

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eighty-second Session
May 23, 2023**

The Senate Committee on Finance was called to order by Chair Marilyn Dondero Loop at 8:12 a.m. on Tuesday, May 23, 2023, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Roberta Lange (Substitute for Senator Nicole J. Cannizzaro)
Senator Dallas Harris
Senator Dina Neal
Senator Rochelle T. Nguyen
Senator Pete Goicoechea
Senator Heidi Seevers Gansert
Senator Robin L. Titus

COMMITTEE MEMBERS ABSENT:

Senator Nicole J. Cannizzaro, Vice Chair (Excused)

GUEST LEGISLATORS PRESENT:

Senator Melanie Scheible, Senatorial District No. 9

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Cathy Crocket, Chief Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Adam Drost, Principal Program Analyst
Madison Ryan, Program Analyst
Asher Killian, Chief Deputy Legislative Counsel

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Paul Breen, Committee Assistant
Joko Cailles, Committee Secretary

OTHERS PRESENT:

Mary Pierczynski, Nevada Association of School Superintendents
Dawn Etcheverry, President, Nevada State Education Association
Chris Daly, Deputy Executive Director, Government Relations, Nevada State
Education Association
Bob Stulac
Lily Kazemi
Heather
Kerri Finn, President, Carson Educational Support Association
Susan Kaiser
Daphne Dale, Executive Director, Health Occupations Students of America,
Nevada Chapter
Craig Statucki, Interim Deputy Superintendent, Educator Effectiveness and
Family Engagement, Nevada Department of Education
Jhone Ebert, Superintendent, Nevada Department of Education
Brooke Maylath, President, Transgender Allies Group
Jayme Jacobs
LC Rapert, Communications Manager, Silver State Equality
Maria-Teresa Liebermann-Parraga, Deputy Director, Battle Born Progress
Janine Hansen, President, Nevada Families for Freedom
Kathleen Palmer
Pamela Massie
Lynn Chapman, State Treasurer, Independent American Party of Nevada
Alida Benson, Executive Director, Nevada Republican Party
Katie Banuelos, Secretary, Libertarian Party of Nevada
Casey Rodgers
Lisa Partee
Cyrus Hojjaty
Susan Proffitt, Vice President, Nevada Republican Club
Leslie Quinn
Leisa Moseley, Nevada State Director, Fines and Fees Justice Center
Nick Shepack, Nevada State Deputy Director, Fines and Fees Justice Center
Lillian Patil, Fines and Fees Justice Center
Nicole Williams
Betty Guess

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Pamela Browning
Crystal Voight
Elizabeth Gutierrez
Yesenia Moya
Jodi Hocking, Executive Director, Return Strong!
Jenessa Premus
SJ Padgett
Kris Cavello
Darian Harris, Advantage Capital Partners
Nick Vassiliadis, Advantage Capital Partners
Nicholas Schneider, Policy Analyst, Vegas Chamber
Leonardo Benavides, Government Affairs Manager, City of North Las Vegas
Stephen Wood, Nevada League of Cities and Municipalities
Unidentified Testifier
Lorena Cardenas

CHAIR DONDERO LOOP:

We begin with Senate Bill (S.B.) 503.

SENATE BILL 503: Ensures sufficient funding for K-12 public education for the 2023-2025 biennium. (BDR S-1208)

WAYNE THORLEY (Senate Fiscal Analyst):

Senate Bill 503 is the K-12 Funding Bill. It ensures sufficient funding for K-12 public education for the 2023-2025 biennium. This measure was heard by the Committee on May 22, 2023, as a Bill Draft Request (BDR). There have been no changes in the language between its hearing and now.

SENATOR TITUS:

Since S.B. 503 was heard yesterday in its bill draft request form, people from rural Nevada have reached out to me concerned about career and technical education (CTE) funding. The CTE associations got \$60,000 in fiscal year (FY) 2010-2011. In this budget, they are getting \$20,000 for programs such as Health Occupations Students of America and Future Farmers of America.

Will we be able to backfill this lost funding? As it stands, groups like Future Farmers of America will not be able to continue in some schools. This does not

just affect rural schools. Schools in Clark County and Washoe County are affected as well. Where in the budget will these programs be funded?

My questions pertain to sections 8 and 10 of S.B. 503 for Future Farmers of America and other State CTE programs.

SENATOR NEAL:

Section 8, subsection 10 of S.B. 503 says the Nevada Department of Education shall transfer from the Other State Education Programs budget account (B/A) 101-2699 the sum of \$13,543,822 in FY 2023-2024 and \$13,543,822 in FY 2024-2025 for grant awards to CTE programs pursuant to *Nevada Revised Statutes* (NRS) 388.393. Does this not apply to the CTE programs Senator Titus references? This is roughly \$27 million over the 2023-2025 biennium.

EDUCATION

DEPARTMENT OF EDUCATION

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(Volume I)

Budget Account 101-2699

SENATOR TITUS:

Thank you for that clarification. I just wanted to ensure these programs would be eligible to apply for these grants. The concern is there is no line item or guarantee that they will get the money. They will compete with many other programs. Is there a specific line item for groups such as Future Farmers of America and other CTE organizations? Will they be thrown into the broader funding pot? If so, is there any direction on how the money will be spent?

CHAIR DONDERO LOOP:

I believe this is standard language for the K-12 Funding Bill.

ADAM DROST (Principal Program Analyst):

The CTE organizations, including Future Farmers of America and Future Business Leaders of America, have funding provided to them through CTE B/A 101-2676. This budget is set aside for these school programs.

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Budget Account 101-2676

Section 8, subsection 10 of S.B. 503 is language that has been in the K-12 Funding Bill for at least ten years. It excludes that language carveout based on a formula for CTE school organizations. I can ask the Nevada Department of Education to provide follow-up information on how the funding is distributed.

SENATOR TITUS:

We can discuss that offline. I have had three different text messages this morning from people with CTE school organizations who are worried that S.B. 503 will be a death knell to Future Farmers of America if it passes as is.

SENATOR SEEVERS GANSERT:

There was reference to B/A 101-2676. We should take a moment to analyze this funding if the Chair intends to move on S.B. 503 during the hearing today. We have broad numbers here, but if we can understand where B/A 101-2676 is for the 2023-2025 biennium compared to the 2021-2023 biennium, that would be helpful.

MR. DROST:

Budget account 101-2676 is not included in the K-12 Funding Bill. Its provisions are located in the 2023 Appropriations Act and Authorizations Act.

SENATOR SEEVERS GANSERT:

Are those funds for pupil programs? Section 8, subsection 10 of S.B. 503 references CTE and pupil programs.

MR. DROST:

The funds are directed to leadership and training activities, and pupil organizations.

SENATOR SEEVERS GANSERT:

We need to track down money for pupil organizations if that is the category the Future Farmers of America would be in.

MR. THORLEY:

The language in section 8, subsection 10 of S.B. 503 that restricts funding away from leadership and training activities, and pupil organizations, has been in the K-12 Funding Bill since at least 2015, and possibly longer than that. This is not a change from recent Legislative sessions.

SENATOR SEEVERS GANSERT:

It would be helpful to track where the funds would come from.

SENATOR NGUYEN:

I am looking at the K-12 Funding Bill from the Eighty-first Session, and it contains the same language, funding amount and mechanism as we see in S.B. 503. I believe the same figures have been present for several sessions.

CHAIR DONDERO LOOP:

I believe the same language has been present since 2015.

