, et cetera are now conducted online and that means also an increase of the amount of our personal data that is stored online, which makes it more lucrative for bad actors to steal, disrupt, or hold that data for ransom. These incidents increase costs and shut down critical operations both in the public and private sectors, so states are addressing these issues through various cybersecurity legislation. In 2025, we saw 49 states and Puerto Rico introduce more than 800 bills or resolutions related to cybersecurity and of those, we also saw 44 states enacting more than 200 bills or resolutions in 2025.

Looking at the enacted legislation that we saw last year, four key trends emerged. First, legislators expanded state government's jurisdiction over cybersecurity by creating new agencies as well as reorganizing the powers and duties of existing agencies. As an example, Texas established Texas Cyber Command, which partners with the University of Texas, San Antonio to concentrate the state's cybersecurity experts in one place so that they can coordinate with the state and local governments on their cybersecurity planning.

Another trend from 2025 that we saw was to require public or private sector entities to adopt minimum cybersecurity standards. This can include quite a few things from multi-factor authentication, incident reporting standards, and timelines for meeting those standards, encryption, as well as limits on information sharing outside of government departments. In the public sector, this often focused on streamlining these different standards across agencies. For example, New York required state-owned devices to meet the cybersecurity framework of NIST, the National Institute of Standards and Technology. And, in the private sector, legislation focused on areas where cybersecurity is of the utmost importance. North Dakota enacted a pair of bills, one requiring minimum cybersecurity standards for financial service corporation, and then another one on insurance producers respectively.

A third trend that we saw was legislation to enact educational and workforce development initiatives around cybersecurity. This can range from education developments targeting defense and cyber sectors to states forming their own civilian volunteer cyber corps. Hawaii adopted a resolution which directed the State Technology Development Corporation that is an agency with distributes grants for entrepreneurial developments and new technologies to increase its focus on both advanced manufacturing as well as cybersecurity specifically. The state also appropriated funds for student internship programs, certifications, and software to support defense sector jobs, including those related to cybersecurity. Finally, another trend was legislation addressing critical infrastructure protections due to the rise that we are seeing in threats to critical networks. Some states increase criminal penalties for critical infrastructure through cyberattacks. West Virginia, for example, in new legislation specified that anyone who inflicts damage on critical infrastructure through a cyberattack is guilty of a felony punishable by a fine up to $10,000 and up to five years in prison. And, Legislatures also limited procurement of technology made in foreign countries that might have

cybersecurity concerns. Oregon enacted legislation prohibiting any hardware, software, or service that uses artificial intelligence from being installed on state information technology assets if that AI is developed by certain foreign companies that it names. On the NCSL website, linked here, you will find state cybersecurity legislation from 2020 through 2025, and we will be updating the website with the 2026 legislation soon as well.

As Adam mentioned, just a quick plug for our upcoming Legislative Summit in Chicago, where we will be holding several technology related sessions if you are interested in these topics. Finally, yes, my contact information is on this slide. Thank you very much for the opportunity to provide you with this information today, and I am happy to answer any questions that you may have as well.

Chair Flores:

Thank you both for joining us. As you are receiving questions, either one of you or both of you please feel free to join the conversation.

Members, questions? We will start off with Assemblymember Nguyen.

Assemblymember Nguyen:

Thank you Chair, and thank you for the information on the updates of what our colleagues are doing across the country. My question is, any of those legislations that you have seen have had a creation of a similar infrastructure, like our federal government, in terms of creating a bit of like a skiff where information is being delivered in real time to lawmakers; so that we have the ability to support or react appropriately in terms of things that relate to matters that affects the security of our state.

Mr. Littlewood:

Adam, do you want to address that first and then.

Mr. Kuckuk:

Yeah sure, I think this might be a question more suited for Jackson here, but yes. Thank you, Senator, for that question.

Generally, what we have seen across states and as I stated earlier before, my background is primarily within elections and redistricting so there is certain information sharing networks between state's executives and also especially between county agencies to be able to share information. Now I am aware that with the disappearance of CISA [Cybersecurity and Infrastructure Security Agency] and some of the other federal programs that facilitated some of the information sharing between jurisdictions, states have been trying to figure out some of those. Now I am happy to try to follow up with some of my other colleagues, who cover this a little bit more specifically around election security, if you are interested. But, yes. Jackson.

Mr. Littlewood:

Thank you, Senator, for asking that question, so I would agree. Some of the examples I provided, i.e. Texas Cyber Command, for example, as well as I believe Nevada last year created the Governor's Technology Office or at least new roles related to cybersecurity

within the Governor's Technology Office that do— Yes, a primary responsibility of those new agencies is information sharing, coordinating expert response. As far as how that is directly communicated to legislators, I would have to follow up with you on that, but I am happy to do so if that would be helpful for you.

Assemblymember Nguyen:

Follow up, Chair?

Chair Flores:

Please follow up.

Assemblymember Nguyen:

Thank you, Chair. I guess we did not make your radar in terms of the reports of what we did here in the Nevada—because here in November of last year during special session in the Nevada Legislature, we passed AB 1, I believe that gives that privilege for legislators to be briefed on information that relates to cybersecurity challenges. And so, we have started that, maybe who knows, we may be the first one across the country to do something like that. I am kind of surprised to hear that no other states have gone into this, so I think the infrastructure conversation around planning on cybersecurity still in the, I guess, rudimentary stages, because if you said the Legislatures across the country only did this last year, and you said 800, did I—I do not know if I heard that correctly, 800 different legislative bills that went through those legislative bodies. How many of those were infrastructure set up, and how many of those are actually putting into funding allocation, into actual programs that will help these agencies do some preventative measure. Did you breakdown, perhaps, and if you do not have it right now that is fine. I can follow up with you offline to be able to understand some of the urgency across our country in terms of how to respond to this.

Mr. Littlewood:

Thank you very much, Senator. You are correct that I do not have a breakdown currently as far as what the focus of those bills relating to setting up the governance infrastructure versus appropriations. But that being said, appropriations is always a significant category in the cybersecurity legislation. Just as an example of one that—of an appropriations bill that was set up related to this coordinated government response and particularly this one I think was focused on local government officials, Alabama Senate Bill 112 was enacted to create the Alabama Cyber Range, which specifically works to train both students as well as education officials about cybersecurity response and sort of to provide that training. That is an example of the, you mentioned, the top line number of the 800 bills for example. There are states that have enacted other, both appropriations measures, as well as governance structures prior to 2025. My presentation today was focused on 2025 for the sake of clarity, but in 2024, we saw about 350 bills introduced and about 75 enacted; 2023 was about 500 bills introduced and about 130 enacted. We have been seeing legislation on this for quite some time, it just took off a little bit more last year.

Assemblymember Nguyen:

Thank you, Chair, I am good.

Chair Flores:

Assemblymember Flanagan, please.

Assemblymember Flanagan:

Thank you, Chair. Just a really quick question. In your space of looking at the legislation that is coming through, are you noticing any trends around housing? Just curious about fraud in the housing space that would help government agencies better prevent or track or respond to fraudulent efforts online and say state office receipts for counties.

Mr. Kuckuk:

Thank you for that question, and so in terms of AI we have seen a handful of initiatives from the states looking to try to address different types of fraud. Particularly—trying to look through my notes right now here—there are a handful of states that have looked at addressing fraud through Medicare using AI to detect that. In terms of housing, generally, there have been a couple of states, or there has been at least one state that I am aware of that has tried to address—apologies. There has been one state that has looked into using AI to or has prohibited using AI for algorithmic pricing discrimination. Again, I am happy to follow up with you on that and reaching out to our housing team for more information about those programs.

Chair Flores:

Thank you. Anybody else in southern Nevada? We will start with Senator Neal, please.

Senator Neal:

Thank you, Chair.

There are two questions and probably one for each of you. The Secure Data Act that is moving through Congress, which basically is in short going to preempt states and for privacy statutes that are currently in place. I know there is some NCSL movement around this, but can you talk a little bit about why that preemption language that would prevent or kind of stop states from regulating within the privacy space, why that matters, and why that is something that NCSL is watching.

Mr. Littlewood:

Thank you very much for that question, Senator Neal. As far as the Secure Data Act specifically, that is something that we have at NCSL, we have the state policy focused staff, which is the category I fall into, and then we also have a team in D.C. that focused a lot on our federal advocacy around mainly issues such as preemption, unfunded mandates, et cetera. We have not adopted policy specifically on the Secure Data Act, I would have to take a look at some of our broader policy around the issue of privacy to come up with our advocacy stance on that, but in general, yes, we would oppose preemption and generally we support states being able to regulate this in the way that they see fit. Does that answer your question?

Senator Neal:

Yeah, it does, because I think what is super concerning, I feel it is counterintuitive congressional behavior because Google Signing, well I think it is Google and OpenAI Signing that deal with the Department of Defense or Department of War to basically, I do not know if they are going to train AI models but getting access to data, and this— I guess I am trying to understand how that, if you guys have any additional information on how that is working. Did you guys get a better preview of the contract that was signed, because according to Reuters, yes, they are saying, we are not going to do domestic surveillance, however, Google is already doing domestic surveillance. Google is on our phones, Google is everywhere. Our searches are cataloged and now they are doing a massive contract with the Department of Defense to basically quote-unquote "we do not know" because we have not been able to find the details of what they are really—that contract is really about. But I was wondering if you guys know, because this falls directly in a cybersecurity risk and something that I feel like the state should at least be addressing or attempting to or fighting over.

Mr. Littlewood:

Yeah, thank you for that question again, Senator Neal. As far as our— I would say on the issues of concern that you raised, the area where we would address that in the advocacy space is less to do with the actual privacy details, that is in our view, that is generally something that we would not take a position on that states would address themselves. But the preemption side of it, that is where it would come more within the realm of our advocacy. If you would like, I could follow up with, I could look at some of our policy directives and find the language that we have adopted related to states and privacy.

Senator Neal:

Yeah, I would be super interested if anybody is doing anything to regulate Google in their state.

Mr. Littlewood:

That is, I mean, certainly quite a few state privacy laws would apply to Google and there have been recent lawsuits, such as I believe, in New Mexico that have affected other of the like a lot of these tech companies around the issues of privacy. So there certainly is room for states to regulate in that space and they have been doing so. But as far as— I mean, yeah, does that answer your question about what states are doing?

Senator Neal:

Yeah, I mean if New Mexico has done something, that would be worth a look.

Mr. Littlewood:

Yeah, I was referring to their recent court cases around this actually I think that was related to Meta rather than Google, but is still I believe within the overall privacy space.

Senator Neal:

Ok, thank you. Thank you, Chair.

Chair Flores:

Members, any additional questions? Seeing none in southern Nevada, do we have any questions in Carson City?

Assemblymember Gurr:

No, Chair.

Chair Flores:

I think we heard a whisper of, "No, Chair." Thank you again for both of you joining us via Zoom and for opening the broader gates of the conversation, and then we will bring it down into some conversations here in the State of Nevada. Thank you again.

Mr. Littlewood:

Thank you for having us.

AGENDA ITEM VI—UPDATE ON INFORMATION TECHNOLOGY AND CYBER SECURITY EFFORTS IN NEVADA

Chair Flores:

Next, we will get an update from the information technology and cyber security efforts here in Nevada. We appreciate you joining us whenever you are ready.

Timothy Galluzi, State Chief Information Officer and Executive Director, Governor's Technology Office (GTO), Office of the Governor:

Thank you, Chair. I am responsible for the central IT [Information Technology] organization, enterprise services, and cybersecurity for the State of Nevada. Let me go ahead and pull this up real quick, and we will get started. (Agenda Item VI)

Good afternoon, everybody. Whoever stacked the agenda really set us up for success there because thankfully what we are working on within the State of Nevada is right in line with a lot of the trends that were just briefed to you. To get this rolling, let us go ahead. We are going to start with a brief introduction to the Agency. I do not think we have any brand-new members so I will not go into too much of this, as brevity is of the essence today. Our job is straightforward. Our job is to deliver secure, shared resources across the Executive Branch, and we definitely put our work in over the past six to nine months. That also includes the enterprise backbone of services to include our service desk, computing network, cybersecurity, physical security, and digital—other digital platforms. Our main charge is outlined in our Legislative Declaration 242.071, where it charges our Agency with the responsibility of securing, coordinating orderly and economical processing of data and information across state government to ensure the secure and economical use of information systems, and to prevent the unnecessary proliferation of equipment and personnel. So, what does that mean? That means all of the very intelligent people in the Legislature, and the Governor's Finance Office, and the Governor's Office have determined that runaway technology, duplicative technology is not a good idea; so that is why our Agency exists.

Now I think we spent a significant portion of the special session talking about the cybersecurity event. So, I am not going to go into details on that except for me taking some point of privilege to say thank you; thank you to the legislative body, thanks to the Governor's Office for supporting us during that special session with historic policy and funding efforts to better secure the State of Nevada. One of the things the cybersecurity event really highlighted for us is that recovering well and bouncing back, obviously that is incredibly important. I think we had a historic recovery when compared to other cybersecurity events of similar size. One of the things that we wanted to do is be as transparent and open about that entire process and that has been really lauded across the nation for our work on that recovery and restoration effort. One of the big things is we restored our environment without paying a dime to the threat actor, so we did not recontribute to the threat actors, the criminals, so they can go back and attack someone else.

Some of the key observations were the identity, visibility, and discipline operations have to be enterprise capabilities. There was a significant amount of disparate systems across the Executive Branch. There was a lot of complexity that we had to go through and identify. That could have potentially caused the recovery to take a little bit longer. We need to fix the foundations and with the support that the legislative body and the Governor's Office provided us during the special session; I think we have a solid foundation to move forward on.

Once again, AB 1 gave us the right structure. AB 1 established the authority to launch the Security Operations Center for the whole of state cybersecurity maturity. It provided requirements for annual reporting to increase transparency on what is going on with cybersecurity across the Executive Branch. It reinforces expectations around policy. The Legislature wants us to focus on policy and apply that equally across the Executive Branch; and we heard you. It moves coordinated efforts when it comes to cybersecurity. We are trying to break down the silos; we are trying to break down the haves and have-nots across the Executive Branch and then across the state as a whole. It provided critical cybersecurity investment funding.

We cannot just buy a tool and make all of our cybersecurity problems go away. It takes a concerted effort to ensure that we have the governance, the policies, the statutes all in alignment to better secure the Executive Branch. Some of the things that we did immediately after to help better secure the state is we focused on our identity structure. We are leaning into zero-trust practices with a tiered identity structure ensuring that the standard user and computer accounts cannot affect major servers and other systems and critical systems within the Executive Branch, and that is a gold standard when it comes to identity and segregation of identities and logins. We identified tools that did not work well for us and did not protect the state, and we have since replaced those. One of which was our end point protection across all of the end points in the Executive Branch. We have removed the platform that failed us, and we have now implemented a modern industry-best end point protection. With the SIEM or the Security Information Event Management, we are also launching a brand-new tool there which will give us better visibility across the Executive Branch so we can identify if and where we see an incident and/or indicators of compromise, so we can action on that and get IT teams in to remediate, mitigate, and prevent the attack from happening before it launches. Another key component is the physical access security, the looking more towards multi-factor authentication to be applied universally across the Executive Branch. Once again, this is a standard.

Governance is a key component to better securing Nevada. Like I mentioned, having tools is great. You need tools in order to be able to action on the intelligence. You need tools to be able to identify where there are issues. You need tools to be able to scan, and so tools is a key component. But almost just as important is making sure that we have the governance structures in place for how technologies come into the Executive Branch, how are those technologies being verified as secure before they are launched—before they are brought in. We have made significant efforts here in the past six months with some key policies, but we did not make these policies in a vacuum. One of the things that our office has launched is the State Technology Governance Committee, which is comprised of experts from across the Executive Branch that have the ability to speak for and make decisions for their agencies. We all know that shared governance is good governance, and making policy decisions in a vacuum generally throws up more barriers for you in the future. So that is why we leaned in on that.

Some notable policies that we have launched in the past few months is we have launched a CIO [Chief Information Officer] policy for defining the process to which, if we identify that there is a duplicative technology request, that we have a conversation with those agencies to identify where the gaps is between what they want and what we have at the enterprise level to try to reduce that duplicative technology across the Executive Branch. We are doing that for a couple of reasons: (1) obviously, we have a fiduciary responsibility to the Legislature, to the taxpayers that fund our organization to make sure that we are not wasting money, if we already have a solution in place and the Legislature has funded my Agency in order to provide that solution to across the Executive Branch that should be the solutions that agencies are utilizing unless there is a clear business justification why that solution does not fill their needs; and so we are really leaning heavily into that. We have also launched a requirement for GovRAMP security evaluations on all third-party cloud tools that are coming into our environment. GovRAMP is an organization that ensures that those products and services meet NIST 800.53 standards for security controls, and it is not just a point in time. They do ongoing assessments on those applications to ensure that they are still meeting those security standards, and it creates a conversation, some visibility between us and those third-party providers because that is a significant area of risk for us. We are not in the third-party providers IT shops; we do not see how they are managing their tools. This gives us visibility there.