MR. DROST:

Yes, it has been present since at least 2015.

SENATOR GOICOECHEA:

Is the intent that Future Farmers of America, Future Business Leaders of America and other CTE programs would not be taken out of the funding equation?

MR. DROST:

The intent is to provide funding for these programs through B/A 101-2676.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):

The Nevada Association of School Superintendents supports S.B. 503.

DAWN ETCHEVERRY (President, Nevada State Education Association):

The Nevada State Education Association opposes S.B. 503. This measure does not address the educator crisis in Nevada. As we end the school year, we are thousands of positions short, leaving our students without licensed educators in their classrooms. In some of our rural counties, we have had to contract with teachers in other states to hold classes on video. When the school year started, the Washoe County School District had a shortage of bus drivers, forcing them

to do bus rotations every four weeks. This always left at least one group of students without transportation to school.

The Association sees the shortage growing if the Legislature does not address the issue of salaries or a living wage. We need a 20 percent salary increase for all staff, and a \$20 starting salary. We must also address the morale of educators given unmanageable class sizes and workloads. We needed classes of 20 students to 1 teacher, allowing us to educate and address the social and emotional needs of pupils. It is a rainy day in Nevada schools. This Legislature has the money to address the needs of all educators in the State.

CHRIS DALY (Deputy Executive Director, Government Relations, Nevada State Education Association):

The Association seeks an amendment to S.B. 503 to increase the State Education Fund by an additional \$500 million. Last week, nearly 1,000 educators and their supporters rallied in front of the Legislature, umbrellas in hand, to say it is a rainy day in Nevada. It is Time for 20.

Nevada has a strong economy and record revenue, and this is welcome news. It is still a rainy day for Nevada schools. We rank 48 out of 50 in education funding, behind Mississippi. We might move up a few slots with S.B. 503, but we will be back in two years ranked in the high forties. Nevada has the largest class sizes in the Nation. The crisis of educator vacancies has reached a tipping point in the last two years alone. Nevada is projected to lose 15 percent of our teaching workforce. The State also has a shortage of people who make our schools run. This severe educator shortage threatens the basic function of our school system.

The increases contemplated in S.B. 503 sound promising, but they are blunted by minimal increases in previous years. Record inflation will eat away at most of the proposed increases. Raising the Education Stabilization Account to 20 percent would stash away an additional \$322 million by the end of the 2023-2025 biennium, meaning the Legislature-approved budget would have a larger increase in reserves than for schools. The biggest beneficiary of additional funding from S.B. 503 is charter schools, which received a 41 percent increase for the 2023-2025 biennium worth over \$400 million. On the other hand, the Storey County School District will lose 5 percent of its total budget. Sadly, the rising tide will not lift more boats.

When combining the Education Stabilization Account with the Account to Stabilize the Operations of State Government, also known as the Rainy Day Fund, reserves could approach nearly \$3 billion by the end of the 2023-2025 biennium. This is seven times the State's previous high of \$401 million. The Association believes it is fiscally irresponsible to underfund education and overinflate reserves when we cannot retain educators or fill their positions.

Throughout this Session, you have heard from a parade of educators about the hardships of working in schools, including low pay and increasingly stressful working conditions. Last week, educators showed through their rally that S.B. 503 should be amended to redirect extra money in our reserves to fund Time for 20. It is a rainy day in Nevada schools.

BOB STULAC:

I am a State of Nevada retiree and former 20-year biology and environmental science professor at Western Nevada College. Last year, I decided to help out with the school system and support the comments made by Ms. Etcheverry on S.B. 503. I thought I could be helpful by getting a substitute teacher license. The pay is not that great. I substitute two days a week. I am trying to enjoy retirement, but those two days a week are not easy. I ask my teachers, how do you do this five days a week?

Conditions are difficult. As a professor at the college level for many years, it has been a change helping in an elementary school and high school. The pay is not good. I probably will not teach next year, but I am trying to give back to the community through doing this. I substitute teach physical education and science at the high school level, and I have substituted at the elementary school level. The only way I can get decent pay is through being a long-term substitute teacher. That requires working five days a week. As a retiree, I just want to work two days a week.

CHAIR DONDERO LOOP:

Opposition testimony on S.B. 503 is not centered on retiree pay or substitute pay. I am also a retiree and 30-year teacher and have heard these sentiments before.

MR. STULAC:

The pay is not great, and conditions are difficult. Please consider that.

LILY KAZEMI:

I am a high school student at West Career & Technical Academy. We are fortunate enough to have five CTE organizations, including Health Occupations Students of America, Distributive Education Clubs of America, Future Business Leaders of America, Future Farmers of America and Skills USA. I am a State officer for Health Occupations of America and a Future Business Leaders of America competition member. I cannot tell you how blessed I am to be able to go to competitions because my chapter has given me the supplies I need, including financial compensation. Many of my friends do not know the career paths they want to go into. Being a member of CTE organizations helped them realize what they want to do.

That is the purpose of school—to allow students to develop skills for their future. Organizations around CTE help people develop those skills. We need to make sure we have equal opportunities for everyone, including low-income students. That is what public schools are for. We need to pay for important resources that help students find their career paths and serve the future.

HEATHER:

I am with Future Farmers of America. Section 8, subsection 10 of S.B. 503 states the money is not for the use of leadership and training activities, and pupil organizations. That line has not allowed any CTE organizations to receive State funding since 2015. Historically, we have seen a high of \$60,000, but now only up to \$20,000 of federal Perkins V funding from the Strengthening Career and Technical Education for the 21st Century Act of 2018.

The line, “Not for the use of leadership and training activities, and pupil organizations,” would have to be removed for the NRS provision to go into effect and support the entirety of CTE and CTE organizations.

KERRI FINN (President, Carson Educational Support Association):

I am a clinical aide in the health office of Pioneer Academy in Carson City and am Nevada’s education support professional of the year per the Nevada State Education Association.

I oppose S.B. 503 and believe Nevada can do better to fund education. After nearly 1,000 educators gathered in front of the Legislature last week to say it is a rainy day in Nevada, legislators know how serious the problems in public education are. Educators in northern Nevada are leaving to work in California.

Educators in southern Nevada are leaving to work in New Mexico. Why? Those states are paying them a livable wage. Nevada needs to step up to be competitive. We have seen a mass exodus, and 2023 was one of the worst years. What will next year look like? What will the year after that look like? We continue to run in place and tread water.

The 26 percent increase is a start. However, this will be eaten up by increasing costs. Our students, teachers, education support professionals and State will be left to suffer. With nearly \$3 billion in reserves, we would like to see more put into public education, especially for Time for 20. This would help respect and retain our amazing educators and support staff.

SUSAN KAISER:

I am a 25-year educator who is now retired. During my whole career, I have attended every session of the Nevada Legislature to ask for increased education funding. We often asked for more revenue streams, but now the Nevada Legislature has money in its coffers.

As secondary school educators, we commonly have between 150 and 180 students. Teachers try to know each of their students as individuals while monitoring their learning and watching for any sign of change due to outside factors. Common sense says, and research confirms, that the number of students in classrooms makes a real difference for students and teachers alike. The issue of large class sizes remains frustrating for Nevada educators and contributes to their early exit from the profession. This has been compounded by the pandemic, rising inflation and other factors out of our control.

What is not out of our control is the decision to appropriate the money we have to address the constant neglect of education funding. As an educator, I ask you to amend S.B. 503 to reflect the most important resource of Nevada. That resource is not lithium or gold. It is the collection of students who are the future of our State and economy.