Another recent policy that we launched is a policy to work agencies off of "non.gov" websites; ".gov" is a very simple way to mitigate fraud across our constituency. We can communicate to residents that if they see a ".gov" website that there is a very significant chance that website is legit. We are seeing now, out in the wild, that adversaries are using AI tools to rapidly copy legitimate websites and then spoof the URL [Uniform Resource Locator] so it is confusing to someone who is moving fast and clicking fast, and they might end up on an illegitimate website versus the legitimate government services website. One way that we can mitigate that is by ensuring that if your website is providing government services, it has a ".gov" at the end of that URL to provide that level of confidence. One of the challenges that we are having with the governance that we are deploying is agencies that have an exemption from our services; so, we are working through that to ensure that we are still having that partnership level conversation with those agencies even if they are listed in NRS 242.131 as being exempt from our services. We are working on that, because we still want to reduce the complexity in our environment to make it simpler to secure.

Some of the major initiatives and projects that we have ahead of us. The IT Financial Management System. We were funded to launch this within the Governor's Technology Office because we want, we as the Governor's Technology Office, want to be able to provide

that visibility and what goes into our rates, how are we doing our rate calculations, how are we doing our utilization calculations, and we want to provide that to all of our stakeholders including the Legislature. We do not want a rate black box where we are just throwing stuff on the wall and hoping something sticks. We want to provide that level of transparency and be able to do the math and show the math. Another effort is— we are launching an initiative for statewide identity. I think I have had some conversations with some stakeholders here where our job is to make accessing government services easier and more apparent for our constituents if they are having to use different usernames and passwords for every single government site that they are trying to get onto, that is not us doing our job, that is making things more complicated. On the cybersecurity perspective, it also is less secure to do that because if that one individual's email gets compromised then we cannot shut down all access all at once for that individual. We would have to figure out how many usernames and passwords they have across the entire state. We are working on that right now; we have got a great stakeholder group that is charging forward on that. We want to treat identity as enterprise infrastructure. We want it to be provided as a service to agencies. We made significant progress in our content management system replacement. This is an ARPA [American Rescue Plan Act] funded initiative that will continue on with operational funding moving forward. There was a significant amount of non-standard websites that were out there, we are trying to bring them into a singular platform to help us not only make it easier to secure it and make sure those web platforms are getting the patches, the updates, the other security tools applied to it, but we also want to reduce the duplicative spend of other websites, other web platforms—web hosting platforms that we are seeing across the Executive Branch.

More of what is coming next. We are in conversations now and in the planning stage to hopefully bring the state's first Chief Privacy Officer to bear. We felt that during the cyber events having our own dedicated Chief Privacy Officer that is looking out for the constituents and their data that is stored in our environments would be incredibly useful, but it is not just during events, we want the State Chief Privacy Officer to drive privacy program management to ensure that there is training on protecting constituent data and PII, personal identifiable information. This individual would also be responsible for compliance and risk assessments, policy development for protecting sensitive data across the Executive Branch, and then they would also oversee data sharing policies as well, they would support that with the State Chief Data Officer. We are also in the planning stages now with the stakeholders to envision what the operationalization of the state ERP [Enterprise Resource Plan] looks like. The project, from what I understand is going well and the timing will be right for it, for us to be having conversations now about long-term sustainability and what it takes to support that ERP looking forward. We are in those conversations and ultimately, we are going to keep on focusing on governance and bringing in the tools necessary to help better secure the Executive Branch. We are also going to look at as we are moving through the SOC [Security Operations Center] and building that out, working with partners from across the state, from Clark County to NSHE [Nevada System of Higher Education] to really hammer down what the student pipeline looks like, what services we are going to be able to provide from the statewide security operations center, we are making significant headway there. We are already in conversations with multiple NSHE institutions about what internship pipeline looks like to bring in those students into the Security Operations Center to give them real hands-on experience and train them here and hopefully keep them here. Then we are also looking at launching a threat intelligence platform in the very near future that we can provide out as a service to not just to the Executive Branch agencies, but also to NSHE, municipals, and any other subdivisions of government.

Kind of going back to the previous presenter, where Assemblyman Nguyen talked about the collaboration opportunities between the Legislature and the Executive Branch. We do have language now existing in NRS 242 that allows my office to deem certain records confidential when it comes to cyber events, when it comes to those types of issues that if that information was made public it could further harm the state. I believe that we have the right language in place now. I think we need to have conversations about what the mechanics look like for those conversations, if we do set up a physical location, a skiff. Those are generally reserved for federally classified conversations if something is secret, top secret, et cetera, that is when it would happen in skiff. But I believe with the language that we already have, thanks to special session, I think we can have those conversations in a confidential manner and still protect that information from disclosure that could potentially hurt the state, so I wanted to touch on that. Then beyond that, I will stand for any questions and see if there is anything that we can work together on.

Chair Flores:

Thank you again for joining us for the presentation. We will start off with Assemblymember Nguyen.

Assemblymember Nguyen:

I did not want to go before Senator Neal, but oh okay. Alright, thank you, Chair, I did not want to skip my turn.

Thank you, Mr. Galluzi for your work with me during regular session and the special session. I really appreciate your work on AB 1 during special, and I am glad to hear some of these updates regarding some of the progress you made with your team since November of last year. I think I have a couple of questions, if the Chair would indulge, is that there are mentions when we worked on AB 1 during special, we expanded the language to include regional and local jurisdictions such as school districts so that they are able to utilize the services that you have, because obviously your primary focus for your office is within the state agencies. Can you give me an update on how that is going in terms of your collaboration across school districts in the state?

Mr. Galluzi:

Thank you for the question, Assemblymember. As far as school districts, K [kindergarten] through 12, we are still in the very early stages on the planning on what services we are going to be able to provide out to them. I think our next steps is really bringing in that stakeholder community to see where their gaps potentially are. Already in existing legislation if they reach out to us, we can provide levels of support for them, but as far as standing up a program that is proactively providing services, we do not have a lot of that already built yet. We are still working on the threat intelligence platform, once we get that threat intelligence platform that will be really the Phase I of the first things that we launch out to them. With cybersecurity, one of the biggest gaps that we have right now is really the sharing of intelligence. It is very disparate right now with support from national organization or other industry-specific threat intelligence sharing platforms, but our goal is to have a Nevada threat intelligence sharing platform that we can then provide that out to our K through 12 and to our municipals as a value-add service from my office.

Assemblymember Nguyen:

I look forward to getting reading on that as you have—make your progress with those agencies, so thank you for leading the way on that part. The other question I had is that you mentioned in the past, we had some kind of challenges in terms of each of the agencies itself had their own way of doing things. For example, there may not be an equivalent of you inside that particular agency, so when you have this governance group of pretty much a POC from every single agency within the Executive Branch, are these folks' full-time role is to do what it is that you are doing, or they are doing things that is on top of what they are doing on a daily basis and this is something that they do on the side to go with you in terms of getting some consistency across the board in terms of policies, and the ability to keep up with all these changes that you are facing.

Mr. Galluzi:

Thank you for the question, Assemblymember. It is a bit of a mixed bag, and so we have a pretty wide disparity of IT maturity within the agencies and a lot of that is by design, whether or not they have been able to stand up, and this problem goes back decade plus, whether or not they have been able to stand up their own mature IT organization within their agency and then once that happens there is a drive towards independence and doing things their way versus some agencies that have little to no IT support within their agency. So their inclination is to get the vast majority of their direct support from GTO [Governor's Technology Office]. What we did with the State Technology Governance Committee is we did not want just the IT leader from across that—from across the Executive Branch, we wanted a good mix business leader, IT leader, and cybersecurity leader a part of that so we can hear a variety of voices. So, when we are establishing state IT policy, we are doing so with each of those voices at the table. We do have a state Information Security Committee that is made up of information security officers or security-focused individuals from across all of the Executive Branch agencies, but even with that group, there is some disparity between whether or not it is an ITP II- or III-level position or is it a master IT professional level position. So you have some disparity there across the Executive Branch entities.

Assemblymember Nguyen:

I look forward to work with you more offline on figuring this out, because I think there should be some sort of uniformity across all agencies in terms to the cybersecurity policies, and protocol, and execution; because at the end of the day when one thing is being shut down, it is going to affect their daily work, and nothing can be done. Hopefully that will be the next step of thinking, because as we look into some of the technology innovation and all these changes in how we do business, we have to have a system-wide strategy and not one agency doing this and the other agency doing that at the end of the day; we are going to have this problem versus trying to address it heads on.

Chair, if I can as one more. Thank you.

You mentioned earlier in the presentation about spoofing in terms of bad actors out there, pretending to be state agencies, and I know I get that in my District and even in my own family. My mother frequently sent me text messages and says "Hey, the DMV just texted me and said I need to pay this fine before my car gets towed." What are we doing about those kinds of challenges that Nevadans are facing, and I know a lot of these bad actors

may be foreign, it could be overseas, that are sending these texts and people would click on it and then their money would be gone and obviously it did not come from one of us. What are we proactively doing in that space to make sure that Nevadans are not defrauded from those kinds of activities?

Mr. Galluzi:

Thank you Assemblymember for the question. That is a significant issue. I know my family members have reached out to me on that. We see it on social media every time something gets launched— a new round gets launched. I think you highlighted the primary issue there, that a lot of these text spoofs or document spoofs and then leading to website spoofs—a lot of those are from threat actors that could be potentially be outside of the United States or outside of Nevada, and it is incredibly difficult to combat. One of the strategies that we are using to kind of drive towards mitigating those is that ".gov" strategy, so that way we can communicate out to constituents that if you know that you are on a ".gov" website, you know that it is the legitimate website, and I think that goes a long way for mitigating it, but the other— the only other way that we have right now, the only other capability we have right now is educating our constituencies, letting them know that, no, the DMV is not going to text you, a sheriff or police officer is not going to text you about paying a fine for jury duty, and really working on those education campaigns to help mitigate those from the user's side.

Assemblymember Nguyen:

Thank you, Chair.

Chair Flores:

Next, we will go to Senator Neal, please.

Senator Neal:

Thank you, Chair. I had a question; it was—is on the slide on the CMS [content management system] progress where it says move off end-of-life platform and sustain the enterprise CMS after ARPA bridge funding. How much ARPA money did you guys actually receive OCIO [Office of the Chief Information Officer] in ARPA money?

Mr. Galluzi:

Thank you, Senator, for the question. I actually do not have those numbers right in front of me, but from what our status reports have shown is that we are not at risk from not being able to expend that ARPA money. Those ARPA projects have all been incredibly successful. I believe one of them was an infrastructure project within our microwave environment. This content management system is just another example of a project that is actually ahead of schedule and is on track for budget as well. But what I can do is follow back up with the actual dollar amounts from those ARPA projects.

Senator Neal:

Yeah, because I am just trying to understand, because I thought maybe the original allocation in '21 was $54 million and then you guys have been working that down. But when you have like, "We need money after." I was super interested in what does that mean,

because you guys also do cost allocation to other agencies; so other agencies pay for services. With AB 1 adding NSHE and CCSD [Clark County School District], are they now under a cost allocation agreement with OCIO?

Mr. Galluzi:

Thank you, Senator, for the question. I am going to break that up into a couple of pieces. The first piece is going to be the content management system specific. What we were funded for was really the project work for that and the licensing while we were in project and that money is going to be fully expended appropriately. The ongoing costs of the content management system, it would be just for the infrastructure type costs that we would charge across all using entities and across the Executive Branch. Those are just hosting and licensing, which is pretty typical for cloud-based products. At this point there is no plan to extend those costs out beyond the Executive Branch. I do not believe at this point we are planning on providing website hosting for non-Executive Branch entities so we would not extend that out via the Security Operations Center. Our primary vehicle for providing services out to non-Executive Branch entities, although we are authorized in statute to provide other services, it would be through the Security Operations Center, and they would be security services specifically and not other hosting-type services at this point.

Darla Dodge, Senior Deputy Chief Information Officer, GTO:

If I may…

Senator Neal:

So, is no cost allocation to NSHE or CCSD or other school boards? Do they have to pay?

Mr. Galluzi:

Thank you for the question, Senator. Not at this point. We have not defined a rate structure or cost allocation or final funding structure for the Security Operation Center. When it was established via AB 1, it was done through General Fund with the idea that in the future we would establish a cost-sharing for other tools that would be provided through the Security Operations Center.

Senator Neal:

I think one of your members up north had something to add.

Ms. Dodge:

Thank you. In answer to your question, Senator Neal, we were allocated $2.5 million for our current ARPA project or CMS project.

Senator Neal:

Okay, thank you for that. In AB 1, it also allows you to apply for—you have been able to apply for federal grants, maybe it just doubled down. So, have you applied for any federal grants?

Mr. Galluzi:

Thank you for the question, Senator Neal. The primary federal grants that we are working on right now that we have had awarded for support of the Security Operations Center is through the Office of Emergency Management and those are the state and local cybersecurity grants, and so we have been pretty successful in receiving those grant dollars. Obviously, the federal shutdown has slowed some of those efforts down pretty significantly, but we are confident that will be—that funding will definitely work to help us jumpstart that Security Operations Center and get it operationalized.

Senator Neal:

How much was that grant, and have you applied for any grants that also cover any other areas other than that?

Mr. Galluzi:

Thank you for your question, Senator. I do not have those numbers right in front of me. I am not sure if my CISO [Chief Information Security Officer] Bert Carroll up north has those in front of him, but we can definitely follow back up with those state and local cybersecurity grant numbers for you. And then as far as other grants, we have been working with the Office of Federal Assistance to do some research with us to see if there are other grant opportunities that we could potentially go after. But it seems right now, the best opportunities are through that state and local cybersecurity grant program.

Senator Neal:

Okay, I was just super curious because when it says sustained enterprise CMS after ARPA bridge funding is over that means you are going to come forward with, clearly, a request for appropriation. And so I was wondering about, I guess I will ask, come ‘27, if there ended up being a cost allocation agreement between NSHE and CCSD, because I am almost positive you are not going to do anything for them for free, right.

Mr. Galluzi:

Thank you for the question, Senator. If given the opportunity to leverage those General Funded services then there is a conversation to have about, is that a priority for the Legislature to continue those via General Fund, but our typical model is to cost allocate the services that are provided, but we do that via cost pools so we would not cost allocate out services that are Executive Branch only, like the CMS project that is discussed in here. We would not be cost allocating those services to NSHE or municipals. It would be just the direct Security Operations Center services that they would be receiving.

Senator Neal:

Okay, thank you. Thank you, Chair.

Chair Flores:

Members, any additional questions? I do have a second bite at the apple coming from Assemblymember Nguyen, but I wanted to makes sure that nobody else wanted to add a question. Do you have any questions in Carson City?

Assemblymember Gurr:

Little louder, no.

Chair Flores:

Thank you. We will go back to Assemblymember Nguyen, please.

Assemblymember Nguyen:

Thank you, Chair. I just want to make sure that we uplift this too because I know we have been talking about one part of the conversation in terms of agencies, but we want to look at ahead in terms of how Nevada is in terms of our state, and we are a very diverse population now and especially in my District we have a lot of folks that are moving into Nevada that are not originally from here. I want to make sure that the language access is important in terms of looking at cybersecurity incidents that there are a lot of folks who have language barriers, and I referenced my mother earlier in the conversation, is that they have a lack of understanding of how these things work or does not work and so in terms of our strategy in the future looking at how we can kind of put a system-wide policy when it comes to different agencies interacting with the public. Like you mentioned earlier, certain agencies—like we know for public knowledge that the IRS [Internal Revenue Service] for example, will never contact you by any means other than the postal office, right? They will just send you a letter in the mail; they do not text you; they do not call you. Are their strategy for us to—outside of the ".gov" piece that you mentioned—to have agencies be communicating out through the public the kind of like the barn in that you know the Department of Health and Human Services or the Department of Business and Industry will only communicate to you via X, just so that from a language access point, we do not have that kind of misinformation out there, so I just wanted to get your thoughts on some of these things that we think about when we interact with all members of our state.

Mr. Galluzi:

Thank you for that, Assemblymember. We have a very mature and robust public information officer (PIO) community, thankfully, within the Executive Branch. That was one of the hidden jewels that we discovered during our cyber incident is that we have a very strong network of PIOs. And so I am sure that they would be open to having that conversation about the modality of communications from their entities out to the public. I know one of the great things about our new content management system is because it is a modern-based content management system for web hosting that the translation services on that are, from what I understand, really good. But I like your point about official communications would only come from these channels and being able to identify that to our constituents would help mitigate some of these issues that we are seeing.

Assemblymember Nguyen:

I look forward to hearing you know some of the best practices that you have as well as some of the things that the agency already are doing that perhaps we just need to uplift. We will take this offline and let us know how we can be helpful, because I want to make sure that we do not just cover one segment of the population but all Nevadans so that they can continue to be correctly informed. So, thank you. Thank you, Chair.

Chair Flores:

Thank you. Members any additional questions, seeing none we will continue to work with you offline. I know definitively we want to ensure that from this interim work we have language around AI to help you do your job to help protect Nevadans and that we are moving at least in what we can, in the right direction so we will continue to reach out and as ideas come up, please do reach out.

Mr. Galluzi:

Thank you for that, Chair. I definitely have— we definitely appreciated all the support that the Legislature has given us since November and moving forward. So, thank you.

Chair Flores:

Thank you again. We will go ahead and switch gears again. I know members that today we have been kind of all over the place, but we needed to because we do not have that many meetings so we got to just kind of make it work as we can.

AGENDA ITEM VII—PRESENTATION ON THE NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Chair Flores:

Next, we will move on to our presentation by PEBP [Nevada Public Employees' Benefits Program].