DAPHNE DALE (Executive Director, Health Occupations Students of America, Nevada Chapter):

The Nevada Chapter of Health Occupations Students of America is a vital organization serving over 2,500 students who are passionate about pursuing careers in health care. Even though we greatly appreciate the financial support given to CTE, we encourage you to support CTE student organizations by

removing “not for the use of leadership and training activities, and pupil organizations” from section 8, subsection 10 of S.B. 503. Removing the language would give the Nevada Department of Education the ability to support State-level CTE student organizations. These preprofessional development organizations are vital to Nevada’s CTE standards. They extend teaching and learning through innovative programs, business and community partnerships, and leadership experiences at the school, State and national levels. The removal of this disabling language from S.B. 503 is of utmost importance to ensure our organization and other CTE student organization can continue their profound impact on the lives of Nevada’s aspiring workforce.

CRAIG STATUCKI (Interim Deputy Superintendent, Educator Effectiveness and Family Engagement, Nevada Department of Education):

I am testifying in neutral to S.B. 503 to clarify a number of points. The disabling language in the measure does prevent the Nevada Department of Education from using State CTE funds for CTE student organizations and State leadership activities such as professional development.

We use B/A 101-2676 for Perkins V funding to help support CTE student organizations. These organizations are not eligible local education agencies, so they are not eligible for aid to schools. They receive funding based on what money is left over from leadership funds allowed under Perkins V. Each year, that amount has decreased. It is \$20,000 this year and \$30,000 the year before. The CTE student organizations have increased by almost 3,000 students. With the programs growing, we expect that figure to expand.

CHAIR DONDERO LOOP:

If this has been standard language since 2015, why has no one raised their concerns until now?

MR. STATUCKI:

Organizations have reached out in the past with concerns about the disabling language. As CTE student organizations expand, teachers are becoming more active in Legislative sessions and are more aware of this type of language. When you see a decrease in CTE student organization funding from the federal government, it starts trickling down to the State level.

There are still CTE student organization executive directors who were around when the funding amounts were \$60,000. As they see federal funding decrease, the disabling language has become more of a concern.

CHAIR DONDERO LOOP:

The language existed in 2015, 2017, 2019 and 2021. The conversation has not been brought forward until now, to my knowledge.

SENATOR NEAL:

What exactly was missed when we considered the \$26 million that would go to CTE? If we knew that federal Perkins V funding was decreasing, why did we not try to flex some of the \$26 million to offer more money to CTE student organizations?

MR. STATUCKI:

As we looked through that process, we introduced through S.B. 9 a change in that portion of the formula to modify the formula from 7.5 percent to 20 percent in the relevant statutory provision. Additional information and resources would be given to students and school districts, including work-based learning, industry-recognized credentials, and being able to help pay for teachers to earn credentials so they can teach dual credit classes.

SENATE BILL 9: Revises provisions relating to education. (BDR 34-282)

When it introduced that language, the Nevada Department of Education thought it would facilitate a conversation around not having the type of disabling language in section 8, subsection 10 of S.B. 503. That is the route we chose to go.

SENATOR NEAL:

Are you saying there is language in S.B. 9 that will help alleviate the concerns from CTE student organizations?

MR. STATUCKI:

My interpretation of the language in S.B. 9 and S.B. 503 is that, while the former changes the percentages and clearly establishes purposes for these funds, S.B. 503 would disable that language as soon as it passes.

SENATOR NEAL:

How would S.B. 144 on CTE tax credits expand CTE student organizations by incentivizing outside businesses that can invest in these programs?

SENATE BILL 144 (1st Reprint): Establishes a credit against certain taxes for a taxpayer who donates money to a career and technical program tax credit organization that makes grants to programs of career and technical education. (BDR 34-866)

MR. STATUCKI:

The money would go straight to CTE student organizations. It would not necessarily flow through the Nevada Department of Education first. My understanding is the Nevada Department of Taxation would identify programs and send the funding directly to them.

SENATOR NEAL:

Would it still be an opportunity for CTE student organizations to get additional funding from businesses that invest thanks to tax credit incentives?

The notion is we are not properly funding CTE. It is helpful to understand how S.B. 9 and S.B. 503 contradict each other. That should have been addressed when S.B. 9 was heard. Knowing that there is another bill, S.B. 144, that would allow business investments for CTE helps us further understand what is going on with this funding and whether the Legislature missed something. Wherever the contradictions may lie, I feel like they should have been addressed before.

MR. STATUCKI:

I would agree with Senator Neal. I have also heard concerns over the disabling language over the past 12 hours. The concerns are not around adequate CTE funding. The concern is ensuring our CTE student organizations are being supported. I believe there are pathways through S.B. 144 to support programs directly, but I do not know if that measure would address the specific concerns brought up by CTE student organizations.

SENATOR SEEVERS GANSERT:

Section 8, subsection 10 of S.B. 503 says that provisions for funds described in subsections 1, 2 and 3 of NRS 388.392 should not be used for leadership and training activities and pupil organization, specific to CTE funds.

Senate Bill 9 talks about what leadership and training activities mean, including activities by or for pupil organizations for CTE, or creating activities for teachers and classes. Senate Bill 9 and S.B. 503 are in conflict because we are setting aside CTE money. Even the tax credit money specifically geared for CTE, because of the way funds flow and the way S.B. 9 and S.B. 503 are written, would be disallowed.

When the disabling language was written in 2015, maybe there was an expectation that CTE money would not be allocated for these types of purposes, but the money is going to such purposes. We need to change the language in S.B. 503 to allow for CTE money to be used for CTE student organizations. We need further discussions on the language in S.B. 9.

The budget bill, S.B. 503, probably overrides other measures we pass, though the definitions for terms like “leadership and training activities” are in S.B. 9. Leadership and training activities refer to activities by or for CTE pupil organizations.

MR. THORLEY:

From a legal perspective, there is not a conflict between S.B. 503 and S.B. 9. The provisions in section 8, subsection 10 of S.B. 503 state that, “notwithstanding the provisions of 1, 2 and 3 of NRS 388.392,” which are the sections of law S.B. 9 seeks to change to increase the percentage of funds that can be provided for leadership and training activities. The notwithstanding provision would supersede the current language in NRS 388.392, meaning there would be no conflict.

SENATOR SEEVERS GANSERT:

I am looking at NRS 388.392, the language affected by S.B. 9. Section 2 of NRS 388.392 changes the percentage to 20 percent. The language in S.B. 503 says you cannot fund these things, notwithstanding sections 1, 2 and 3 of NRS 388.392 which outline the definition of leadership and training organizations. The percentage is raised from 7.5 percent to 20 percent if S.B. 9 passes. I am not sure what the purpose of the disabling language is.

ASHER KILLIAN (Chief Deputy Legislative Counsel):

The question is whether there is a conflict between NRS 388.392 and section 8, subsection 10 of S.B. 503. *Nevada Revised Statutes* 388.392 sets some general formulas for any money appropriated for CTE. No more than

7.5 percent can go to leadership and training activities, and no more than 5 percent can go to pupil organizations. These general rules apply to any money appropriated for CTE purposes to the Nevada Department of Education.

Section 8, subsection 10 in S.B. 503 refers to one particular appropriation for CTE purposes. The language of section 8, subsection 10 specifically says that the provisions of NRS 388.392 do not apply to it. The appropriation of \$13.5 million in each fiscal year of the 2023-2025 biennium would not be subject to the provisions of NRS 388.392 and would go directly to CTE programs. There is no conflict. This particular appropriation is required by S.B. 503 to go directly to programs. Any other appropriations made for CTE purposes would flow through the formula established in NRS 388.392.