Good afternoon, good seeing you on the screen.

Stacie Weeks, Director, Nevada Health Authority (NVHA):

Chair, Committee members. Theresa Carsten our Executive Officer for PEBP is unfortunately out at a conference about other PEBP programs, trying to learn about other ways that we can do this program. I have with me today, Nik Proper, he is the Operations Manager for PEBP and Monica McJoy who is our Chief Financial Officer. I am going to kick us off and then I am going to turn it over to them for some of the slides if that is okay. (Agenda Item VII)

Chair Flores:

Perfect, thank you.

Director Weeks:

Alright, so hopefully the slides will come up for you. There we go, okay. I wanted you to see the team, this is the executive leadership team at PEBP. We have a vacant position, as you can see a Quality Officer. We have Brandee Mooneyhan, who is the attorney, Nik Proper, as I mentioned, and Monica here with me today, and Theresa is the Executive Officer. We want to make sure that you saw this team it is a little bit different than what you have seen in the past. We have some new members, and we are excited to be here to talk to you about the program. All right; I will kick it over to Nik. Thank you.

Nik Proper, Operations Officer, PEBP, NVHA:

Thank you, Director Weeks. Good afternoon, Chair and Committee members. I will provide an overview of the governance and the benefits. PEBP is governed by an 11-member board acting as a fiduciary of the program with members primarily appointed through the Governor, with special appointments by the Senate Majority Leader and Speaker of the Assembly. The Board is comprised of state employees, retirees, higher education employees, and experts. So PEBP is now a Division under the Nevada Health Authority and we are responsible for administering health and life insurance for state and some local employees, retirees, and their dependents. Included with medical coverage is prescription, vision, and dental coverage along with basic life insurance. In addition to those, we offer access to voluntary benefits such as additional life insurance, disability coverages, accident and illness insurance, buy-up vision coverage, home and auto, and pet insurance among the voluntary products. PEBP offers four plans, two self-insured nationwide PPO [preferred provider organization] plans, with one being a high-deductible health plan embedded with an HSA [health savings account] or HRA [health reimbursement account], one self-insured regional plan in northern Nevada, and one fully insured regional plan in southern Nevada administered by Health Plan of Nevada. For Medicare retirees, we offer access to a Medicare exchange with an HRA available for medical expenses for those members. Now I will pass this off to our Chief Financial Officer, Monica McJoy.

Monica McJoy, Chief Financial Officer, PEBP, NVHA:

Thank you, Nik. I will be speaking in regarding the financial health insurance. PEBP is funded by employer and employee contributions. Therefore, PEBP must collect enough in employee premiums that are set every March by our Board and our employer contributions that is legislatively set. Our operations account is, excuse me, I am sorry. PEBP oversees three accounts. We have two, one specifically for AEGIS [active employee group insurance]—this is revenue that is collected from our employers—our employees. This is a set rate that is set by the Legislature, and that is AEGIS which is, excuse me, considered the active employee group insurance. And then we have our 1368 that is retiring employee group insurance; and this is collected at a percentage by our employers' contributions, that percentage is determined by sick leave and salaries, those accounts are funded through those employee and employer contributions and those funds are passed, those accounts are pass-through accounts— so whenever we receive payments we transfer those funds every month to our admin account which is 1338. This is how we pay our expenses from hospital care, pharmacy costs, and any overhead costs that we may have. Our 1338 account does house three of our reserve accounts. One of them is for our HRA reserves that is used for anyone that has as the high-cost CDHP [Consumer Directed or Consumer Driven Health Plan] fund which is for anyone that has a high deductible and also for a Medicare exchange. Then we have a reserve for our IBNR [incurred but not reported] that covers all incurred but not paid claims at the end of the year. We do have to keep that money on hand so any money that any claims that have not been paid at the end of the fiscal year will sit in that account until those accounts or those claims are paid. And then lastly, we have our catastrophic reserve and that is the emergency fund that we have to keep on hand and that pays 45 days of claims. PEBP is not funded by it is not a General Fund we do not receive any grants or anything like that, so if any case—if we have any emergencies that is what we will use that catastrophic reserve for. Next side please.

Next gives a timeline of our plan designs. Our plan designs start off as early as September. In the month of September, we will go over any legislative changes that we have to implement during our Board meetings. During that Board meetings they are versed on what changes that the Legislature approved, and what it is that we need to do. In October, this is

the month that we take all of the data that we need and give it to our vendors to come up with a design plan. During that time, we go over the cost and any changes that the Board would like to see happen. That gives them time to come up with plans on what they can—they will actually present to the Board in November and that gives an analysis of what preliminary changes that they found that would be used to go into our design plan as well. In December, the Board votes on what plans that they want to implement—any deductibles, any copays, or any regulatory plans that need to be embedded into this new plan that is decided in December. In January, this is the final plan documents which gives updated approved plan designs, and this is when our Actuary comes up with an actuary-sound rate based on all of the costs and claims that we have collected throughout the year. They will give us different scenarios that we need to take to the Board in March, as far as what the rate setting would look like. At that time in March, the rates are voted by our Board members, and this would start— This will be shared with our members letting them know that we have been— our rates have been approved, and these are going to take effect in May. May 1st begins our open enrollment. This time members are given 31 days to decide on what plan works best for their budget and it closes on March 31st [*sic*] and the new plan will start July 1st. Next slide.

At our approved Board meeting for Plan Year 2027 we did do some plan changes. We increased some of our out-of-pocket max for members that will have to pay out of pocket. Some of our rates did change for two of our plans, but our CDHP plan did stay at the same rate. The reason we had to excuse me, the reason we had to increase costs was because of the growth of medical and pharmacy claims. Also, some of our rates in prior years were set too low, which was where the employers had to come more out of their pocket than the employees. Because of those claims—those issues that we had and some of the accounting issues and actuary issues that we had rates were set too low for a couple of years so because of that, employers have to pay—we had a cost shifting differential of $30 million. That was the rate increases the, excuse me, that is why we had to increase the rates. If you are looking for any detailed rates you can find that in the appendix, which was approved in our, like I stated, in our March Board meeting which will start July 1st of the Plan Year.

Director Weeks:

Chair, Committee members, I will end on this slide, and we will open it up for questions. As Nik mentioned earlier, since session, we at NVHA, the new Nevada Health Authority, did take PEBP under our new house with several other markets that we have. You can see there under our, we have one house, we have PEBP, we have the Exchange, we have our Public Option Plans, and we also have Nevada Medicaid. I wanted to note that since coming on, I think to be honest, there have been a lot of things that we did not realize were going on with PEBP and some of the financing. We did hire an outside consultant who had state fiscal experience to come in and work with the team and conduct a fiscal and budget review and audit. We did just recently send those findings over to LCB Fiscal as well as GFO and our PEBP Board Chair. We will be sharing that with the PEBP Board in future meetings. We have really looked at some of the recommendations from those findings and working with Monica and her team and Theresa to implement that. I will say some of the accounting issues, some of the reconciling that should have been happening, left PEBP to not actually collect enough revenue over time. I think some of those challenges have really kind of built up over the last few years, so we are working to fix that but as Monica mentioned, we had to make some adjustments this year to get through that time. Then going forward, we just hired a national expert consulting firm and actuarial firm, Milliman, to support a review of the current program, and to look at what are the new innovative options that we have to better contain costs in this program going forward. They are currently pulling data and analyzing that data with our actuaries as well as UMR and others are participating so we can

kind of look at what can we do as a state to really control the cost of the program, because we do understand that the rate increases were felt hard and also everyone at PEBP too is a state employee; they felt it as well. Lastly, I want to mention that we are preparing our options report for the Board, around some of the modeling that we are going to be doing of different approaches and then looking at best practices in other states and with that we are happy to share that with this Committee as well. That is something we are legislatively required to do and happy to share that with this Committee if you guys would like to see that. With that, we will stand for questions. Thank you.

Chair Flores:

Thank you for joining us this afternoon. We will start off with Assemblymember Nguyen, please.

Assemblymember Nguyen:

Thank you, Chair, and thank you, Director Weeks and team for the awesome presentation. It is great to see you. I wanted to kind of go back to what you said in one of the slides, I think this is more recent slide that it was an audit was conducted from a cursory standpoint on the fiscal and budget audit of PEBP. When was the last time it was done before that and I know you just took over in terms of the Health Authority, but before this particular audit that was just done, when was the last time that a similar audit was done outside of the legislative requirements?

Director Weeks:

Mr. Chair, Committee members, I am not sure I will have to get back to you on that. I think the audit that we did is probably a little different than most audits before, maybe before us. But I am not sure how far back; we would have to go back and look to see but we can follow up on that if that is okay.

Assemblymember Nguyen:

Thank you. May I follow up, Chair?

Chair Flores:

Please, continue.

Assemblymember Nguyen:

You mentioned that there were some findings that were submitted to LCB Fiscal, do you have an idea of those, top line in terms of those initial findings?

Director Weeks:

Yes, I can say that some of the accounting, tracking, and other reconciling that you would normally see in accounts right when you collect money from employers, the goal would be to follow procedures to reconcile to make sure the employer contributions, for example, were correct. That was not occurring consistently. And there were some issues too with employer groups that, state employer groups—agencies—not also giving PEBP enough

information to do that reconciling. Our recommendations back to GFO and LCB is to really make sure that when that occurs that we have assistance from GFO and with their support to make sure we are getting the information we need to ensure PEBP is actually collecting the right contributions from employers.

The second issue, and I am trying not to get too technical, because some of it can even makes my eyes kind of get foggy here, is that those two things I think kind of tied together the first two recommendations. The other issue that really, I think we found is that the workbook that the Legislature used last session and that PEBP shared with the Legislature was incorrect. Some of the numbers that were approved and even just projections of what we would collect and spend was not accurate. And I think going forward we are going to be working very differently and closely with our LCB partners and GFO to make sure that those numbers are correct and that is something I think our team is already working on.

The third thing I would or the last thing I would just mention as what we—and we are still looking at this from an actuarial standpoint, with our new firm that we have brought on—but it is very concerning from a market perspective to see that some rates were set super low, especially in our low-deductible plan. So low that it was, most states were double the premium of what our low-deductible is, and if you understand, we have to collect enough in premium to pay the cost of the product and what happened is we had people flee the other plans and come to the low deductible which was not collecting enough to pay the bills; and so what you had over time is products being cross-subsidizing each other, which in ERISA [Employment Retirement Income Security Act] products is unlawful, it is just not permitted and there are reasons for that and there are reasons self-employed plans do not—cannot do that. I would actually recommend that we do not do that going forward. What we have seen is a market spiral in some ways in PEBP, so our rates need to be adjusted to address that and that is mentioned in our findings report as well.

The other thing is after COVID there was a surplus, which was great for PEBP. I think we saw in Medicaid as well in a lot of markets where people were not using health care services and so there was a surplus in some of the plans. This profit or essentially surplus in the budget was approved by the Board to be put back into subsidies to basically offset the cost to the state employer groups and employees to help them out, right? So, they gave the money back. What we found though and how that was implemented is that the first issue really was is how they implemented it, but second of all, the way that the system continued that implementation. For example, the rate should have been increased when that subsidy was spent, that surplus, and to reflect that with the rate needed, the amount that we were collecting for example from employees and employers should have gone back to the way it should have been and not been subsidized down when the subsidy ended, and the subsidy ended and the rate in the system continued to be low. And so, because that occurred, we were not collecting the amount that we thought we were collecting and there was a gap there. It could be just different people and time and we know this in state government, things happen like this when people switch jobs and things change, but we are working now to make sure the system is correct and going forward if there is a case of a surplus if we were to implement something like that ensuring that there are policies and procedures so this does not happen ever again to the Program. Then I think I would just say that the team has really been working hard, and I know that for state employees this is rough and tough for all of us and our benefits really make a difference in how we can attract employees to the state and so this is very—it is a big priority for us we have actually put a lot of our purchasing strategy work on to the side to really focus in on PEBP going forward at NVHA

and really trying to figure out what we are going to do to get the program back on track, so it is affordable not only for our employees but also for our state employer groups which as you guys know is funded by this budget. With that I will stand for more questions. Sorry, that was long winded. Thank you.

Assemblymember Nguyen:

I know, I appreciate that. I think that explanation truly kind of lead to my next question if I may, Chair. And thank you again, Director Weeks. I know that we all have to look at everything very closely, especially after COVID with all these changes and the subsidies that you mentioned. My concern is that I hear that you said there were levels of employer contribution that you need to look at, make sure that the employers are paying correctly into PEBP, but I am now a little bit more concerned when you say that getting over to the employees side of the conversation, state employees exactly to what you said we need to focus on the retention of our state employees and benefit is definitely part of that retention conversation, and my fear is that now that we are looking into all of this and with the subsidies being taken away. Are we trending in a way where there is going to be a shock into the bills that our employees are going to get? It is just because I look at some of these rates here on this presentation. And some of these premiums are even bigger than some people's mortgages and so how do you ramp up, or how do we reconcile for an employee per se, for example, they have been paying—for hypothetical reason—$500 a month per person, not knowing the subsidy conversation, and then all of a sudden now everything has been reconciled and all of a sudden, their premiums going to jump up to like $1,000—double that per month. Are we seeing any data that would suggest that would happen, and how do we ramp up slowly so that folks are not left holding the bag and it is on the employee versus on the employer.

Director Weeks:

Chair, Committee members, that was a very good question. I am going to make sure I try to answer all the pieces of it. First of all, the Board really makes the decisions the way the state law is written. I think that can be challenging for those of us trying to run and fix the Program at times. The Board did decide to phase in the increase over two to three years depending on the plan. In the appendix you can see those phased-in approaches, but you are absolutely correct, it is a shock. It is a lot of money, and it is what a lot of families are feeling also in our private market, right? And we are seeing it across all of, even Medicaid I would say has an inflation I have never seen in a Medicaid program over 10, you know it is mostly like close to 15 now percent. These costs are really out of control market-wide and that is one of the reasons. To answer your question on what can we do, I think there is an opportunity for the Legislature to look at this next session and rethink some of the ways they fund the program and those are the things that we are working on now with Milliman. I think what was challenging for all of us is that the reserves have been kind of spent down and the funding that the state had already given PEBP before had been already spent out and rates had been too low, all the things that had happened, we could not come to the Legislature or IFC and ask for funding even though people think that we purposely did not , we could not. We are not eligible for IFC contingency fund, because this program does not get direct General Fund through the budget. It is not mechanically possible. I think there are options in the Legislature that we need to look at and talk through, but it may require additional funding and investment in our state employees if we want to keep our premiums affordable. I will say long term we are working, like I mentioned with Milliman, to really think through are there things that we could be doing better to contain costs, so it is not just throwing money and putting a band-aid on the problem that we are trying to bend that cost curve over time, but that does not happen overnight. So, I think it is a little bit of

phasing in what we are doing now, and yes, it is it is still a shock for all of us. And then, two looking at working with you all next session with some ideas that we are working through to see if we cannot get more funding to invest in state employee coverage, and then three our long-term purchasing and cost containment approaches that we are going to need to really look at. And would be happy to bring some of that back to this Committee hopefully we will have that report by this fall. Thank you.

Assemblymember Nguyen:

One more if you allow Chair? Thank you for your indulgence, Chair. So just with that, and I know that we have to work within a certain amount of time and deadline for employees statewide. The open enrollment began on May 1st and with the decision that has to be made, I think I heard your CFO said by the end of that month so that the plan will go into effect on July 1. Given the possible increase or a large increase this time around, are we looking at even extending that enrollment period so that families have the ability to make decisions so that we are not kind of giving into sticker shock and say "Hey, just kidding, you have you know this short amount of days to make these decisions." And it is going to be a sometimes a very difficult financial situation for our state employees.

Director Weeks:

Chair, Committee members, often we do talk about that in a lot of our other programs, but the Board makes the decisions for PEBP and so the Board voted not to do a special enrollment period. Right now, we are seeing, I think the normal flow of people going through an open enrollment, and we are not hearing that people are needing more time, but I would just note that again we are governed by the Board and that was their decision.

Assemblymember Nguyen:

And you do have data on folks who do need more time, you do have you know that kind of information if there is a way for us to monitor if folks need more time, what do you do in those situations?

Director Weeks:

Chair, Committee members, our team is not hearing any complaints like that at this time, but if we do, we could bring that to the Board and let them know they do have a meeting coming up. But I will say from a systems perspective trying to get everything done during the normal time is really critical. I would not— The time period is tight as it is. I mean we waited until closer to the end of March, later than normal, to do I think what PEBP is typically already doing and getting the rates up in their system and ready to go so we do not have cash flow and revenue collection problems.

Assemblymember Nguyen:

Great. Thank you. Thank you, Chair, thanks for your indulgence.

Chair Flores:

Thank you for the questions. Next, we will go to Senator Neal.

Senator Neal:

Thank you, Chair.

I have two different questions. In this audit and conversation for the future, are we also looking to change potentially the third-party administrator? That was one of my issues before, I think in February. I will put it there.

Director Weeks:

Chair, Committee members, I always enjoy your questions, Senator Neal. Yes, we are exploring every option that we have and definitely looking at that. So, thank you.

Senator Neal:

Thank you for that. Yeah, so I would love to know how that goes, because I always felt that the third-party administrator, which is UMR which is then owned by United Health, which then says they are wholly separate division is in the role of negotiating pharmacy benefits and so I just thought it was odd when that is one of the higher costs within the plan to try to make it make sense. I do not believe the coupon exchange is the adequate answer for that. Just wondering if you are exploring it.

I will go to my second question. And United Health, do not call me because we already talked about it. But I do want to know within this, the subsidies that exist, what kind of conversations are you guys having, right? The way I understand it is an interagency transfer, so if DETR has five employees that are on PEBP, they pay by those employees and then that goes into the bucket. But are we having a wholesale conversation around potentially what those agencies are funded in order to pay those contribution. Secondly, clearly it would probably be a real conversation around state employees actually getting paid more money, but that does not necessarily help the retirees that are already out of the system. I wanted to know what are your thoughts around those three areas.

Director Weeks:

Chair, Committee members, I just, before I answer that, I want to say because United will call me, UMR will call me. ESI [Express Scripts Inc.] is actually our pharmacy vendor, and I would say that we will be going out to a procurement for them as well so just want to flag that we have two that we are considering looking at and changing the structure there. To answer your question about the subsidies and the employer and the retiree contributions those are typically legislatively set, so I think those are things that we can look at next session if we want to adjust the percentage of how much the employer groups are paying. That is something I think we should talk through and if you guys do want to do that, we just have to set that rate in statute, so it is like an average that we work with under, if that makes sense. But happy to talk through that as we get closer to session and some of your ideas and hopefully that answered your question. If I did not, I can try again so thank you.

Senator Neal:

No, thank you for that. I think it answers it. I guess it really is, when we talk about setting the rate, right that ultimately is a revenue question. It is also, what is the revenue amount that would be needed in order to adjust the rate to make it make sense, right? While you are making the plans because the way I have always, when I have had to hear the PEBP presentation in the money committee, it is like if you move one piece it is like a puzzle, like you move one piece it affects the other. When we talk about those wholesale changes, how

to kind of alleviate the pain and then ultimately if there is a revenue need, kind of nailing down what that revenue need is. Not probably just for the two years, but maybe even through, I know we do a cycle of two years, but just thinking forward in terms of four years so you could understand what are the reserve needs, what are the different things that are potentially going to impact the plan and have more of a long view that is at least being put into the record, right; because I do not know if that makes sense because we do the two-year increments but sometimes seeing the four-year will help understand what you may need to drop in the two-year cycle. Does that make sense?

Director Weeks:

Chair, Committee members, yes, it really does make sense and something that we want to bring forward in transparency to this Committee about what it would take to kind of offset some of these costs. If the state does want to invest those funds into state employee benefits as we try to look at better ways to control costs in this program.

Senator Neal:

Thank you. Thank you, Chair.

Chair Flores:

Members, any additional questions? Seeing none in southern Nevada. We will go to Carson City.

Assemblymember Gurr:

None here.

Chair Flores:

Thank you, and I will not ask a question. I know we still have a rather lengthy agenda, but I will say that I have had an opportunity to meet with state workers and obviously they have echoed what has already been said to all of you and to probably every member of this Committee—concerns, fears, and then obviously the very real slap in the face that they feel that this conversation has brought forth. I wanted to make sure that they know that we are paying attention. I particularly had an opportunity to sit down with them for hours, learn how they unfortunately, even those folks were expecting a slight increase because it was already part of the initial contract that unfortunately they do not see it as an increase because of their increased copays and so there is just a lot of concern, and I wanted them to know that we are listening and I know everybody is working incredibly hard. This is not the purpose of the conversation is not to point fingers, but I want them to understand that everybody is doing what they need to do, where there have been errors in the past. I wanted to say thank you again and with that we hope to continue to work together. I also anticipate that the Committee, if there is anything we can do to help in what we need to do moving forward, please reach out. We would hope that the Committee can also have an interim bill that can come out of this conversation that can help us moving forward whether it is just on transparency, data driven, et cetera, et cetera, et cetera. You tell us, and we want to be an ally to you. And thank you.

Director Weeks:

Thank you, Chair.

AGENDA ITEM VIII—PRESENTATION ON EMERGENCY MANAGEMENT IN NEVADA

Chair Flores:

We will go to I believe, the next item on our agenda was going to, what do we have? Emergency Management? If we can have our folks from Emergency Management please join us.

Good afternoon, welcome.

Brett D. Compston, Administrator and Chief, Nevada Office of Emergency Management (OEM), and Advisor, Homeland Security, Office of the Governor:

Good afternoon, Today I heard a lot of great discussion over the last several presentations about AI, secure information sharing, cyber, misinformation, homeland security grants. I think I will answer some of these for you as we go along this afternoon but more than likely I am going to generate a whole lot more. Over the next 20 minutes I am going to take you on a journey, it will most likely increase your anxiety and your blood pressure and quite honestly, if you go home and sleep well tonight after I am done talking to you, I have done you a disservice. I know that my job in the state is to look at the worst of the worst situations, but reality is the things I am going to talk about today, are here today. So, with that, let us get going. (Agenda Item VIII)

I am not going to talk to you today about what I have done in the past, which is an agency orientation. It is going to be a substantive discussion on the changes that are affecting emergency management, our actions to prepare for that, the evolving threats that we face, and ultimately your roles and how you can help in this adventure. We are living through a defining moment in the evolution of emergency management, both across the nation and here in Nevada. The changes happening around us are real, and we have the privilege and the responsibility of helping shape what comes next. By staying focused on the big picture and embracing improvement, we are building something that will have a lasting effect on our state. I know in my heart and in my soul that the OEM team is striving to make every aspect of emergency management better for Nevada, and I appreciate all their efforts. At the heart of every plan and every partnership and every improvement is a simple and powerful truth for us, and it is taking care of Nevadans. That is the purpose that unites us and reminds us that the work we do really matters.

You have to start every good brief with your mission statement and your vision. And I really want to put this up here because for us it is all about helping Nevadans and that will be evident as we go through this entire brief. So organizational priorities, I really have five big buckets that I am focused on at the moment. And the first is the future of emergency management in the state. At the national level, emergency management is in the midst of change, and I will walk you through that. The second is OEM business practices. I have been on the job for about a year and a half, and we have a host of organizational debt that we have accumulated and when I mean debt, I do not mean the dollar debt. I mean the debt of not having the most effective processes or leadership or planning or budgeting or posturing for the future, and the intent is to make that better and to be quite honest with you, I am probably six to eight months before I have it in a place where we can be optimally functional. The next one is called Prepare Nevada, and really this is a big one. This is about preparing Nevada for a homeland defense scenario. And I will use "homeland defense" throughout the brief, but what I am really talking about is preparing the state for the consequences that will occur, particularly to critical infrastructure if we face or find

ourselves in a nation-state conflict with China. I am going to walk you through this later on in the brief. The fourth is critical infrastructure resilience. How do we keep the lights on and how do we get them back on quickly when they go out? And the last is catastrophic regional disasters and this is really focused on the Tahoe Basin fire scenario, the catastrophic earthquake in California, and the cascading effects we would experience here, and of course, homeland defense.

I titled this slide Emergency Management Turmoil, and I think turmoil is appropriate. Emergency management is changing every single day in this country at the moment. What we face is essentially a 9/11 equivalent to the changes that we will see happen in emergency management over the next several years. This morning, the FEMA [Federal Emergency Management Agency] Review Council finally released their report and so some of this I am going to go a little ad hoc from the slides. The slides are two weeks old, and I am going to walk you through what I believe to be the truth of what we are experiencing, what we were experiencing, and what we think will come in the future. The President issued an Executive Order back in January of '25 to essentially assess FEMA and it became a discussion about eliminating FEMA. This morning that was changed to how do we refocus FEMA. In addition to that, the Review Council report, we will address in the next slide, and there is some pending legislation in Congress, the FEMA Act, it is HR 4669. I honestly do not believe that we are going to see significant congressional change in the near term. We are really close to elections, and I think that there is a lot of authorities that the President and whenever he appoints a FEMA Administrator have that they can make changes on their own right now. Now, for the DHS [Department of Homeland Security] shutdown, we experienced 118 days. I said again, 118 days in this federal fiscal year in which we did not have our FEMA partners at work. The consequences of that, our online training structures were turned off. More importantly, the ability to receive the federal funds that we owe, the grants that Tim Galluzi was talking about, was suspended. I had to stop paying our locals, and this is a very hard pain point to be in. We experience reduced communications, no returned emails, no returned calls, no clarifications of questions. That puts us in the state in a really tough position, because we want to serve our customers.

As far as the grants, last year in 2025, we typically go through the federal grant process in the March to May time frame that occurred in August, it is usually a 60-day process, and we had 13 days to execute last year. And as of today, I am still waiting for the release of the Homeland Security grants from last year. I cannot pay people for the grants that we have awarded. We experienced changing requirements midstream. We were initially notified that our grants would be three years. When the grants were awarded, they were one year and through litigation they were changed back to three years. The terms and conditions were added, terms and conditions were removed. We had population certifications; population certifications were then terminated. The Building Resilient Infrastructure and Communities grant, which is a pre-disaster mitigation grant, was suspended and just reannounced several weeks ago. The FEMA response force has been significantly reduced. We do not expect to see nearly as many FEMA people on the ground during major disasters in this country in the near term. On congressional projects, because we did not have an actual appropriation last year and a continuing resolution, there were none. Luckily with the passing of the 2026 appropriation that refunded DHS, the state will receive seven congressional community-funded projects, which is outstanding. It is about $3.2 million that will come to the state to serve emergency management functions. The last piece that I wanted to talk about is we are experiencing a revolving door of leadership at FEMA. We are on our third Acting FEMA Administrator, none of which had or have prior emergency management experience.

Now we are going to talk about what I think will happen, and so this will be a mixture of what I already had on the slide. I did not see any significant changes from what I prepared to brief you today, but I will highlight some of the things that came out this morning in the FEMA Review Council's recommendations. These are recommendations to the President. The President may or may not enact them, but I am going to talk as if he is. The most important part is this refocusing of FEMA, there is a massive effort. The position of the federal government is that state and locals will own disasters. We will own disasters in all of the ways financially, response, responsibility, policy. They are really encouraging states to be self-sufficient and to reduce the federal funding exposure. We should expect that FEMA will only come to the biggest of disasters: war; major earthquakes; major hurricanes. That probably leaves Nevada out in many of what we used to expect to receive FEMA support from.

The other really big change is that there is a focus, and this came out this morning in the brief from FEMA, on emerging threats, national security supply chains, the continuity of government, and really that goes to this homeland defense thing that I will talk to you about. A significant change from how we have seen grant funding used for really the last 20 years. We have used federal grant funding in emergency management and homeland security to sustain programs. That day is over. We will be expected to build capability and then absorb that capability into state continuity. We will not be allowed to continue to use federal funding to continue to pay for my office, to continue to pay for homeland security personnel. We will— They will use it as seed money and then we will have to figure out how to deal with it as a state. We also expect to see an increase in the thresholds to qualify for a disaster declaration. Currently in the State of Nevada, we have to have about $6 million of public damage collectively in the state and then whatever county that affects has a certain number that they have to hit. We expect that to increase significantly up to four times. We expect to see a significant change to the disaster mitigation program. Now this is a positive, the way we have been operating for the last years we have not really seen many of the post-disaster mitigation funds being approved. Hawaii just had the two Kona lows that go through and their post-disaster mitigation was not approved by the President. And we have not seen any post-fire mitigation approved since the change in administration. Now, the good part of this is in the recommendations today there is absolutely a program for mitigation, it is completely different in how it is applied, but at least it is still there. I mentioned that we expect not to see nearly as many FEMA personnel on the ground, and I think the expectation is that states will own mass care, so that is immediate and initial recovery, taking care of people, putting them in temporary housing, things of that nature. We expect to see a change in the disaster funding models. It used to be that we would do assessments of how much damage was done and it would take forever to get the money back to the state and rebuild. But I think we will see as more of a parametric payment method. The method will be tied to if you have a certain type of disaster with a certain level of damage, you will receive payments in a relatively quick manner, which is a really good positive. It will put us in a unique position in the state because we will have to decide how to use those monies. The monies will not be able to pay for all the recovery that we would like, so we will have to be very judicious in how that money is applied, but it does provide a positive opportunity to get money into the system to take care of people quicker. We do expect to see an increase in cost shares, that was not mentioned today, but most of the discussion within the industry has been a 50/50 cost share. In some cases, we have a zero-cost share currently on homeland security. It is 50/50 on emergency management grants; 40 percent on the security grants or the cybersecurity grants. We do think that there will be some directed spends from the federal government on national capabilities, and I will use the urban search and rescue teams as a model example: so we have a certain number of these throughout the country; they are federally-funded, federally-trained; and I think we will see more of those types of directed capabilities needed throughout the state to

support more of a federal response and again this starts to go back to this homeland defense and continuity of government thing that I talked about. Another positive is there is some verbiage in the recommendations that came out today about individual assistance. I am going to talk about how I envision individual assistance here in this state, but from the national level they are looking at consolidating the processes, providing direct payments to survivors. However, it will most likely only apply to survivors that have uninhabitable houses. So, if you have a partially inhabitable house, you are probably not going to get any money from the federal government in that process.

Okay, so what is Nevada doing? Everything I possibly can. Everything I possibly can. We owe it to Nevada citizens to be ready for the next disaster, regardless of whether the federal government is there, or partially there, or not. Within my own organization, we have started doing these things. We have changed from an incident command system model to an incident support system model. We at the state are not on the ground running the operation. We are providing the resources when it exceeds local and county capacity. We are building a reserve program for the Office of Emergency Management. We will start the process of building incident management assistant teams, and the goal is to build two of those. At the state-to-state level, we have agreements with the State of California and Arizona to share resources below the level of a Governor declared emergency. We have one with Utah that is in the Utah Governor's office now. And the State of Oregon is going to route that through their Legislature in their '27 session. The last one I have to work on is Idaho. We have reengaged in a heavy way on taking care of people, mass care, in particular in relation to the Tahoe Basin fire scenario with California and thanks to my partners and NDOT, we have created a four-state Consortium of California, Nevada, Arizona, and Utah related to transportation corridors, because disasters do not care where our borders are, but they do follow highways in many ways. We have been working through that with the transporters on how do we communicate messaging, have unified messaging, planned routes and detours, support services that support that when we have to do detours. And we are going to add on to that in July and bring 18 states together from the western United States in Las Vegas to talk along those lines. We have also recognized that government does not solve emergency problems. We help. But the solution comes from your volunteer organizations; it comes from community organizations, faith-based organizations, comes from your public and private partnerships. To that end, we have created a resilience portfolio within my organization that puts some of these people together to bring community and government together to prepare.

The next part is the part that I cannot take care of every single day. Having these things is absolutely essential to being able to respond when we have a disaster, but economically makes zero sense to have that every single day in my organization. The way I intend to get through these gaps is by putting pre-positioned contracts in place. What I do not want to do is find myself in a major disaster here in Nevada in which I have to go out to contract really quick and I have to pay four times the value of a certain service. What I want to do is have four vendors available in a pre-negotiated contract that I can enact when we have a disaster. So, we are working through how to do that across all these categories that are on this sheet. Now for the individual assistants. That is what the federal government was talking about this morning in their recommendations. But what we have seen historically is when you have an individual survivor, they have to go apply at 20 different places, in 20 different forms and none of the data synchronizes, and they are trying to figure out where am I going to sleep tonight, how am I going to provide baby formula and diapers and all the different things that go with that as a survivor. We need to fix that. We in Nevada have to fix that. One of the things that I want to do is create this one-stop shop resource and use technology that is at least in the 2020s, like an app, where you can go to an app and you can be connected with all the different resources that are available throughout the

state and federal and you can do your application, and we will route those things to the appropriate places for you. We will provide case managers to support that. We will come to you with a mobile option instead of you having to come to us. If you have just spent some sort of disaster and you have lost your vehicle, like how are you going to come to some sort of a federal or state government facility, we should come to you in the community. It should be multi-language supportable, and it should be integrated into the community and so it is all about survivors. As far as damage assessment, again, drones are a part of our life now and so we are crazy if we do not integrate the drones that we currently have available in Nevada through drone first responder programs, or synthetic aperture radar analysis such as they did in Lahaina Fire in Hawaii, to basically help us determine what was damaged and where the damage is, and how do we best apply resources in a real-time manner. So, me in state here is how do we posture for the future? We cannot afford to do this every day, but we have to have the things in place to do it when we need to. The bottom line, pre-position contracts, community relationships, it is all about survivors, and we are not going to wait; we are going to get on this now.

I showed you the version of this slide last time I was before you, these are historical threats and this is the part where I try to scare you just a little bit or maybe a lot. The historical threats there, and then some of the new novel ones that we have run into. Obviously, lithium batteries are a part of our life. We have shut down three major thoroughfares in this state through some sort of a lithium battery fire for some significant amount of time, as well as fuel disruptions. We had this almost happen to us during the L.A. fires and now we have a Fuel Resilience Committee that is working on strategic and resilience options to make this better for us. But really, the thing that scares me the most is that critical infrastructure loss. In whatever way that comes, whether that is from a nation-state action or whether it is a regional catastrophic earthquake, or any other thing that causes us to lose these critical infrastructure partners. Critical infrastructure staying on is what keeps civil society civil.