CHAIR DONDERO LOOP:

Is the \$13.5 million in each fiscal year of the 2023-2025 biennium for a total of \$27 million?

MR. KILLIAN:

Yes. The provisions of section 8, subsection 10 of S.B. 503 would prevail for that pot of money in each year of the 2023-2025 biennium. The money would have to go to CTE and could not be used for other purposes under NRS 388.392.

SENATOR SEEVERS GANSERT:

What money under the category in NRS 388.392 is available for CTE student organizations? Where would those funds be located?

MR. KILLIAN:

The particular money in section 8, subsection 10 of S.B. 503 cannot be used for that purpose. I cannot speak to other resources available to the Nevada Department of Education. Any resources available through State appropriations could be used for NRS 388.392 purposes. I would defer to Fiscal staff for clarification.

MADISON RYAN (Program Analyst):

There is funding in B/A 101-2676 for CTE. That account will be slotted into the 2023 Authorizations Act. There was approximately \$22,000 to each of six CTE student organizations in FY 2021-2022. That will carry over into the 2023-2025 biennium.

SENATOR SEEVERS GANSERT:

Is that a flat budget amount that is moving forward in the 2023 Authorizations Act?

Ms. RYAN:

Yes.

SENATOR NEAL:

If that is the base amount and we consider S.B. 9 and its increase in the amount of funds that can be provided to leadership and training activities from 7.5 percent to 20 percent, would that 20 percent be in conjunction with the \$26 million in S.B. 503?

MR. KILLIAN:

Under NRS 388.392, a ceiling is set for the maximum amount that can be used on leadership and training activities. The ceiling is no more than 7.5 percent. If S.B. 9 passes, the ceiling will be 20 percent. This is not a requirement to use 20 percent; it is a provision that says not more than 20 percent could be used. No conflict would arise if the ceiling rose, but the funding does not rise.

SENATOR GOICOECHEA:

If we deleted the disabling language, would the leadership and training organizations be able to access the \$27 million?

MR. KILLIAN:

Yes, 7.5 percent of the funds would be available for leadership and training organizations, and 5 percent would be available for pupil organizations. If S.B. 9 passes, 20 percent of funds would be available for leadership and training organizations, and 5 percent would be available for pupil organizations. That would constitute about \$3 million per year that would become available for leadership activities and pupil organizations, instead of solely CTE programs.

SENATOR GOICOECHEA:

I would like to discuss that option, instead of just \$22,000 for the student organizations.

SENATOR HARRIS:

Is the amount appropriated in section 8, subsection 10 of S.B. 503 the same as what was allocated during the Eighty-first Session?

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Ms. RYAN:
Yes.

SENATOR HARRIS:
Was the disabling language present in the K-12 Funding Bills in 2021, 2019 and 2017?

Ms. RYAN:
Yes.

SENATOR HARRIS:
Would it be fair to say, if we were to vote on S.B. 503, we would not be making any substantial changes from what we have done at least over the last eight years?

MR. KILLIAN:
Yes. The budget status quo since 2015 would remain.

SENATOR HARRIS:
Do we know how these leadership and training activities have been funded in the past? It looks like they have been operating. If nothing has been changed, we could presume they would continue to operate. Do you know how the groups have been funded and maintained prior to this Session?

Ms. RYAN:
I would defer to the Nevada Department of Education.

MR. STATUCKI:
The leadership and training activities constitute professional development for education. We have used leadership funds from Perkins V to pay for this. We primarily rely on school districts to provide professional development for educators. We may find funding opportunities for school districts and teachers, but the money for professional development generally does not flow through the Nevada Department of Education and instead goes to districts via Perkins V funds or State CTE funds.

SENATOR HARRIS:
How does this pertain to pupil organizations under NRS 388.392?

MR. STATUCKI:

The CTE student organizations were funded out of Perkins V at a rate of \$22,000 in FY 2021-2022. We expect that figure will be \$20,000 for FY 2022-2023. These funds, coordinated through a management organization that handles conferences, leadership, professional development for State officers and financials, go directly to support the management of CTE student organizations. Two of the CTE student organizations have a technical director who does this work for them.

These CTE student organizations have leadership conferences that charge a fee. Students or school districts have been paying those fees for student participation. Some school districts pay the full amount for students to attend. Others, particularly in rural counties that have less money coming in from the State or Perkins V, rely on students to pay or fundraise for their participation.

JHONE EBERT (Superintendent, Nevada Department of Education):

The State is on a mission to expand CTE. Over the past eight years, we have seen a 50 percent increase in student participation.

SENATOR NEAL:

Was B/A 101-2676 pulled for discussion, or was it Fiscal staff-closed? Was the funding for CTE student organizations a Major Closing Issue in B/A 101-2676 or was it an Other Closing Item?

Ms. RYAN:

The Major Closing Issue in B/A 101-2676 was the maintenance-of-effort piece, the General Fund appropriations in that account. Funding for CTE organizations was not a discussion point during the closing process for B/A 101-2676, as it was base funding that was being moved forward.

SENATOR NEAL:

When we do Other Closing Items that are recommended by Fiscal staff for closure, Fiscal staff still goes through those sections at closing hearings for final review of dollar amounts.

MR. THORLEY:

Items included in the base budget, which are continued from past biennia, are not necessarily listed in Other Closing Items. Other Closing Items are generally enhancement or maintenance decision units that have small dollar amounts or

do not rise to the significance of Major Closing Issues. We do not necessarily have discussions on base budgets in all budget accounts unless Fiscal staff identifies concerns.

SENATOR NEAL:

I remember having discussions around CTE during K-12 budget discussions. Why were these concerns not brought up during hearings of the Joint Subcommittees on K-12/Higher Education/CIP? We asked several detailed questions and had specific conversations.

This conversation around CTE has landed on us today when it could have been discussed by the Subcommittees. I do not want it to seem like members of the Subcommittees did not ask pertinent questions or spend hours scrutinizing funding, only to miss a conversation to raise an amount as we consider the K-12 Funding Bill. I do not know why this process is being held up today, but there were plenty of opportunities for members to ask for greater amounts in the base CTE budget.

CHAIR DONDERO LOOP:

This is the first time I have come across these concerns. I have sat on the Senate Committee on Education, Senate Committee on Finance, or both since I entered the Senate in 2019.

SENATOR SEEVERS GANSERT:

I appreciate the Chair and staff for delving into this. This was far in the weeds and never rose to the surface for a specific discussion. Does the Nevada Department of Education have discretion on CTE spending, or is that hardwired into the budget? I believe these dollars are budgeted at the Departmental level.

MR. STATUCKI:

Are you talking about B/A 101-2676 funds?

SENATOR SEEVERS GANSERT:

I refer to the \$20,000 for CTE student organizations, which was initially \$22,000 in FY 2021-2022.

MR. STATUCKI:

With Perkins V grant monies, 85 percent of funds need to go to local education agencies. Community colleges, 14 school districts and several public charter schools are eligible for that portion. The remaining 15 percent of funds go to administration of the federal grant or State leadership. A lot of that covers staff activities.