Let us talk about what is hot. The future is absolutely right now. This will cover some of those things that have come up earlier today. Cyber threats. We lived through this in August of '25, and a Mr. Galluzi spoke earlier, not very fun. We now have new AI models that identify vulnerabilities across technology sectors and specifically I am talking about the Mythos Model that just came out. But at whatever point that gets out and is used for nefarious reasons, that will be problematic for us. We know that there are pre-positioned cyber capabilities and infrastructure that can be enacted across this country. And we now are tracking AI-enabled individual targeting by specific nation states at people like us, and by us, I mean you and me and other cabinet members that have access and make policy decisions in government. And the way that works is a nation state will turn loose its AI on; I am going to use myself as an example. I like to big game hunt; somebody sends me an email that looks like it came from NDOW and it has to do with applying for hunting tags. I am going to expect that email. I am most likely going to click on the link on that, and the reality is, that will then have compromised me in some way, shape, or form. And so those are real things that are happening right now. Drones, good and bad. Good—damage assessments like I talked about, situational awareness, so we have real-time assessments of what is going on. Nevada is leading some of the most advanced drones first responder technology integrations in the country and that is awesome. I got to watch some of that happen when we did the biolab operation in Las Vegas back in February. On the bad side, because of the war in Ukraine. We have seen an exponential leap forward in how drones are used in nefarious ways. And it is only a matter of time before we see that happen here or be used here. It can be used for reconnaissance; it can be used for first person view attack vectors. The reality is we are now at a point—I had a discussion with Director Togliatti about this yesterday—that we have got to get into the counter UAS [unarmed aircraft systems] business. We have to do that as a synergized way across the state. We have some efforts

that are occurring across the state through working groups in southern Nevada, both the federal level and locals, but I think we, the state, need to help facilitate bringing that together.

The next part is that this nation state threat, and I will walk you through that. Critical infrastructure effects. In a nation state attack, we should expect long-term outages. The foreign malign influence in the cognitive order is happening now. We have a sister state that is adjacent to us that has had to remove nation state supported purchases of land adjacent to their federal facilities and DOD facilities. We know that there are attempts to influence public opinion, policy, elections, gain access to those of us that are sitting right here in this room that may be able to influence policy. We know that AI fakes exist. We know that false social media stories exist; and the intent is to generate discord in the American public. I am going to walk you through the HD [homeland defense] scenario on the next slide.

The next part is I have shifted my messaging on how do we build a citizen culture of resilience. It used to be that the chiefs before me probably came in here and talked about two days of supply, maybe two weeks of supply. We are going to talk about 30 days, 30 plus days from this point forward from my agency. That is not just stockpiling goods in your home, but it is individual resilience. And so, things like tinkers, do you know how to apply first aid? Do you know how to find fresh food and water? Sounds kind of like the old days and a little archaic, but that would be the reality if we found ourselves without power for 30 plus days. And the last piece before I go on to homeland defense is Fire Season '26. While it is sitting in the back here, I saw some reports that came out, in some cases we sit at zero percent of snow water equivalent from where we should be or 19 percent, and the reality is we have had some historic winters that have allowed some great vegetation growth high in the mountains and because there is no snow up high, we expect that stuff to cure and be available to burn early. We expect that we will probably pay our dues this summer in regards to fire here in the state.

Now let us talk about this homeland defense thing I have alluded to about five times. So, in a specifically China makes a move on Taiwan scenario, there are two things that need to happen here in the United States for China to be successful. And the first is they have to they have to slow the deployment of U.S. forces. So, imagine a national mobilization in which we have U.S. forces moving from east to west, many of which would transition this state heading towards ports in California. Any slow on that helps them secure their victory in Taiwan. The second part is, we should absolutely expect an attack on the American will to fight. That comes through these disruptions to critical infrastructure that I have been alluding to. The scenario is this—I have got this weird looking picture in front of you—let us imagine that we are talking about the Port of Long Beach in Los Angeles, and a ship with containers on it has several of these lids pop off of these containers and swarms of drones start to deploy. All of which have explosives and they start to hit the cranes at the Port so we cannot offload boats. They start to hit the terminals of fuel at the Port. They start to hit transportation assets such as rail or truck, and this is not unrealistic. We saw this happen when Ukraine did this to Russia and they drove trucks across the Russian state and did this exact same thing. We should also expect to see good old fashioned sabotaged World War II style. Imagine attacks on railroad tracks, bridges, critical infrastructure facilities such as fuel tanks. It would not be improbable to see a ship sunk in the channel at this most narrow point coming into the Port of Long Beach. We saw something similar to this when we saw the accidental crash of a ship in Maryland that dropped a bridge. We should expect to see cyberattacks that would compromise communications, power, water, medical, and financial. And I think we would also see fire as a weapon as part of the sabotage campaign. So, to make this even more personal, think of this, imagine one of your loved ones. I have 3 boys that are teenage to early 20s, all of them do not know how to read a map, need their phone

to navigate, do not carry any cash. So let us imagine that those gentlemen are in Los Angeles when this goes down and the power goes out and the commo goes out. And so now my boys do not know how to drive home because they do not have a map, and they do not have a paper map, and Siri's not going to tell them. Then they need to get gas, but they cannot stop to get gas because there is no power to pump the gas. And they cannot buy the gas because there is no financial system to use their credit card to buy the gas. It gets really ugly, really, really fast. But imagine that for 30 to 60 days— 30 to 60 days. That is a challenge that we are not ready for.

If I have not scared you enough, let me tell you about what we are going to do about it. The U.S. Northern Command, which is the Department of Defense, the command is responsible for over here— sponsors an exercise series called Vigilant Guard. It is really designed to train the National Guard, and it used to be based on disasters. They have changed that to now homeland defense and they asked specifically the State of Nevada and the State of Hawaii to do this in the summer of '27. We, of course said yes. The target audience is going to be the National Guard, but it is also the state government, and it is actually going to also help or integrate critical infrastructure partners and key counties that have DOD facilities located in their boundaries. We are going to move forward with this exercise. The Governor approved our participation in this and really our focus in Nevada is going to be on the non-Guard side is what I am speaking, the continuity of government in long-term critical infrastructure outages. What we are really going to focus on is how do we technically communicate, like what is our primary way we will communicate? How do I brief you, the Legislature, how do I talk to the Governor when he is here in Las Vegas and I am in Carson City and the phones do not work. And then beyond technical communication, what and how do we communicate to the public? I did make a change to this when originally briefed out we were going to focus on logistics and supply chain and that problem is almost insurmountable for '27, and so we are going to focus on inter-agency coordination as our third area. In the lead up to this, we will start an education campaign for the state, which starts today with me telling you about this in public. We will do some educational stuff in coordination with the Guard and U.S. Northern Command in August. We will conduct a cabinet-level tabletop exercise, and we will do several communications exercises throughout the state over the next year. So that is all the drama.

What I would like to do is take my last slide or next to last slide and talk about in general emergencies and how you elected officials matter. Before an emergency, getting to know your local emergency manager, your 911 center, your first responder leadership really, really matters because when it gets time or when a crisis happens, you have an instrumental role; and your instrumental role is to be there to be the trusted voice because nobody wants to hear from somebody they do not know in the middle of a crisis. Nobody wants to change the way we communicate in the middle of a crisis. We want to use established methods that we have known and have already been built in as trusted. We want to use trusted voices to tell people what to do, what to expect, what we know, and you are those voices. We need you to be a part of this, it is about building relationships before. It is about exchanging numbers before and not during a crisis, and then when the crisis happens, helping us emergency management and your first responders tell the story. It is helping us counter false narratives that I have alluded to earlier. And it is about being visible. We want you to be on scene, and we want you to be visiting your constituents in the areas that were damaged. We want you to do that in a manner in which the first responders can absorb that because sometimes we like to go see the things, but if you do it too soon, you actually cause a problem. And then recovery; recovery is long term. People will remember the things that you do for them and the voices that you carry for them for the many months and years that it takes to recover from a major disaster.

The last thing I would just talk to you about before I go to the next slide is you should have received some brochures that I left with you. You do not have to read them, but have them available when something bad goes down and I have to talk to you on the phone, I can say, hey, that brochure, now is the time to pull that out, use that checklist and help us out, help us to help you.

As I wrap this up, emergency management in the United States is changing. I cannot overemphasize the fact that it is not going to change, it is changing now. We are trying to be as proactive as we can here in the State of Nevada. Emerging threats require preparation, and you have an absolutely important role to play in crisis and emergencies. This last one, investing in emergency management, I am not talking about money. What I am talking about is relationships. I am talking about the knowledge that you can gain beforehand, and it is talking about those pre-positioned contracts that I need to get in place so that I can enact those when an emergency occurs. Happy to take your questions.

Chair Flores:

Thank you for the presentation, and I will open it up for questions. Members any questions? We will start off with Senator Steinbeck, please.

Senator Steinbeck:

Great presentation, Chief, really appreciate it. Great to have you at the helm there. I have 1,000 questions. The Chair is not going to let me have them all, so I will talk to you about a bunch of them all offline. But when you are talking about that reduction in federal support, you are going to be faced with a deficit at your level providing just your basic staffing—your basic staff at the emergency management level right now. Are you going to reflect that in your next budget request? I mean, there is going to be a gap there, and I do not want to see the loss of our current capabilities at the state level when we are not going to have the capabilities at the federal level.

Chief Compston:

Yes, sir. Currently for ‘26, we are 81 percent federally funded in my Agency and 84 percent of the salaries are affected and so that it absolutely part of the budget bill that we are working through with the Governor’s Office now. Obviously, he will have a say on what that looks like as it comes forward to you guys, but that is a significant portion of my budget. When I talked about the sustainment, what the federal government is talking about, we are an example of, we have sustained my Agency and many of the subordinate agencies throughout the state using funds for a very long time. And I do not think the federal government is going to allow us to do that for much longer.

Senator Steinbeck:

Thank you.

Follow up, sir?

Chair Flores:

Please.

Senator Steinbeck:

Thank you very much.

When you are talking also about reduced capacity though, are you hearing anything back on as far as federal deployments for wildfires, any FMAGs [Fire Management Assistance Grants]? I mean, everything was kind of homeland security side of it, but what about the wildfire side of it?

Chief Compston:

FMAG is expected to continue as far as response support, that is absolutely instrumental in this country, especially in the western United States. The post-fire is, I hope, anomalous to the period of time that we are in now and that will return to us, but I think the way in which mitigation after a disaster, whichever version we talk about it going to be different. There are going to be different expectations and requirements, and I think that we are going to be expected to run our projects like a business. You need to be shovel-ready; it needs to be critical infrastructure oriented, and it is going to have to be really effective in how you do that. Some of the ways we have done stuff in a bureaucratic manner over the last several years, I think that comes to a screeching halt.

Senator Steinbeck:

Okay, and a final one, sir. When we are talking about sustainment my number one concern would be the Fusion Centers. What are we looking at a far as Fusion Centers, both northern and southern?

Chief Compston:

That is a great question, Senator. I know that our current plan in the State of Nevada, in the last NRAC, which is Nevada Resilience Advisory Committee, we all agreed that when we received the Homeland Security grant, no votes. We, the State of Nevada, are going to overlay whatever requirements the federal government puts in there on the capabilities that we determine, homeland security specific, we want to ensure that we continue. We are right in the middle of the analysis of what over the last ten years that we continually invested in in the State of Nevada. Super simple ones that we know about the Fusion Centers we invested very heavily in bomb teams, hazmat teams, things of those nature we have put a significant investment in, and we do not want to lose the return on that investment. I know that the state will continue to drive how we do that, how it gets implemented, and dictated to us from the federal government, I do not know until I see that, sir, but I know that Fusion Centers are a huge part of, if not maybe one of the most important things that we invest in in Homeland Security.

Senator Steinbeck:

I said last one but one more small one. Election requirements on the current grant process, I understand they are going to be election security, are they going be difficult to actually implement? Is that going to threaten the ability to utilize those grants in full?

Chief Compston:

I believe, Senator, what you are talking about it the requirement with the, in the current Homeland Security grant for '25, there is a requirement that we spend 3 percent of that grant on elections, we did that or we allocated that. But within the federal regulation it is

now requiring that the election system we use is a very specific one, which for reasons I do not completely understand, we in Nevada cannot implement and so it is going to cost us 3 percent of that grant. We will just lose that if we cannot find another way or another applicant to use that.

Senator Steinbeck:

But the 97 percent is not at risk for the 3?

Chief Compston:

Correct, sir.

Senator Steinbeck:

Thank you, Chair.

Chair Flores:

Members, any additional questions? Senator Neal, please.

Senator Neal:

Thank you, Chair.

Very interesting. My child loves it, I think she has been preparing for Armageddon for about a year now. Have you seen the new report that they dropped out from this 12-person Council that is the revamp of FEMA, and how Trump wants to basically shift things back to the states, reimagine the grants in a very unique way?

Chief Compston:

Yes, Ma'am. This morning, the FEMA Review Council at eight released their briefing and so many of the comments that I briefed you on just now are either things I expected or adjustments that I saw this morning. I actually only got the report while I was sitting back here behind in the audience, and so I have not had the time to sit down and digest the report. In the report there are 10 overall recommendation areas, but there are 150 actions that they are recommending. It is going to take me some time to process that. But in general, what I briefed you just now are the high points.

Senator Neal:

Okay, as costs get shift back to the states, I think as you read through that, I think that is what I am trying to understand because there is a lot of activity that is shifting costs back to the states. But then also putting a minimum on the state for cost sharing, right, which is ultimately confusing because it is like, "Hey, you can get this, but you have to give up..." As you go through this and like the one that I am really interested in is what they are calling the Refined Risk Reduction, calling it R3P, which reminds me of the Star Wars movie. But they have within that, the rapid mitigation advance and then the strategic mitigation allocation and trying to get an understanding on the way that they have it set up. They seem like they say that the program would be structured with like a 75 percent cost share based on a performance metric with a 50 percent minimum. And so, you are like, "Okay, what does that mean?" You are going to give us money after we give you money? I do not really understand. Do you know what I am saying?

Chief Compston:

Yes, so I am going to take a stab at this. Again, I have not read the report, so this is based on preliminary understanding I had of what was going to be in the report. What they are talking about is, and again this morning the FEMA Review Council did not bring up 50 percent cost share, they did not bring up cost share at all in the brief. Again, I have not read the report, but generally the belief across the entire emergency management industry is that almost all grants that we receive from the federal government will be 50/50 cost share. The way that is being portrayed and it is really related to mitigation and preparedness grants, so things that we do before disaster and you would get a 50 percent set so we, the state, have to pay 50 percent of the bill and the federal government will give you a 50 percent match. Now you could earn your way up to 75 percent if you do whatever laundry list of things the federal government gives us to do and so probably a very aggressive mitigation, very aggressive policies. What I alluded to earlier about very businesslike ways in which you operate like a very short amount of time to issue an award, and start the work, and execute the work. It is what we would expect in business, you know, time is money, the more effective and efficient you are, the better off—often time it is, but that is not necessarily how it works in a bureaucracy. I think that that is what they are alluding to is you will get 50 percent. You might be able to get more from the federal government if you are really good at what you do.

Senator Neal:

Follow up?

Chair Flores:

Please.

Senator Neal:

So, I guess what I am wondering, as you mentioned at the beginning, there is going to be this multi-state, I guess, grouping—. If all states—are there, let me preference the question with this. Is there any state that has less reliance on federal dollars than Nevada? Or are they all kind of around that 70-80 percent federally funded?

Chief Compston:

NEMA, the National Emergency Management Association, does a biennial report, which looks at all the different stats across the state and that came out maybe two weeks ago, maybe a week ago, and Nevada is 47th in the nation as far as how much actual state money we put into my base operating budget compared to other agencies like me in other states. So, to answer your question, compared to other states, we invest less in emergency management than most.

Senator Neal:

But is their federal, so their federal share is lower than.

Chief Compston:

Yes, the share across the board is the same.

Senator Neal:

It is. Okay, so because the thought that I had was, all right, if all states are being hit and everybody is coming together and there is a shift in terms of cost allocation, right? How does that work? It is like, is the theory that, everyone, all states being in the same weakened position, we bind together for our strengths. I mean, because ultimately everyone is being hit the same way. I mean, not to throw politics in it, but there was a clear movement that if there, if you were a blue state or if you were a red state, he treated them differently in terms of funding, right. And so, when we talk about folks coming together, I am just wondering what does that look like if everybody has not contemplated what the state share is and how much that is going to cost, because this is not the only shift that is happening with state costs, it is across the board where he is shifting costs back to the states and saying, "Dear states, raise the money and pay for it."

Chief Compston:

Yes, Ma'am. I cannot speak to like a regionalization concept of how would we do this with California or Utah. What I can speak to is what my peers are doing or communicating on a regular basis, and I do sit on the Executive Board for NEMA, so I have some insight into this. Everybody is doing exactly what I just did with you. They are telling the story. They are doing the exact same thing I am doing with the Governor, which is communicating the challenges and the risks and the adjustments that we expect to see. And everybody is having that conversation about real dollars, real capability, what do you have in your state and what do you need to fill gaps that maybe FEMA used to do. I am not answering your question as far as regionalization and how we pool resources, but every single state is having these very hard conversations that I just initiated with you about the reality in my world of emergency management.