On an annual basis, we look at where our budget is and our priorities. We ask whether we want to direct money to educator professional development or if we want to expand an existing program somewhere. For example, we have a partnership with the Nevada Department of Education, Office of Inclusive Education. That Office used federal grant money to put paraprofessionals in CTE programs across the State. They requested more money, so we used some of the leadership funds to support the Office of Inclusive Education.

We look at our budget and identify how much money we have left. That is how we distribute funds across the six CTE student organizations. For FY 2022-2023, it is \$20,000, and it was \$22,000 in FY 2021-2022.

SENATOR SEEVERS GANSERT:

It sounds like the Department has some discretion, so maybe it could look at this funding piece again.

SENATOR TITUS:

I thank the Chair for allowing us to have this discussion. The first time I had heard concerns about this was this morning. As for why we have not discussed the issue before, several of these organizations are small and run by volunteers. They are trying to do their best for students and schools. They do not have the background to understand State fiscal issues. This was eventually identified by people as an issue. At some point, this had to be brought up.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 503 and open the hearing on S.B. 504.

SENATE BILL 504: Authorizes expenditures by agencies of the State Government for the 2023-2025 biennium. (BDR S-1207)

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MR. THORLEY:

Senate Bill 504 is the 2023 Authorizations Act. It was heard as a BDR by the Committee on May 22, 2023.

SENATOR SEEVERS GANSERT:

Page 4, lines 11 through 17 of S.B. 504 contains funding for State libraries. Were any changes proposed for that funding? Can additional funding be implemented through a one-shot appropriation? Senate Bill 504 is where the base funding for the Nevada Department of Administration, Division of State Library, Archives and Public Records is located.

MR. THORLEY:

There have been no changes to the language of S.B. 504, including dollar amounts, since it was presented as a BDR. The Committee has the option to add funding to any program through another bill.

SENATOR GOICOECHEA:

I have a familial relationship with the director of the Nevada Department of Agriculture. I do not believe a true conflict of interest exists, and I will be voting on the bill, but wanted to disclose that to the public.

CHAIR DONDERO LOOP:

We will now hold a work session on S.B. 501, S.B. 503 and S.B. 504.

SENATE BILL 501: Establishes for the 2023-2025 biennium the subsidies to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees. (BDR S-1209)

MR. THORLEY:

Senate Bill 501 was heard by the Committee on May 22, 2023, and presented by Fiscal staff. It reflects the decisions of the Senate Committee on Finance and the Assembly Committee on Ways and Means in closing the budgets for the Public Employees' Benefits Program. There was testimony provided in support by the Retired Public Employees of Nevada; the American Federation of State, County and Municipal Employees; the American Federation of State, County and Municipal Employees Retirees; the Nevada Faculty Alliance and the Nevada Police Union. There was no testimony in opposition or neutral. There were no amendments discussed.

SENATOR NGUYEN MOVED TO DO PASS S.B. 501.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. THORLEY:

Senate Bill 503 was heard by the Committee this morning and discussed in its BDR form last night. It is the 2023 K-12 Funding Bill. No changes have been made to the bill between last night and this morning. Senate Bill 503 dollar amounts reflect the decisions of the Senate Committee on Finance and the Assembly Committee on Ways and Means in closing the K-12 education budgets. Testimony in support was provided by the Nevada Association of School Superintendents. Testimony in opposition was provided by the Nevada State Education Association, students from Health Occupations Students of America and several educators. Testimony in neutral was provided by the Nevada Department of Education.

There are no amendments aside from potential changes to section 8, subsection 10 of S.B. 503 as discussed earlier.

SENATOR NGUYEN MOVED TO DO PASS S.B. 503.

SENATOR HARRIS SECONDED THE MOTION.

SENATOR SEEVERS GANSERT:

During the budget closing process, we had a discussion around the amount of money originally allocated in the Executive Budget for K-12 education, which was over \$2 billion. This was monumental. Looking at the Commission on School Funding's plan to bring Nevada to national average education spending, we are now over halfway there.

The Executive Budget contained a portion of rollover money from the 2021-2023 biennium in the amount of about \$290 million. This was supposed to be split between early literacy programs and the teacher pipeline. We need more teachers. Part of the stress in the classroom is because of our teacher shortage. Literacy is the fundamental building block for students. If we want to

change the trajectory of education in Nevada, we have to ensure we have strong early literacy programs. There was \$145 million allocated for that process.

I support the funding originally proposed. I wanted to make sure substantial money goes to early literacy and the teacher pipeline. When we use rollover money or one-shot money for ongoing expenses, the budget is not structurally sound. We create a fiscal cliff. We want to invest in K-12 education, support teacher pipelines and literacy so we can change the trajectory of how our students have been performing and what their futures look like. Their futures will be affected if we do not have strong early literacy programs.

I support the significant increase in education funding, but I am concerned about early literacy programs, teacher pipelines and using one-shot money for ongoing expenses. I will vote no on S.B. 503.

SENATOR NGUYEN:

Upwards of 90 percent of what is recommended in S.B. 503 is part of the Governor's recommendation. This measure did not appear yesterday. It is a culmination of three-and-a-half months of vetting. There were at least four opportunities to vet, question and prepare what ultimately sits before us as S.B. 503. I am proud to support this recommendation. It includes \$2 billion in an increase to public education, including \$400 million in increases for public charter schools. There might be closer to \$2.3 billion in education funding in S.B. 503 alone.

Because of the changes made to Nevada's education funding formula in 2021 and 2019, we know these increased dollars will follow each student. People have consistently said they want money to follow students through the Pupil-Centered Funding Plan. Historic numbers are being allocated in this K-12 budget. I believe the total money is \$6 billion in FY 2023-2024 and \$6.3 billion in FY 2024-2025. My colleagues have over 14 billion reasons to get this money to our children. Students need to be ready to start on time, and many schools must complete their budgeting process on July 1. My kids start school on August 8, 2023. We need to approve S.B. 503 so our kids can get back into the business of learning.

SENATOR HARRIS:

The 2021 K-12 Funding Bill, which contained much of the same language and dollar amounts as in S.B. 503, passed unanimously. Every person on this Committee voted for that legislation. The only thing that has changed between 2021 and 2023, aside from the political landscape, is that the State has an additional \$2 billion for education. I am not sure how we can support a skinnier budget for education during the Eighty-first Session, but have an issue with a measure containing historic investments in education during this Eighty-second Session.

When it comes to over funding leadership and training activities, we are talking about a \$2,000 difference. I would encourage my colleagues to support S.B. 503 and do something that is good for the State. It is not possible to argue otherwise.

SENATOR TITUS:

I appreciate the additional \$2 billion we have for education. We have additional funding. The frustration of some members is not a surprise. It is not just about CTE dollars. During hearings of the Joint Subcommittees on K-12/Higher Education/CIP, we voiced our concerns clearly and voted no on items because we were worried about using one-shot funding for ongoing expenses. This may be an unsustainable fiscal cliff.

We want to make sure the additional money is appropriately used. We want to improve the education standards we have. Senate Bill 503 does not get us there. I will vote no.

SENATOR GOICOECHEA:

I am concerned that too much of the \$2 billion is going into ongoing expenses as opposed to one-shot funding. I am also concerned about leadership and training activities, with us cutting funding for each of those programs by \$2,000 even with \$2 billion in additional funding overall.

SENATOR NEAL:

I will vote for S.B. 503. I find it interesting that some will vote no on a budget that will provide expansive funding. There are many times where we have moved budget bills containing far less money. We have nicked-and-dimed budget bills. For the K-12 budgets, we had a distinct conversation about whether interest should fund a program that was not sustainable and did not

make sense. Now, some are voting against a budget that establishes \$5.4 billion in FY 2023-2024 and \$5.7 billion in FY 2024-2025 because of concerns that using federal American Rescue Plan Act of 2021 (ARPA) dollars for early Kindergarten was not sustainable. Yet, we have to spend that money anyway. We have to get it out the door.

Why not have this conversation about what the next biennium looks like when the money is exhausted? We did good work this Session. People have come to the table saying transportation is not funded, but transportation is in the budget at a level of \$193 million for FY 2023-2024 and \$193 million for FY 2024-2025.

People have come to the table concerned about class sizes. However, while we do not have categorical funding, the law still requires class-size reductions. We give money to school districts, and they decide how to distribute the funds. They take care of concerns in their own districts without the State prescribing exactly what they should do. For the one Session where we have a lot of money, people say we are not doing enough, but we have \$11 billion as a State.

Why would we use this issue as a political football? People make their points at the expense of students. We are doing more than we have ever done. Is it everything we need? No. But we have never been able to do everything. Lawmakers have not expressed interest in revenue increases. We can posture, but \$11 billion is a good deal. We listened to these budgets for months and created a good product. We have to compare this K-12 budget to previous years where we did not have as much money and had to take funds from other areas. It is our constitutional mandate to fund education. We need to stop spinning the narrative that the Legislature is not doing work for students.

SENATOR SEEVERS GANSERT:

The original budget request contained \$2 billion in ongoing costs. My concerns are on one-shot funds. I do not refer to federal ARPA dollars, but money that was left over from the 2021-2023 biennium. Half of the money could have gone to early literacy programs, and the other half to teacher pipelines. These are critical when it comes to improving outcomes for students. All the money ends up in education; the discussion is a matter of what buckets the money goes into. Making sure that one-shot money is used for one-time expenses is important. We have \$2 billion in ongoing costs, and possibly more based on

projections from the Economic Forum. The money goes to education, but we need to make sure that early literacy and teacher pipelines are addressed.

CHAIR DONDERO LOOP:

We started with a question on section 8, subsection 10 of S.B. 503. The discussion has now moved in a different direction. We discussed an amendment, but no vote was taken there.

I have a *Reno Evening Gazette* article from 1947 hanging in my office. It discusses how the Legislature was going into a session and would discuss education funding. That was 76 years ago. I have been in the Legislature since 2009 and constantly discussed education. I believe we have done good work this Session. There have been many conversations. The Legislature has worked hard, and staff has worked hard. We have done this to support educators. The job of the Legislature is to fund education. The dollars go through the Nevada Department of Education and down to the school districts. There are certain things we may allocate funding for, but we do not directly administer the dollars. Teacher raises are handled through the collective bargaining process. School districts may decide to use Legislatively allocated money for something else. We cannot control that.

I am tired of people insinuating that teachers do not know what they are doing. Teachers know what they are doing. They have gone to school and work hard. They continually go back to school to learn more and be better. The Legislature always says, "We need this so they can teach literacy." I taught early childhood education. I know how to teach reading. Do not insinuate we have teachers, principals and administrators who are not trying their best. As Legislators, we must do what we can do with the money we have. We have made a significant investment in education. If anyone wants to somehow increase revenue and put in more, I am with you.

THE MOTION CARRIED. (SENATORS GOICOECHEA, SEEVERS GANSERT AND TITUS VOTED NO.)

* * * * *

MR. THORLEY:

Senate Bill 504 authorizes expenditures by State agencies for the 2023-2025 biennium and is the 2023 Authorizations Act. The measure

authorizes expenditures of money not appropriated from the General Fund or Highway Fund. Sources include federal funds, fees and other sources. Fiscal staff previously presented this measure as a BDR. The dollar amounts in the bill reflect the closing decisions of the Senate Committee on Finance and Assembly Committee on Ways and Means in closing the various budgets for State government. No changes were made to the language in S.B. 504 when it changed from a BDR. There are no amendments.

SENATOR NEAL MOVED TO DO PASS S.B. 504.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:
We will hear S.B. 163.

SENATE BILL 163 (1st Reprint): Requires certain health insurance to cover treatment of certain conditions relating to gender dysphoria and gender incongruence. (BDR 57-129)

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):
Senate Bill 163 was recommended by the Senate Committee on Commerce and Labor. It prevents health insurance companies from discriminating against customers based on gender identity or expression in determining what services, procedures or medical care would be covered. This requirement would apply to independent carriers including a number of governmental agencies. This would affect the State Medicaid Plan, but the impact would be less than \$500,000.

BROOKE MAYLATH (President, Transgender Allies Group):
I have been to the Legislature many times before advocating for the health and welfare of the transgender population in Nevada. For 20 years, I have done business analysis and financial projections for health care. The fiscal note on S.B. 163 is a worst-case scenario. I expect the actual impact to be far less. It is important to understand that excluding medically necessary services, including some Medicaid already excludes, is discriminatory. What is the cost of discrimination? That is the other part of the equation we have to look at.

Wisconsin was successfully sued before the U.S. District Court for the Western District of Wisconsin in *Flack v. Wisconsin Department of Health and Human Services*, and had to cover all of the plaintiff's procedures and pay a \$2 million penalty.

The choice for us is whether to pay a few hundred thousand dollars through S.B. 163 or pay a \$2 million penalty. There is a precedent in our State. An individual covered by a Public Employees' Benefits Program plan filed a complaint because procedures were denied, and the Program ended up having to cover the procedures for everyone and pay a \$45,000 penalty. The \$45,000 is what the procedure cost anyway. Does the State want to pay once, or pay three or four times? Approving S.B. 163 means you only have to pay once, and it is the prudent and fiscally conservative thing to do.

JAYME JACOBS:

I am a transgender woman who has been a proud employee of Clark County since 2006. I am here to share my personal experience with medical insurance discrimination and express my concerns with the exclusions present in the Clark County self-funded medical plan, which disproportionately affect transgender employees like myself.

Due to time constraints, I will not be able to detail the denials of my medically necessary gender-affirming surgery. Suffice it to say that the exclusions in the Clark County self-funded medical plan, which specifically target transgender employees, are undeniably discriminatory. They have imposed a considerable financial burden on me and caused significant stress. The process of appealing denials for medically necessary gender-affirming surgeries has been frustrating and emotionally draining. All employees, irrespective of gender identity, should have equitable access to necessary treatments and procedures that support their health and well-being. I implore members of the Senate Committee on Finance to address discriminatory exclusions and pass S.B. 163. Ensure access to medical care for all individuals, including those who are transgender and nonbinary.

LC RAPERT (Communications Manager, Silver State Equality):

Silver State Equality is a LGBTQ+ civil rights organization and supports S.B. 163.

MARIA-TERESA LIEBERMANN-PARRAGA (Deputy Director, Battle Born Progress):
Battle Born Progress supports S.B. 163. Gender-affirming care is health care. This is a wise investment, especially for people like the public employees who testified earlier.

JANINE HANSEN (President, Nevada Families for Freedom):
Nevada Families for Freedom is opposed to S.B. 163. The fiscal notes show a cost of \$5 million to taxpayers. I do not know if that has changed, but that is the number I see. We are concerned about taxpayers paying for these kinds of surgeries. We are concerned that this does not include a religious exemption for medical providers or small businesses that may have religious objections to providing treatment or insurance for gender dysphoria treatments and sex change surgery. The lack of such an exemption is discriminatory against people with religious convictions.