Senator Neal:

Okay, are you telling us that it is a common consensus to press the panic button slightly like because I am just saying my daughter has been on me and she is just like, we need to have this plan around water, food, all of these different—she is literally been pressing on me on this for like a year and a half, almost two. Because in her mind, because she constantly reads so when, if a regular person listening to this, all I took away, and I mean I am being sarcastic, but should I be like 60 gallons of water sitting in my garage? Like 20 gallons of gas? Should I go back to a landline because technically that is digital too. I only have like 80-85-year-old women that I know have a landline. Should I go kick it over at their house for a week? You know what I am saying? You are putting it out there and you are warning us, but I am just saying are you warning us in a way where we are just taking this all seriously and really proactively shift your behavior. Because you are sitting at a seat that we are ignoring what you call drama.

Chief Compston:

I think there is two answers there. One is the discussion about the change in the way in which emergency management is done in this country, which is what we are just talking about and the funding models and you know everybody that has my job across every state has to have this conversation with their Governor and the Legislature on how much is your state going to invest in or wants to invest in and what capabilities come with that investment. The second part I think is what you are just talking about, which is the risk that exists in the world right now, and I want to be really careful to say that I do not present this to you because of all the things that have happened at the national level with Venezuela or Iran. It is not tied to that. We have known about— as many of you guys know, I retired

from the Guard and there was an active-duty officer in the Army— We have known about the China threat for many years and it is part of the reason I chose to retire from the Guard and come to this job because I thought I might be the right person if that happens on my watch, to be able to translate emergency management and homeland defense. It is just now got to the point where we are actively talking about in the public and with you. And that is because we need to do some preparation with society. Now I kind of came over the top to do the scary version because that is what I get paid to do, right? But do I think that individual resilience and community resilience is part of what gets us through whatever challenge we find in the future? I think it is really probably the most important part. Like we invest a lot of money in preparing our first responders and so that is preparedness. When you hear an emergency manager talk about preparedness, we are talking about spending money and investments on people that get paid to take care of the rest of society. The resilience portion is how do we as people, as citizens take care of ourselves. It is the old community watch. It is the, like you talked about going to somebody that has an analog phone, and I am not going to make you feel better, but one of my contingencies is we are going to install an analog phone in the emergency operation center, so that probably does not help you.

Senator Neal:

All right then. Well, thanks for sharing. I guess I will dig out my old TripTik map from AAA and keep that stored up somewhere, handy in the kitchen.

Chief Compston:

Yes, Ma'am. We bought printed maps at UOC as well

Senator Neal:

All right, thank you.

Chair Flores:

It is Government Affairs after dark, after 5 p.m. and anything is fair game after 5 p.m. Next, we will go to Assemblymember Nguyen, please.

Assemblymember Nguyen:

Wow, thank you. Hard to follow that. Thank you, Chair. I always try to go before Senator Neal but not this time.

Thank you, Chief for your very sobering presentation. I know that a lot of things you share are not necessarily sunshine and rainbows, but at the same time, I think my concern is the common sense, right? The common sense that you talked about with what Senator Neal said about paper maps and gasoline and things that I am very concerned that the generation, right now, the young people right now have no idea what we are talking about. They are looking at us like, what are you even saying. I know that our colleagues here on this side are talking about policies and funding and all of that very necessary conversation, but my question is more on the education level. And I know Chief that you have a small team, and I know you are expected to do a lot, but when I first got elected in ‘22, my goal was to create financial literacy so that people understand how to navigate life, right. And emergency management as you said is changing and that is part of that life that we are talking about, giving the everyday people the basic tools to survive and to thrive. In that slide, and I see what you did there with your Vigilant Guard ‘27, you went dark on that one,

I see it there. But I am trying to see in terms of level of preparedness for when you put state government, sub jurisdiction, public. I am curious to learn about where you are in terms of education, right, because our young people, Kindergarten through 12, higher education, you know, all of the educational outlets, I do not even know if this is part of the curriculum in terms of that basic. I am not saying super fancy things like what we are dealing with on your level and on what you see every day, but how can we, as a state, as everyday Nevadan, learn about the basics cause the basics 20 years ago in a different threats level and the basics now is completely different. So how do you suggest we educate—and I love these handbooks, but I think when emergency strikes, no one is going to really go through the handbook. They need to know the basics of how to react and how to keep their family safe and themselves safe in these scenarios. I know it is a very loaded question, but I am concerned about how can we educate, and I want to see how you—sitting on the national conversation with your peers across the country—how we are planning to educate our community about those basic preparations?

Chief Compston:

Thank you, sir, for the question. Probably one of the most difficult questions you could ask me. Through our public information we do the standard campaigns of you know 30 days of resilience, do you have enough water, do you have enough gas, all the things that we are talking about here, but the reality is like kids my sons' age are not looking at my social media posts to learn that. And so, what you are really talking about is an entire generational shift in some of the things that become core competency that we teach in our schools. And I will be quite frank, we are, I am nowhere near even beginning to address that. Like that is a foundational shift in thought processes, but I just presented to you was really like kind of a short-term immediacy of the future is here now and it might get here before we are ready to be quite honest. What you are talking about is a long-term strategic investment in really basic skills, some like back to the basic type stuff and that would have to be more holistic like whole of government approach and policy approach, probably something that we collectively as the State of Nevada have to address. That is not one thing that I can do, or my Agency can do, or you can do. We have to do that together and we have to decide like what do we invest in or is important. You talked about the financial literacy. Like, even are we doing that well enough. And I am not going to get into the education space, but probably the toughest question you could ask me because that is a fundamental shift in what we educate our kids about. If you think back to the cartoons that we used to see about like how is a bill get made like the cartoons that you would watch on Saturday morning, like those things do not exist right now. I would tell you that the main competitor nation state that I just talked about actually is doing that very, very well through a program called Belt and Road, and they have a mix of cartoon type things that many of our kids see and do not know and parents do not know that are actually from a nation state to make them more receptive and pro- that particular nation state. So other people do it better than us, and we are not doing it at all right now.

Assemblymember Nguyen:

Just to be clear and I want to restate what you are saying is that what I am hearing you saying is that there is definitely a need for us to look at the educational jurisdiction in our state and add this to the conversation.

Chief Compston:

Yes sir.

Assemblymember Nguyen:

Okay, yeah. And then, Chair, I think that is where I was going with that it is just because I want to make sure that we go back to the common sense and make sure that our people, our Nevadans have the basics for them to be able to understand just at the minimum level how to protect themselves in a situation like this and have a bit of a basic one-pager on the minimum things that they need to be prepared for on top of what we are doing as a state, as a government, to be able to put all this together, but I think we still need to update, as you said, because the landscape is changing. We need to update how we really educate our community about this. Thank you for your work on this, and I look forward to seeing more in terms of your work and of course Director Galluzi behind you, on how we can do this together, because I think we still have a big gap in how we deliver this information.

Thank you, Chair.

Chair Flores:

Next, we will go to Assemblymember Flanagan, please.

Assemblymember Flanagan:

Thank you, Chair. If I may, I have two questions. Forgive me if I have missed this, but what does it look like where the disaster or the incident occurs in a county? Getting an understanding of the shared responsibility between the county and the state, like for example, within the county we had the One October shooting, which was huge and we responded to that for a very long time. Senator Steinbeck can speak to it as well, but the coordination that it took and then the role that FEMA eventually played along with the locals. So now that you are looking at this globally in a new space with new responses from the federal level, different support—less support, whatever, how does that compare where a county incident plays into a state. How does the state play in the county space when the disaster may really be a local problem?

Chief Compston:

Yes, Ma'am. It is an excellent question, and the reality is disasters start and end locally. That is kind of a slogan that gets used, but it really is not just a slogan, it is the truth. So, the tactical operations happen at the place in which the incident happens and so that is going to be your city, ultimately your county that would provide the first responders, the emergency medical personnel, the law enforcement— Those people deal with the problem right then and there and when they run out of stuff or a capability, that is where the state steps in to assist whether it is coordinating with surrounding counties that may have resources or it is stuff deploying from the other side of the state or if we do not have it in the state, we go get it from another state or if another state does not have it, we go get it from the federal government. Obviously in the scenario I talked about in which we have less reliance on FEMA or there is more expectation that the state carries the bag on some of that is really where those pre-position contracts come back that I talked about where we have already negotiated to bring in contractors to kind of fill the gap because it just does not make sense to have those capabilities every single day like that. We do not have big disasters very often in Nevada, and I probably just caused a huge problem by saying that out loud. But it is just not economical to do that, so having those pre-position contracts that we can surge into a county, to a city, to help like that will be our responsibility in the future that I just portrayed.

Assemblymember Flanagan:

Thank you. My second question has to do with the preemptive factor. We are such a tourist destination; we get 44 to 45 million people. We are always on the watchlist, even people do not realize we are always on the watchlist. We are always on the watchlist, and I am aware of that. So, in this space of this Master Plan around safety, how does that play into things like hosting the Super Bowl, hosting some major, so many major events all the time, but something like the Super Bowl is like really exponentially huge and touches so many points, it is different than like a big concert.

Chief Compston:

So, to make you feel better for maybe the first time that I have been up here, those things are typically DHS security supported, and they are not really on the emergency management response portion unless something goes dramatically wrong. And Nevada, because we do these things all the time, especially in southern Nevada, I think we are some of the best in the country at this. The agencies here in Las Vegas that deal with Super Bowls, the Formula Ones, the New Year's Eve, literally some of the best in the country at doing this. I cannot even tell you the number of times I get asked, how do you guys do that in Las Vegas, and how do you do that every single Saturday, and it is really just through the great work that happens here. To make you feel better, is in those security events and the security support that we get from the federal government, no discussion whatsoever of cuts. It is just in the grants that we would apply in and how we do business, mostly on the emergency management side.

Assemblymember Flanagan:

Okay well, I am sorry I do feel a little safer that we are as ready as I kind of sort of thought we were. Okay.

Thanks, Chair.

Chair Flores:

Senator Neal.

Senator Neal:

I just thought about this, since we kind of entered into paranoia, when COVID was here you remember under Sisolak, we did all these warehouses, and we staffed all this equipment and different things. Number one, have we switched that stuff out? Two, are we looking to restock that with different needs being we are still technically, I think, paying for those spaces so that we are equipped for whatever you believe is the future combination disaster that is on the horizon because in most times in government that is part of our weakness is we never think about anything until the crisis is right on top of us. We would ask questions about what are you doing with that equipment, but ultimately whatever the value of it is, is not going to be the same. But there should be an actual reuse of the structures for different purposes and restocking for other things. Are we even having that conversation?

Chief Compston:

Great question; multiple parts. During COVID, I served as the incident commander for the State of Nevada, so thank you for triggering my PTSD on that, I appreciate it. In regards to the PPE surge that we did, obviously directly related to that, let us hope that was a once in

a lifetime event. I cannot speak to the current status, most of that stuff that has expired has been gotten rid of, sold, disposed of. There is still a stockage for a future pandemic. The pandemics happen about once every 100 years, so the reality is economically not realistic to keep a massive stockpile like we initially had in the out days of COVID. And the other part too is we have made a conscious decision in this state to not have massive warehouses of emergency supplies because the reality is, opposed from these catastrophic, war, earthquakes that severs the Cajon Pass and cuts off the pipeline, and these are highly— I mean they are just super catastrophic events, right? But most of our disasters are going to be the fires and the earthquakes. Again, not necessarily economically feasible to just build massive warehouses like they have in the southeast where they have a hurricane every single year and they know they are going to use those, and they are going to consume those. We do approach emergency management in this state in a way that is more reactive than it is stockpiling resources, so we do not have massive stockpiles of Hesco barriers and rebuilding stuff for earthquakes, or gas—we do not have stockpiles of gas, but those are things that we would need some of which we can surge, some of which we cannot. It is really a conscious decision to approach it in that manner to not have massive stockpiles in the state.

Chair Flores:

Thank you for that. Members, any additional questions? Seeing none. Any questions from Carson City?

Assemblymember Gurr:

No, sir.

Chair Flores:

Again, thank you for your presentation. I think we walked through a lot of different hypotheticals, and we could have done maybe 1,000 more. I do appreciate your time. Thank you.

Chief Compston:

Thank you, appreciate it.

Chair Flores:

Thank you.

AGENDA ITEM IX—DISCUSSION ON IMPLEMENTATION OF HEAT MITIGATION PROVISIONS OF ASSEMBLY BILL 96 FROM THE 2025 LEGISLATIVE SESSION

Chair Flores:

We will go to our next item on the agenda, which is the discussion of implementation of heat mitigation provisions, per Assembly Bill 96 from 2025. I do see our folks joining us in Carson City.

Good afternoon, welcome.

Brian Beffort, Sustainability Manager, Office of the County Manager, Washoe County:

Good afternoon. Thank you, Mr. Chair and members of the Committee. We appreciate this opportunity to share updates on Washoe County jurisdictions, activities, and progress implementing heat mitigation provisions of Assembly Bill 96 from last year's session. I will let my esteemed colleagues introduce themselves when we get to them. (Agenda Item IX)

First, I would like to start off by describing a little bit of background. AB 96 was timely because it accelerated and focused our work that was already underway in the Truckee Meadows that informs our response to extreme heat. As an opening note, you will see versions of these maps today throughout the presentation that showed data collected during a community-wide heat mapping study in August of 2024. As you can see here, the project included numerous cooperating jurisdictions, partners, universities, DRI, NOAA, and more than 100 volunteers working together on a really excellent citizen science project to collect this data. The maps you see are readings from that day on August 10th in 2024. And although these maps are only a few snapshots in time, they provide confidence in forming our work, meeting the requirements of AB 96, and designing tangible heat mitigation and adaptation strategies, which we will summarize throughout this presentation. Additionally, different agencies in Washoe County are working from their various angles and jurisdictions to mitigate and manage impacts of extreme heat. One example is Northern Nevada Public Health District, who is working to address the impacts that heat can have on ozone. Their Ozone Advance Plan Forward is a voluntary plan to reduce ozone pollution, establish goals and strategies related to extreme heat, including minimizing vehicle miles traveled, increasing tree canopy, and more. The Ozone Advance Program was discontinued by the EPA at the end of 2025, but it continues to inform the Health District's work, which they are advancing through programs like the Supplemental Environmental Projects Program, which provides funding for projects to help reduce urban heat, reduce emissions, and other strategies. Extreme heat is also one of the natural hazards addressed in the 2025 Washoe County Regional Hazard Mitigation Plan. Washoe County's Climate Action Plan also includes numerous strategies to help mitigate and adapt to heat. There are also several projects such as community-based solar resources that Reno and Washoe County are pursuing in partnership with Nevada Energy. Now to dive into the details, I will pass the microphone to my esteemed colleagues from Reno.

Lauren Knox, Senior Planner, City of Reno:

To touch a little bit on the items, as designated by state law, the Truckee Meadows Regional Planning Agency, on a very general framework is tasked with ensuring that the City of Reno— .

Chair Flores:

I apologize to cut you off, if I could have you state your name for the record. I think we were not catching the very beginning of that.

Ms. Knox:

Would you like me to start over?

Chair Flores:

Yes, please.

Ms. Knox:

Alright, before we jump into each of our jurisdictional updates, I just want to provide some insight on the planning framework in the Trucking Meadows region and touch a little bit on some of the heat mitigation specific items related to that as well. As designated in state law, the Truckee Meadows Regional Planning Agency on a very general framework is tasked with ensuring that the City of Reno, the City of Sparks, and Washoe County are all aligned in terms of planning and the future of our region. The Regional Plan establishes a regional vision and framework that we are all working towards achieving. With that in the 2019-time frame, the Regional Plan included a policy regarding urban heat islands as referred to in the slide. The policy discusses expansion of the tree canopy and generally minimizing heat impacts on the built environment. State law requires that each of the jurisdiction's local plans address items in the in the regional plan, with that, each of our master plans touch on those specific items already.

Okay, so with that framework and understanding, I am going to kick off our jurisdictional updates with the City of Reno. So just to guide you a little bit, we are each going to go through each of our master plans currently, what we currently have in regards to the heat mitigation items, what we are proposing to address AB 96 in the state's direction, and also some current projects in this space.

All right, so to start with some background on the Reimagine Reno Master Plan, so it was completely overhauled in 2017 and included an extensive public process. The public expressed a desire vision of being really a base for outdoor activities, an arts and culture center, and a university town and technology center. Through this, we also found that some of the top community values include safety for all, a well maintained and attractive city and infrastructure, affordability, and a sense of community. The City's Master Plan generally contains policies, some guiding principles, and goals aimed at supporting these visions and values that we heard from our community. As you may be aware, AB 96 requires that the Master Plan address heat mitigation items and they are specifically listed on that slide. As stated in the previous slide, we as a region already agreed to raise this conversation regarding urban heat islands and many of the items included in AB 96 are addressed in our Master Plan currently. Can you back up a slide please? Thank you. I am thankful that there is actually a lot of foresight in this space during the creation of both the regional plan and then the Reimagine Reno Master Plan as the City's Master Plan already contains some level of discussion regarding these items. So more specifically, the Master Plan already contains policies relating to cooling spaces, cool building practices, shade, and increasing our tree canopy with a preference for native trees or drought tolerant species

However, we recognize there is still a gap to fill. There is space in this realm to do more. So as such, proposed amendments were made to existing policies to more clearly reference the encouragement of shade structures and also encourage building waste heat recovery in instances where waste heat is created. A new policy was also introduced to more specifically address access to public cooling spaces and drinking water, along with an associated implementation measure to create a resource for community members that provides really information on cooling spaces and drinking water availability. The draft new policy is a coordinated effort between the local jurisdictions to take this work on as we recognize that this resource is really bigger than each of our one jurisdictions, we are going to be a better resource for the community if we are working together and can provide that one source of information. We also recognize this cannot be a stagnant document. This cannot be a stagnant map in a master plan. This needs to be a resource that is up to date frequently and has all of the information accessible to people right away. This resource also needs to be flexible and respond to resource availability in real time. Some of this work has already

started through sustainability related efforts by the County, which we are going to touch on a little bit later in this presentation. We have begun to look at things like tree cover, census block, demographic information, heat impacts from the heat campaign, hard surface coverage, drinking water locations, and many more items. So really, I just want to say this is not just a policy, this is really a coordinated effort in analyzing gaps and access to cooling spaces and drinking water and informing future discussions about needs.

Additionally, a new narrative is proposed in the Reimagine Reno Master Plan, which describes the overarching concepts of heat mitigation and really provides a guide to key policy that impacts each of these interactions. It really kind of aims to contextualize what we already have through the lens of heat management and heat mitigation. It provides a discussion of overarching concepts that impact heat and provide a guide to key policies within the plan and how they interact with the impact of that concept. This is really intended to be both a resource and an educational piece and it also aims to amplify the conversation of heat, and it is impacts, which was, I believe, an intention of the state. For example, there is an element on the built environment and site design as one of those overarching concept elements. The narrative generally describes how the built environment can lead to increased heat accumulation and how reducing building heat-related heat gain will help us to mitigate heat related impacts. A guide to specific policies that address this overarching concept element are referenced along with a summary of the policy aims, such as employing site features like shade and reflective material to mitigate urban heat island effects. This is one very specific example, but it is an incredibly nuanced conversation ranging from specific site design and considerations and construction in that realm all the way to this larger conversation about the reduction of greenhouse gasses which can also impact heat. It is very overarching and really it is critical to a key sustainability focus of the Reimagine Reno Master Plan. With that I am going to turn it over to my colleague with the City of Reno to discuss our current efforts.

Suzanne Groneman, Environmental Services Manager, City of Reno:

Good evening. Thank you, Chair Flores and the members of the Committee for allowing me the opportunity to share some of the City of Reno's current efforts. Environmental Services oversees sustainability, some of our franchise agreements, and other utility and regulatory matters. The City of Reno adopted it is first sustainability and climate action plan in 2019— so seven years ago. As part of that process, we performed a tree canopy at that, excuse me, tree canopy study at that time. That study revealed our tree canopy was approximately 5.2 percent and as a result, we established a goal to double that number by 2036. So last year in partnership with the State of Nevada, we updated the inventory which revealed the canopy at just over 8 percent. We also use Google Environmental Insights. If you are not familiar with that platform, it shows transportation data, solar potential, and tree canopy data. That resource also shows a tree canopy of approximately 8 percent. A city can authorize disclosure of that data, which we did. We believe in transparency, so we have made that available on our website, and you can find that at Reno.gov. The City was also awarded $500,000 from the U.S. Forest Service for a large public right-of-way tree planting project just west of our airport. This area is frequented by foot, by car, bike—yet lacks shade. If you have been in Reno, when you have been near the airport, it is a very wide roadway that unfortunately does not have much shade, and the trees that were planted there when that was put in unfortunately have not grown to their maximum potential. There are also several homes adjacent to that area and these trees, once grown, will create a really important buffer between the roadway and those homes. Our potential to grow our tree canopy is not on public property, however, our greatest potential is on private property, and we continue to evaluate opportunities to grow canopy, seek funding to expand those efforts. And I mentioned this because private spaces are much harder

to govern and manage when it comes to growing our tree canopy. One opportunity that we have seized is a partnership with our Parks and Rec. Department and the Arbor Day Foundation to provide trees free or heavily subsidized cost to the public. We hold those events a couple of times per year and we have given out approximately 2,000 trees under that effort since we started. The City also has what is commonly known as a benchmarking policy or a BPS, building performance standard policy, that went into effect in 2019, and the BPS policy goes into effect this year. That governs energy and water use, but it certainly relates to this topic of, heat mitigation and that is something where we can use some of that data to expand some of our efforts. And lastly, we are evaluating an internal policy that would affect city-owned buildings at this time. One of the elements in the proposal is addressing the Urban Heat Island Effect through shade, landscaping, and other measures. That is only in draft form. That is not passed yet, but I mentioned it here because I think it is an important step by the City. This concludes Reno's portion of the presentation. Lauren and I are happy to take any questions that you may have, or we can continue on to the City of Sparks.

Chair Flores:

Please continue; what we will do is we will take questions at the end.

Ms. Groneman:

Thank you.

Sienna Reid, City Planner, City of Sparks:

Good evening, Chair Flores, Committee members. I do want to note that again on this slide you can see the four primary elements that AB 96 requires local government Master Plans address. Lauren already discussed them, so I will not go into too much detail there. But do want to note that for the City of Sparks, we updated our Comprehensive Plan in 2016, that was a full overhaul of the Plan. It included a substantive public input process, surveys, and really getting out into the community to determine what the community wanted to see. Very similar to the City of Reno's Plan, access to recreation amenities was highly desired by the community and being cool and shaded in those types of spaces does matter. Currently the City of Sparks' Comprehensive Plan addresses shade over paved surfaces with policy language that directs the City to increase urban tree canopy that is in both existing developed areas and then also by requiring trees as new development occurs. However, the City's Comprehensive Plan does not currently address access to public cooling spaces or public drinking water. And in addition, while the City's Comprehensive Plan does promote reducing per capita energy use through amendments to building codes as well as updates to development standards that can make buildings more efficient, it does not directly address cool building practices.

To address the requirements of AB 96; the City of Sparks is considering various changes to our Comprehensive Plan to provide the public with context regarding the overall impacts of heat. A new narrative would be added to our resiliency and conservation section of the Plan. This narrative addresses historical data regarding temperature increases as well as the results of the 2024 CAPA Heat Watch Program that Brian provided an overview of earlier. That program is really important because as you can see on this map, it really identifies what heat looks like at a small-scale geography and the areas of Sparks with the hottest temperatures. It helps us focus our efforts. And so, for Sparks, these areas include downtown Sparks that is densely developed with buildings and hard surfaces, as well as the Legends at Sparks Marina Shopping Center that contains very large asphalt parking areas,

and then also our industrial area, which is located south of Interstate 80. That area is really dominated by large buildings that are surrounded by asphalt and very little landscaping.

Moving on from kind of that narrative perspective, we are also proposing changes from a policy perspective that would be seeking to add two new policies and revise an existing policy. The first new policy being considered would address reducing the Urban Heat Island Effect. This policy would work to reduce the Urban Heat Island Effect by integrating reflective materials, cool building practices, and shade structures into existing developed areas, new developments, as well as public projects. A new policy also that addresses coordination during extreme heats, excuse me, during extreme heat events is also needed. This policy directs the City to work with local government and regional partners to plan for and respond to extreme heat events, including access to cooling centers and public drinking water. That is the same effort that Lauren discussed and really would be an effort that can be maintained by the local governments in a responsive way, not something that we have to go to our Planning Commission and City Council to update in terms of a comprehensive plan document. And then lastly, an existing policy regarding the enhancement of urban tree canopy would be revised. That needs to be revised to include a preference for drought tolerant and native species.

So how would we implement ultimately the policies that I just discussed? To further the implementation of them, there are various strategies that are proposed; these include continuing forward with the Treemendous Program; that Program has been in place now for three years. It is a partnership between the City of Sparks and Moana Nursery to provide free trees to Sparks residents and last year for 2025, 300 residents received free trees. In addition, the City plans to work forward towards future zoning code amendments that increase the level of shade required in parking lots. I think there are some opportunities to have more stringent requirements there. And then also working to enhance our detached landscaping strips in the City that would be by enhancing irrigation options to them when roadway work is completed and then also pursuing grants to plant and maintain trees. Here on this slide, you can see one of our detached landscaping strips. They really are a tremendous infrastructure resource when you think about trees as being green infrastructure and as you can see on this picture, many of them are devoid of trees. And what we found is that while it is generally feasible to obtain grant funding to plant trees, monetary resources to maintain them are not available in the City's budget, necessitating the need for really further grant funding—deeper grant funding to enhance this underutilized resource that is located in our oldest portions of the City of Sparks where we do have higher heat levels.

In addition, further implementation strategies include increasing shade structures in public parks. This is something that we have been able to do with our community development block grant COVID funds, and that we would like to continue doing with our regular community development block grant allocation as we look into the future. Lastly here, promoting heat reflective paints, passive solar design, and cool pavement coatings where feasible. Those are all cool building practices that can be promoted as we work through whether those be public projects or even something like a mural or even through a new development. And so, with that, Mr. Chair, I will conclude my presentation for the City of Sparks and be happy to answer questions at the appropriate time.

Chair Flores:

Thank you.

We do have another presenter, correct?

Kat Oakley, Planning Manager, Planning and Building Division, Community Services Department, Washoe County:

Correct.

Chair Flores:

Please proceed.

Ms. Oakley:

Thank you. I am going to talk a little bit about what the Unincorporated County is doing in terms of implementing AB 96. I have put an image on the side that includes that heat map data that you have already seen but it is expanded, zoomed out a little bit to show other parts of the Unincorporated County to emphasize that in addition to some urbanized areas, we also have a very expansive rural areas with residents that we serve. When we are looking at the question of the extreme heat and the heat mitigation plan, we are thinking both about the Urban Heat Island Effect in those urban areas and our rural populations. Like Reno and Sparks, we are under the Truckee Meadows Regional Plan and so because of that and because of our regional coordination, we did already have policies to address many of the items required by AB 96 in the Master Plan. Our Master Plan was comprehensively updated and overhauled in 2023, and this is called Envision Washoe County 2040 and similarly to the city residents, our county residents really prioritize access to recreational spaces, open space preservation along with other things such as housing affordability. Some of those policies are already in place, but a bit of work to be done in terms of more explicitly addressing cool building practices and then mentioning not just native trees, which are already referenced in our Master Plan, but also drought tolerant species.

To respond to AB 96, what we are proposing and a draft of this was actually recently published for public review, is a new Heat Mitigation Plan section where we are going to expand the narrative, similar to what Reno and Sparks have mentioned to more comprehensively address urban and extreme heat. As I have already mentioned with a specific focus on also how that pertains to rural areas incorporating the new heat mapping data that we got from that 2024 Heat Watch Program that is really valuable to have as an educational resource and also to inform our policies. And then proposing a new heat mitigation plan icon as well that appears throughout the Plan for those policies that are maybe not directly about heat mitigation, but do pertain to it, such as policies that relate to the preservation of open space, the reduction of vehicle miles traveled, and so forth.

We are proposing a few new and revised policies as well. Looking at heat mitigation and heat management focusing on education. Educating people about how to respond to extreme heat events. How heat in general impacts quality of life. Collaborating with and continuing to collaborate with our partner agencies with the cities of Reno and Sparks. And then again, exploring more what are those rural specific challenges for those folks who do not have access to municipal services or might not be able to drive to a cooling center and those sorts of things. What can we do there? And then adding that new policy that Reno and Sparks also mentioned to direct us to work together on assessing access to public cooling and drinking water, and then creating a resource that is responsive and adaptable to inform people of where those resources are in the community. We have got those policy changes and then some new implementation actions as well related to those policies that

will inform our work moving forward implementing the Master Plan as we do things like update our zoning code to expand the tree canopy, require more shade, encourage cool building practices, those sorts of measures that support the reduction of urban heat and our adaptability to extreme heat events.

Thank you, Brian.

The graph shows one— shows our ozone air quality over time and how the National Attainment Standard has changed over time and this is just one of the many, many impacts of extreme heat. Heat when combined with vehicle emissions, it creates ozone and ozone is a criterion pollutant that we have to fall below certain standards that have, generally speaking, been strengthened over time. You can see there all those lines really close together. What that is saying is any strengthening of the national standard or an increase in heat or vehicle emissions could put us over the edge from attainment to non-attainment, which would have significant both public health implications and also economic implications for our region. And so that is just one of the many reasons why addressing heat is important for our region.

Mr. Beffort:

To talk about a tool that Washoe County GIS [Geographic Information System] has built to guide some of our implementation. What you see here is a screenshot of our sustainability index, which helps us all better understand where, how, and why extreme heat and other factors are impacting our communities in northern Nevada. The title of this slide has a hotlink to a live dynamic map if for whatever reason that is not working for you folks, I am happy to provide the link. This screenshot shows our heat study data combined with high-risk census tracts depicted by the EPA's climate and environmental justice screening tool, which was removed from—by the EPA last year, however, we knew that was coming; we downloaded the layers. These populations still exist and are still being impacted by various factors. It is our mission to serve these populations. The dots on this map show schools to help us better understand how and where children in our community are being impacted. On the bottom, the bullets on the bottom are some of the other layers on this map to help us better understand the compounding interplay of various factors, which in turn inform our actions in response. This screenshot, also from that map, shows the interplay of our urban canopy and heat in a portion of west central Reno. Over there on the right, you will see our spaghetti bowl. Those three blue zones from left to right are Dick Taylor Memorial Park, the UNR agricultural fields, and Glen Duncan Elementary School all of which show the cooling power of grass, trees, and unpaved open ground. The remainder of this map is mostly pavement.

Finally, this screenshot displays our built environment tab. Again, that title has a link and it displays all of our assessor's data, which includes every building in Washoe County. And each census block is ranked by the risks these blocks experience from an energy management perspective. The darker shapes—the darker census blocks contain more buildings that are older and have larger square footage that needs to be heated or cooled. These buildings are more likely to have poor insulation and older HVAC system; and are more likely to be affected by heat, power outages, and/or expensive HVAC system upgrades. This allows jurisdictions, agencies, or nonprofit partners to target these building owners to discuss strategies to improve building resilience while lowering energy bills and emissions with some of the interventions that are listed at the bottom of this slide. That concludes our presentation, and we are happy to answer any questions you might have.

Chair Flores:

Thank you all for joining us. I do know that it is late, so I appreciate you holding in there.

Members, we will start off with Senator Neal, please.

Senator Neal:

Just two quick questions. Are you coordinating Safe Routes with school personnel to identify areas of interest within your heat mitigation plan, and also are you working with UNR [University of Nevada, Reno] Extension Office?

Ms. Oakley:

We have not coordinated with Safe Routes to School as part of this effort or with UNR Extension but we have been working and communicating with DRI and their climate and heat related experts over there to help inform the development of our plan.

Ms. Reid:

Thank you, Mr. Chair, to the Committee member, the City of Sparks does coordinate with Safe Routes to School on all planning for schools. We do not have a lot of new schools being planned for in just generally the Truckee Meadows area, but what we do have is a pretty extensive modernization program that is being undertaking by the Washoe County School District and so there is a lot of investment going into existing areas. As part of those efforts, certainly we do evaluate the routes to school and where we do have deficiencies in terms of landscaping, especially with street trees, we are able to address that at the time that either the substantial renovations or a new school would come online. To your second question, the City of Sparks also has not coordinated with UNR Extension as of yet, but we can certainly look into doing so in the future.

Senator Neal:

Okay, thank you.

Ms. Knox:

Just to answer for the City of Reno as well, similar to what Sienna and Kat have both said, we do work on Safe Routes to School when a new school might come in. New schools for us generally are going to go through what is called a conditional use permit process where we can look at a lot of these very specific pieces. We do not have any kind of current discussion with UNR necessarily on shade specifically or this heat mitigation piece, but I do think one of the efforts that we talked about with this new policy that we are all looking at together, I think that is a really good kind of input for us is to look at that piece, and how we maybe have some deficiencies related to schools and how we can work on that. I think it is a good input for us.

Chair Flores:

Members, any additional questions?

The only thing that if you could in a very concise manner, provide what is your next timeline for whatever it is, and I know it is going to be a different answer because not everybody is working on the same exact issue. But I am trying to get a better gauge of what is each

jurisdiction's timeline. By next month we plan to be doing this; by three months we plan to be doing that; half a year from now— I am trying to understand so that when we have a conversation moving forward, we can come back and say look, I know we have set these timelines in place, where are we at with them?

Ms. Knox:

The City has begun already processing the Master Plan amendment to address AB 96. That has gone through our Planning Commission in April and will be going to our City Council on May 20th. In terms of a vast majority of the specific Master Plan work that will be in play for Reno relatively soon. From there, the joint policy that we are working on is an implementation strategy as a short-term strategy currently proposed within the City's Master Plan, so I imagine once our partners are in the same space to be able to have these conversations, I imagine that conversation will happen relatively quickly.

Ms. Oakley:

We similarly are—we have drafted updates to our Master Plan; we have put them out. After we do some public outreach, we are going to move on to our Planning Commission hearings and our Board of County Commissioner hearings later this summer. That is when we anticipate adoption of the Master Plan. I would say more broadly, the Master Plan really sets that policy high-level direction that we then follow in the implementation of the Master Plan. Also, for us, a lot of these actions that are being proposed related to heat mitigation are in the short-time frame which is—the first, for us, it is the first five years of the plan which we are in about year three entering year four. We would expect to be working on those issues in the next couple of years in terms of changing code and doing those concrete implementation items.