Every time we increase ongoing costs that are paid for with taxes, we place fiscal burdens on taxpayers. The Institute for Policy Innovation has stated that federal, State, local and hidden taxes collectively equal annual consumption spending of 56 percent. That is more than someone spends on housing, food, clothing, transportation, education and health care. The more we burden taxpayers, the less they are able to take care of themselves.

Chris Hyde of the University of Nottingham said there is a huge uncertainty over whether changing someone's sex is good or bad thing. While great care is taken to ensure appropriate patients undergo gender reassignment, there is still a large number of people who have surgery but become traumatized, often to the point of committing suicide. This is still, to some degree, not resolved within the medical community. There was a review of more than 100 international medical studies of post-operative transgender individuals by the University of Nottingham.

KATHLEEN PALMER:

The medical-industrial complex is excited about new opportunities for "trans children and adults." While hormones and surgical procedures are lucrative, medical providers bear none of the responsibility or risk when these treatments fail and leave lifelong complications and injuries. The risk is borne by victims and their families. When a 14-year-old has a double mastectomy, what happens when that teen grows up to be a woman and desires to breastfeed her child? While her breast could be restored cosmetically, function has been lost forever.

Jamie Reed, a queer woman who worked as a case manager at the transgender center at St. Louis Children's Hospital, shared her experience. One of the saddest cases of detransition she witnessed was a teenage girl who was put on hormones when she was 16. She got a double mastectomy at 18. Three months later, she told her surgeon she wanted to go back to her birth name and told her nurse she wanted her breasts back. Senate Bill 163 should be amended to cover detransition and surgical repairs to organs, not just the destruction caused by transition. The measure should be amended to protect children and young adults from predatory medical providers, especially since children and teens often grow out of the trans phase. The damage from these medical procedures lasts forever.

PAMELA MASSIE:

I oppose S.B. 163 because it would mandate insurance companies and Medicaid to pay for gender dysphoria and sex change surgeries. It does not provide for religious exemptions for small businesses and medical providers. I am sorry for the struggles that many young people are experiencing regarding gender identity. I grieve for their struggle, as well as for those who have chosen to change their gender without the process working. They find they cannot attain the expected and desired effect. Instead of improving quality of life, these procedures often do horrific things to their bodies. I have heard multiple testimonies from young people who have severe health issues, including painful or nonfunctioning urination, sterility and irreversible damage to their bodies. Please do not mandate this funding due to the extreme nature of these treatments and surgery.

LYNN CHAPMAN (State Treasurer, Independent American Party of Nevada):

The Nevada Independent American Party opposes S.B. 163 and is concerned about taxpayer money. The \$5 million here is a lot of money. American hospitals have large financial incentives to carry out gender reassignment procedures in the United States. The sex reassignment surgery market is set to reach a market value of more than \$1.5 billion by 2026. Some operations cost up to \$53,700. Performing 50 of these procedures a year brings in \$2.7 million.

We are concerned, that though we are talking about \$5 million today, how much will we be faced with tomorrow? We have to think about taxpayers and what they are already paying. These surgeries should not be funded through taxes.

ALIDA BENSON (Executive Director, Nevada Republican Party):

The Nevada Republican Party opposes S.B. 163. The federal Patient Protection and Affordable Care Act of 2010 roughly quadrupled health insurance premiums, primarily through the elimination of medical underwriting and forcing consumers to purchase coverage they will never need. As an example, the Affordable Care Act requires maternity coverage even for policies sold to men. Insurance professionals saw firsthand the financial devastation caused by the Affordable Care Act.

Senate Bill 163 continues this destructive path by forcing 100 percent of consumers to pay for coverage that only a small fraction of 1 percent of them will ever need. The fifth version of the *Diagnostic and Statistical Manual of Mental Disorders* estimates that up to 0.14 percent of males and 0.003 percent of females will be diagnosed with gender dysphoria. There is no reason that Nevada taxpayers should be picking up the tab for unproven cosmetic treatments.

The most disturbing feature of S.B. 163 is that it enables the exploitation of minors by the medical and education industries. The measure allows children to obtain permanent surgical procedures paid for by our tax dollars. It does not require any parental notification. The only guidance needed for these children to permanently alter their bodies comes from those who profit from the procedures.

Although there is disagreement in the medical field about the benefits and dangers of gender reassignment as a treatment for gender dysphoria, consenting adults can opt for the treatments in S.B. 163 on their own dime. They have the maturity and ability to properly consider the risks and benefits. It is unconscionable that we would encourage the permanent mutilation of children, particularly without parental notification and guidance. Senate Bill 163 allows children to make permanent decisions with lifelong consequences. Please protect health insurance consumers, taxpayers and vulnerable children. Please vote no on S.B. 163.

KATIE BANUELOS (Secretary, Libertarian Party of Nevada):

The Libertarian Party of Nevada opposes S.B. 163 as it requires all Nevadans to fund dubious and unethical medical practices. The measure requires that insurance companies cover pharmaceutical and surgical interventions for minors as a treatment for a mental health disorder. These interventions are not safe or

reversible no matter what activists and financially interested professionals may claim.

Dr. Stephen Levine is an expert on the Cochrane Review Committee, and he is evaluating the totality of the literature on this issue. He was an early member of the World Professional Association for Transgender Care and helped draft an earlier version of their standards of care. Dr. Levine states that while children with gender dysphoria do report more suicidal thoughts, there is no evidence they act on those feelings at a higher rate compared to other children. He says that without interventions, the vast majority of children will desist, meaning their body discomfort will resolve. On the other hand, evidence suggests that social transition and affirmative care sharply increase the rate of persistence. Almost all children who are given puberty blockers will later take hormones and have surgery. Adults who identify as transgender do have a very high suicide rate, but this is not impacted by whether they were able to transition early.

Describing these interventions as lifesaving care is completely erroneous and does not comport with reality. These are experimental treatments. All over Europe, we are seeing nations that previously allowed minor transition change their laws and prohibit it based on mounting evidence that it is not helpful in the long run. The people who push for this and specialize in it are ideologues. They believe that gender is somehow unrelated to the physical body, and that you can be nonbinary or fluid to the point where the term gender means little more than a feeling. Simultaneously, they say little children are capable of knowing a true gender that differs from their natal sex with such certainty that they can permanently alter their minds and bodies with drugs and surgery. This is an incoherent position that is not grounded in biological reality or anything we know about child development.

Adults can do what they want with their own bodies if they pay for it themselves. Children are incapable of consenting to procedures of this magnitude. There is no parental right to medically abuse a child. It is unacceptable to force all Nevadans to pay premiums that finance this. Please take a stand for reality and vote no on S.B. 163.

CASEY RODGERS:

Here we go again taking rights away from parents when it comes to minors under 17 years old. Parents can make the best decisions for their children. Senate Bill 163 affects kids 17 years old and under. Their brains are still

developing. They are not old enough to die in war or buy alcohol or cigarettes, but, under the bill, they are old enough to permanently maim themselves. Psychologists, psychiatrists and physicians are being used as political pawns in this scheme of taking away parental rights.

Once bills like this pass, you normalize dysphoric ideology. You begin normalizing things like pedophilia. You normalize maiming, changing and altering human beings. Why are children at the forefront of this agenda?

You are trying to normalize a transhumanist agenda. Do you even know what that word means? The bill is more than everything mentioned. People who want S.B. 163 have a nefarious intent to fool the masses into the future they believe in.