Ms. Reid:

To you, Mr. Chair, in terms of the City of Sparks' implementation, staff is working forward to bring forward the changes to our comprehensive plan amendment to our Planning Commission. We expect that that will be coming up probably in late summer to the fall. Again, that is really just the first step in terms of those amendments to our comprehensive plan that we were discussing. Each of the implementation strategies will have a little bit of a different time frame, some of them are already in process, others are things that we are actively looking at in terms of grant funding, but future changes to our zoning code those are a little bit further out. We have a host of zoning code amendments that we have been working to process for about the past three years and have not have not necessarily been able to bring forward but we do anticipate bringing those forward hopefully within the next couple of years; and we would be looking to group in any amendments to our zoning code related to heat mitigation and mainly, as I was discussing, changes to requiring more tree cover— or tree shade cover in parking lots at that time.

Chair Flores:

Thank you for that. I know folks will be excited to participate in that process, and I know we have, as a Committee, have received a lot of input from folks, and I am sure they are going to be sharing that or have probably already shared a lot of that with you. Again, I thank you for joining us today. We look forward to continuing this conversation as we know it is a long process, and we do appreciate everybody's time. Thank you again.

Members, one last time, any additional questions? Seeing none again. Thank you again and have a wonderful evening.

AGENDA ITEM X—PRESENTATION ON LAKE TAHOE'S CHANGING VISITOR LANDSCAPE

Chair Flores:

All right; we will be going to our final presentation for this very long Government Affairs after hours presentation of Lake Tahoe's changing visitor landscape. We have some folks in northern Nevada who will be joining us.

Good afternoon, welcome, and thank you again for hanging in there. I do understand it is late, and I appreciate you hanging out with us this evening.

Andy Chapman, President and Chief Executive Officer, Travel North Tahoe Nevada:

Thank you very much and thank you for your Committee's day, you have had a lot of items in front of you. I am here to talk a little bit about the kind of the changing landscape of what is happening up in Tahoe.

Thank you, Chair and Vice Chair Considine, and members and also thank you for your interest and support in the Lake Tahoe Basin. Lake Tahoe is a true Nevada national treasure. I want to talk real quick about who we are, and I am going to play a short video. The map there kind of shows you where our jurisdiction is, we are basically the Washoe-Tahoe portion of the Lake Tahoe Basin. We are a unique DMO, destination management organization, that highlights the unique communities of Incline Village and Crystal Bay and the Tahoe East Shore located in the northeast corner of Lake Tahoe. We are a 501(c)(6) Nevada nonprofit, and we are formed in 1989. And we are, there is four basic DMOs, destination management and marketing organizations, in Lake Tahoe. We are really the oldest, smallest I think, but the oldest. We like to say we are small but mighty. Our mission is to encourage destination experiences that support a vibrant economy, enhance community character, and foster environmental stewardship. I am going to play a quick video here; I hope it works. (Agenda Item X A-1)

[Video was played.]

> We always say at Travel North Tahoe, Nevada, that our Mission surrounds us. All it takes is one look at the Lake, and the reason we do what we do becomes clear. The spectacular beaches and crystalline waters of the northeast shore of Lake Tahoe give way to beautiful forests, towering peaks, and a unique, extraordinary community. It is not just a dot on the map; it is an entire world of wonder. One of the most awe-inspiring places on the planet. Travel North Tahoe, Nevada works every day to preserve, protect, and enhance this extraordinary natural landscape and one-of-a-kind community for all users of this natural wonder. Whether it is widespread free transit service, taking cars off the road, environmental restoration projects, preserving Lake clarity, local events that bring community together, or leadership on some of the region's most pressing issues, Travel North Tahoe, Nevada is a champion for a real change and a leader for the Lake. We are all united by our love for this landscape we call home. We are shaping a future of environmental preservation, community connection, and vibrant economic opportunity in Incline Village and Crystal Bay. This is our Mission. This is our vision. Join us in protecting, preserving, and sharing the beauty of North Tahoe, Nevada

Mr. Chapman:

I am going to highlight impacts on infrastructure and on the community, identify funding gaps in current tourism model, and then discuss our business— .

Chair Flores:

If I could just have you state your name for the record, my apologies, it cut off for a second.

Mr. Chapman:

Then we are going to talk a little bit about a business improvement district solution. I want to thank the Senate Government Affairs Committee that did pass SB 420 out of the 2025 Committee; we are here at it again, as we were not successful at the end of that.

Talking a little bit about the visitor trends, and how they are changing. We are seeing more visitors but with different patterns. Tahoe is a tourism economy. It has always been a visitation location, but patterns are changing. We are about a $5.2 billion visitor-generated economic impact basin-wide, and if you take that to secondary impacts, it is $10 billion. That will be both on the Nevada and the California side. There is approximately 15 million visitor days generated from about 2 million unique visitors; and then there is also about 4-million day-visitors that we call "untethered visitors" that are coming into the marketplace that I am going to speak on here in a second. Eighty-six percent of the land in the Tahoe Basin, as you may know, are public lands managed through the U.S. Forest Service and the Lake Tahoe Basin Management Unit. The LTBMU is the second most visited forest unit in the nation. To give you a comparative, the Tahoe land mass is about one-third the size of Yosemite National Park, but Tahoe sees three times the amount of visitation. Also the White River National Forest, which is the number one national forest visited, and Tahoe is number two, but the White Forest National Forest is 2.3 million acres, and the Tahoe is 155,000 acres. What that— The result is highly concentrated use at Lake Tahoe's recreation sites and really a strain on the resources and the infrastructure. So, the key point here, visitation is highly concentrated within these small areas.

We are still dealing with the COVID impacts and the shift of COVID tourism today. Outdoor recreation surged during the pandemic and post-pandemic periods. People were told to go outside and they did. That created a lot of new impacts to the destination. New visitors were introduced to outdoor recreation, but they did not really know how to interact with the jurisdiction, how to deal with trash, what is a bear box, how do you open a bear box if you have never been educated on how to do that. And you can see the direct spending trends from 2019 to 2023, about a 25 percent increase, so demand remains high, but those behaviors have changed. Our day-visitors are driving much of the impacts that we are seeing. Regional data indicate 42 percent of the annual visitation is from day-visitors, who come into the to the destination and leave and do not deposit much visitor spend in order to deal with those impacts. According to the Reno-Sparks Convention and Visitors Authority data, 47 percent of the Reno visitor will take a day trip to Incline Village specifically. And spending is dominated by visitors arriving by personal passenger car, further contributing to regional impacts. The key point here is more impacts but not proportional revenue growth between visitor types.

Some of the core problems that we are seeing right now. We are seeing increased congestion on roadways and recreational site facilities. We are seeing environmental pressures on outdated infrastructure. Declining resident sentiment to the value of tourism.

We are a community, as well as a tourism location and that does create conflicts at times. Transportation challenges persist due to the lack of sustainable funding. And in fact, we did in the Washoe Tahoe portion recently lost our micro-transit that we had been running for about four years due to lack of funding. Funding is tied to overnight stays, not to day visitations. The chart on the right-hand side shows the distribution of room tax revenues. We generate room tax revenues in Incline and Crystal Bay. About 25 percent of that room tax that is generated comes back to our organization to work on these elements of economy, visitor economy, the community character, and the environmental stewardship.

So there has been a strategic shift in the stewardship first, the focus has gone beyond just marketing and driving "heads and beds." As I mentioned, Lake Tahoe is a tourism economy. We always will be. It is vitally important to us, but equally important now with the economy is that community character and the environmental stewardship. I would like to call it the three-legged stool. Each of those legs of that stool needs to be solid and working correctly for that stool to stay solid and support the efforts of our region. Visitor behavior and management is core to the destination's long-term success. And engineering, education, and enforcement—the three E's, which we kind of stole here from the U.S. Forest Service, must work together. So engineering is the infrastructure of the region. Education is how are we are making sure our visitors understand and our residents understand what those impacts are. And then enforcement, you know, as a little bit of the stick and the carrot and the stick. The community alignment on benefits of tourism needs to be improved.

Again, why the shift to destination management? The pictures you see here, these were from the COVID area these were coordinated efforts by our residential community, these were "unwelcoming parties" that were on Friday afternoons at each of the roundabouts and the entry points to the Tahoe Basin, basically telling our visitors that we did not want them here. And then on Sunday afternoon they did their goodbye party as well. This information hit national news for us at this time, which had a lot of impacts as Tahoe not being a welcoming place to go. This picture is really any day of the summertime on SR 28 and the East Shore Trail parking area. You see different user groups from bicyclists to pedestrians to cars trying to find their place. We have law enforcement up there doing the best they can to manage it. It is quite difficult. And in the bottom right-hand picture you see that Suburban that is parked down well off the embankment with the guy with his bike on the back of his car ready to grab that spot as soon as he is pulled out and ticketed by a tow truck. There is a lot of volume and a lot of demand happening up here.

So why is responsible travel messaging important? This is an area we have really leaned into recently is to really engage our visitors before they are in the marketplace and while they are in the marketplace about the importance of being stewards of this Lake while they are visiting as well as the importance of our residents to understand it as well. If I am on a trail on Tuesday afternoon as a resident and that trail is very crowded, I am part of that crowd. If I am in my car in traffic, I am part of traffic. It is not us against them, it is not residents against visitors. We are all human impacts and human users of this great destination. A solution that we are looking at, and SB 420 was what we started with last session in 2025 but is a Tourism Business Improvement District. This is a modern tourism management tool. It is locally approved business-led self-assessment district. There currently is not enabling language in Nevada NRS that allows businesses to self-assess to be used for very specific elements that the businesses see as impediments to their front door. Again, they are assessed to—assessment is paid by the business owners and the business owners, or their representatives must approve the BID petition. And the County Commission, in our case it would be Washoe County, would oversee the approval and oversight in the formation and operation of the Business Improvement District and there is annual reporting and audit functions involved in this as well. The bottom line is you guys

have been hearing a lot about different needs that this state has. A lot of big efforts from a standpoint of what is needed, we are not here asking the state for any funds. This is really a local solution to local tourism challenges.

Why TBID works and what TBID funds will support. The TBID would create sustainable and predictable funding structure. It is paid by those that benefit from tourism. Currently the tourism industry rides on the back of the lodging industry, yet we know many businesses in our community benefit from tourism, and we are looking at ways that allow them to participate in that. And we want to elevate the importance of destination management. We have moved away from just a destination marketing organization as we moved into the space for destination management. And this complements existing funding; it does not replace that. Priority investments that we would be looking at is transportation and congestion management; short of workforce housing in the Tahoe Basin; transportation is our biggest issue. I do not believe we are going to build any more roads around the Lake, but what we need to do is manage both the internal and incoming traffic as well as the traffic that is already there. We need to work on environmental and community stewardship. Economic vitality is critically important as I mentioned, how we do that has changed. We do not need any more visitors really on July 4th, but we can use visitors, midweek in October and November for sure to keep our businesses and our residents employed. Then, downtown beautification—a way to reinvest these funds back into the community that make it a more viable place again for residents and visitors alike.

So, in closing, what this does, it helps us protect Lake Tahoe's future. Tourism is vital but must be managed. The current funding model is no longer aligned with today's visitor trends and the TBID provides local control, sustainable funding, community investment, and environmental protection. A TBID ensures North Lake Tahoe can remain a place for people to visit and a place residents continue to call home. And with that, I am happy to answer any questions, and I appreciate the Committee being here so late in the afternoon. (Agenda Item X A-2)

Chair Flores:

Thank you again for the presentation. I am sure a lot of the members remember the conversation from this past session. Members, any questions? I do not believe we have any questions, and I know we do not have anybody in Carson City. I know we lost our member up there. I do want to say thank you for the presentation, and I know the conversation will continue into the 2027 Session. We look forward to that. Thank you again and any closing remarks you may have, please do.

Mr. Chapman:

Just thank you, Chair, for your commitment and interest and thank you, Committee members for that. As I have said, Tahoe is a national treasure that we in Nevada cherish and want to protect. Thank you for your time.

Chair Flores:

Because of the traffic, is this a bad time to suggest that we have to have all Committee hearings in Tahoe now? I think we would all be open to that possibility.

Mr. Chapman:

We could do them offseason for sure.

Chair Flores:

Absolutely. Thank you again. With that, we will go ahead and close out the presentation. We will move to the very last item on the agenda which is public comment.

AGENDA ITEM XI—PUBLIC COMMENT

Chair Flores:

Anybody wishing to join us either in Carson City or Las Vegas; I do see some folk or excuse me, somebody coming forward in in Las Vegas, please do. I do not believe we have anybody in Carson City. Also, for those of you wishing to join us over the phone, please at this time if you could please call in.

Good afternoon. Welcome. If you could just press the button right beneath that microphone. Thank you.

Arnold Garcia, Las Vegas Wedding Chamber of Commerce:

I know it is late; I do not want to keep you. I just want to thank you all for all the work that you do. Love Nevada and humbly ask that you, when creating policy or legislation, you keep the wedding industry in mind for the people who celebrate love and— . It is said that the wedding industry brings $3 billion in economic activity to the state annually and we are down about 13 percent in marriage licenses this year so far. We are still the wedding capital of the world and that is pretty awesome. That is it, thank you for your time.

Chair Flores:

Thank you for sharing that data with us. Thank you and thank you for waiting this long. I know it is a very long evening, so thank you for being patient.

Mr. Garcia:

Thank you as well, I appreciate it.

Chair Flores:

Anybody else wishing to join us for public comment, seeing nobody else in person, can we please go to the phone?

AVH:

If you would like to participate in public comment, please press *9 on your phone to take your place in the queue. Chair, there are no callers wishing to speak at this time.

Chair Flores:

Thank you, before we adjourn, thank you to our wonderful staff for being so incredibly patient and working with us and all the hard work that you do. Members we will be back in June, please pay attention to your emails and then folks will reach out to you as we schedule the next meeting. Thank you all for the questions. This meeting is adjourned.

The following written public comment was submitted for the record by:

- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-1)
- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-2)
- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-3)
- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-4)
- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-5)
- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-6)
- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-7)
- David Lee Nace, Resident, Las Vegas, Nevada (Agenda Item XI A-8)
- Ellie Waller, Resident, Douglas County, Nevada (Agenda Item XI B-1)
- Ellie Waller, Resident, Douglas County, Nevada (Agenda Item XI B-2)
- Ronda Tycer, Ph.D., Resident, Incline Village, Nevada (Agenda Item XI C)

AGENDA ITEM XII—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 6:12 p.m.

Respectfully submitted,

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Jen Jacobsen
Research Policy Assistant

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Jann Stinnesbeck
Senior Principal Policy Analyst

APPROVED BY:

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Senator Edgar Flores, Chair

Date: _____

MEETING MATERIALS

AGENDA ITEM	PRESENTER/ENTITY	DESCRIPTION
Agenda Item III A-1	Christine Hess, Chief Financial Officer, Nevada Housing Division (NHD), Department of Business and Industry (B&I)	Microsoft PowerPoint Presentation
Agenda Item III A-2	Christine Hess, Chief Financial Officer, NHD, B&I	Information Provided After Meeting—Response to Questions
Agenda Item IV	Aaron Sheets, Chief Executive Officer, HopeLink of Southern Nevada	Microsoft PowerPoint Presentation
Agenda Item V A-1	Adam Kuckuk, Policy Associate, Elections and Redistricting Program, National Conference of State Legislators (NCSL):	Microsoft PowerPoint Presentation
Agenda Item V A-2	Jackson Littlewood, Policy Analyst, Center for Results-Driven Governing, NCSL	Microsoft PowerPoint Presentation
Agenda Item VI	Timothy Galluzi, State Chief Information Officer and Executive Director, Governor's Technology Office, Office of the Governor	Microsoft PowerPoint Presentation
Agenda Item VII	Stacie Weeks, Director, Nevada Health Authority (NVHA) Nik Proper, Operations Officer, Nevada Public Employees' Benefits Program (PEBP), NVHA Monica McJoy, Chief Financial Officer, PEBP, NVHA	Microsoft PowerPoint Presentation
Agenda Item VIII	Brett D. Compston, Administrator and Chief, Nevada Office of Emergency Management, and Advisor, Homeland Security, Office of the Governor	Microsoft PowerPoint Presentation

AGENDA ITEM	PRESENTER/ENTITY	DESCRIPTION
Agenda Item IX	Brian Beffort, Sustainability Manager, Office of the County Manager, Washoe County Lauren Knox, Senior Planner, City of Reno Suzanne Groneman, Environmental Services Manager, City of Reno Sienna Reid, City Planner, City of Sparks Kat Oakley, Planning Manager, Planning and Building Division, Community Services Department, Washoe County	Microsoft PowerPoint Presentation
Agenda Item X A-1	Andy Chapman, President and Chief Executive Officer (CEO), Travel North Tahoe Nevada	Microsoft PowerPoint Presentation
Agenda Item X A-2	Andy Chapman, President and CEO, Travel North Tahoe Nevada	Strategic Plan
Agenda Item XI A-1	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI A-2	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI A-3	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI A-4	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI A-5	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI A-6	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI A-7	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI A-8	David Lee Nace, Resident, Las Vegas, Nevada	Written Public Comment
Agenda Item XI B-1	Ellie Waller, Resident, Douglas County, Nevada	Written Public Comment

AGENDA ITEM	PRESENTER/ENTITY	DESCRIPTION
Agenda Item XI B-2	Ellie Waller, Resident, Douglas County, Nevada	Written Public Comment
Agenda Item XI C	Ronda Tycer, Ph.D., Resident, Incline Village, Nevada	Written Public Comment

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