LISA PARTEE:

I oppose S.B. 163. Any medical professional who has religious beliefs should be able to opt out of these treatments. Children should not be exposed to these surgeries until they are old enough to know if this is what they truly want.

Someone mentioned in a prior hearing that no one under 18 years old would have access to these treatments, but hormone blockers have to be used before puberty. The bill allows kids to have procedures without parental consent. The testimony I heard was incorrect and untruthful. This is a medical-industrial complex and a money-making machine. Why on earth should taxpayers pay for this? Picking winners and losers for free elective surgeries is never a good idea.

We are overtaxed, overburdened and over this whole push to get people to change their sex from what they were born with. That is a personal choice that we should not have to pay for. These are not medically necessary treatments or procedures. These are elective procedures.

If we feel the need to pay for these surgeries, what about cancer surgeries that caused many people to go bankrupt? This is offensive and ridiculous. I would like breast enhancements. If my insurance company chose not to cover this procedure because it was not medically necessary, I would have to figure it out. I would not dream of asking other people to pay for procedures I choose. I do not appreciate the pay it once or pay more later idea either. This is not something taxpayers should cover. I echo all prior opposition testimony.

CYRUS HOJJATY:

I echo previous comments in opposition to S.B. 163. We need to promote a good family structure. Birth rates are below replacement levels.

SUSAN PROFFITT (Vice President, Nevada Republican Club):

I am surprised to see S.B. 163 come forward when you are not looking at more critical measures for education and elections. You want to raise our taxes and have us pay for gender-changing surgeries and services that are not warranted. You do not want us to know when the services affect our underage children. This is against the Constitution, as are a lot of the bills I have seen come across your desk. Are you trying to wage war against your constituents? What you are trying to do to families is egregious.

LESLIE QUINN:

I oppose S.B. 163. This mandates insurance companies, and Medicaid with tax dollars, to pay for gender dysphoria treatments and sexual surgery. The measure does not include a religious exemption for medical providers or small businesses although many have faith-based objections to providing treatment or insurance for these types of procedures.

Many young people later regret the life-changing decision to alter their bodies hormonally and surgically, rendering them sterile. We should object to using our tax dollars for this. This is a sociology thing, not a biology thing. No matter what happens, we retain our chromosomal makeup. Senate Bill 163 is damaging political ideology. I ask my representatives from Assembly District No. 5 and Senatorial District No. 8, and all Legislators, to vote no on S.B. 163.

SENATOR SCHEIBLE:

I want to touch on a couple of pieces of misinformation you heard during opposition testimony. Senate Bill 163 does nothing to change the types of care that is available to children. It does not change the types of parental notification and parental consent necessary for a child to receive medical care in Nevada. What S.B. 163 is designed to do is provide equity in two different ways. It ensures that no matter who your insurance company is, whether it is provided by the State, employer or the open market, they have the same obligations and responsibilities to cover medically necessary care for anyone on their plan. Senate Bill 163 ensures everyone on each plan gets treated equally, so every person gets access and coverage for the procedures, therapies and services that

are provided on that plan regardless of gender identity, orientation or expression.

Senate Bill 163 prevents any insurance company from providing services to a person of a particular gender and denying the same services to someone who is transgender. Senate Bill 163 does not change anything in Nevada law, policy, the medical administration codes, the *Nevada Administrative Code*, medical standards of care or medical practices. Practice areas, scopes of practice, conduct standards and procedure types are not changed for physicians, physician assistants or certified registered nurses.

Senate Bill 163 indicates that if an insurance plan is going to cover any particular procedure, therapy or treatment, they have to provide that to everyone, regardless of that person's gender, sexual orientation or identity. It does not say any insurance plan has to cover any particular type of treatment or procedure. It does not say any provider has to cover a particular therapy. It does not say that any procedure previously considered to have been unsafe will be permitted in Nevada. The measure requires that procedures and treatments available in Nevada must remain available to everyone on an insurance plan, regardless of whether that insurance is provided by an employer, the State or some other means.

It is inaccurate to characterize S.B. 163 as a tax-funded giveaway of services to people who are not otherwise entitled to them or otherwise not receiving them. The State has made the decision to provide medical insurance to certain people who qualify in Nevada. It is incumbent upon us to ensure that we provide that treatment in a fair and equitable manner, and that goes for anyone who chooses to become a provider.

Taxpayers who pay into the system for publicly funded health care include transgender, gender nonconforming and gender nonbinary Nevadans. They have to pay into the system regardless of where the money is spent. It is not our role as Legislators to pick and choose which services will be provided to whom and which services will not be provided.

Senate Bill 163 says that when an insurance plan provides for certain procedures, including insurance plans provided by State employment or Medicaid, they must provide such procedures equitably. This is regardless of gender, sexual orientation and expression. Please pass S.B. 163.

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SENATOR TITUS:

How many other states have passed similar legislation for their Medicaid participants?

SENATOR SCHEIBLE:

I can provide the list, but there are other states that have similar provisions in law.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 163. We will now hear S.B. 416.

SENATE BILL 416: Revises provisions relating to the Department of Corrections.
(BDR 16-322)

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):

Senate Bill 416 was introduced by the Senate Committee on Judiciary. Over the course of the last two Interim Sessions, those of us on the Joint Interim Standing Committee on Judiciary and other standing judiciary committees have learned a lot about the cost of incarceration in Nevada. Many of these costs fall on the families of incarcerated people. When an inmate wants or needs something from a commissary, his or her family puts money in the inmate's account, and the inmate can then go to the store to buy necessities such as soap, shampoo and toothpaste. Over the past four years, the Fines and Fees Justice Center has partnered with the Nevada Department of Corrections (NDOC) and the State of Nevada to identify the places that incur the most costs for incarceration. Senate Bill 416 identifies three key areas where we can reduce incarceration costs for people serving prison terms and their families.

We have reached out to partners in the Office of the Governor and NDOC to pare down the costs. We remain open to conversations and hope the Committee will help us identify the pieces of the bill that are most practical to move today, and the other pieces that might be better saved for the Interim and the next Session.

LEISA MOSELEY (Nevada State Director, Fines and Fees Justice Center):

The Fines and Fees Justice Center is here in a spirit of compromise to present S.B. 416. We have submitted a budget memorandum (Exhibit C) that will be attested to by staff. We thank Director James Dzurenda and his team from NDOC for his willingness to engage with us.

NICK SHEPACK (Nevada State Deputy Director, Fines and Fees Justice Center):
Senate Bill 416 is the culmination of multiple years of research into the cost of incarceration. Over many decades, the State has moved to a sort of backdoor tax to fund essential government services, levied on a small group of families who have done nothing wrong except love somebody who is incarcerated.

I will walk through the areas of the measure where the fiscal notes come from. Senate Bill 416 looks to address costs to families through eliminating medical copays, of which Nevada has the highest in the Country. Research has shown the copays are a major deterrent for people seeking preventative care, leading to expensive health care down the road and worse outcomes. Senate Bill 416 eliminates “man down” fees. These are emergency medical fees levied against individuals who commit self-harm, attempt suicide or get hurt during recreational activities.

Senate Bill 416 reduces the cost on commissary items by releasing a cap on markups. Nevada has one of the most expensive commissary markets in the Country. The vast majority of money spent in commissaries comes directly from families. The food and other items of commissary supplements are often described as low-quality, low-portion and nearly inedible food. The Nevada Department of Corrections holds over \$14 million in profits from families in their offenders’ store fund. The surplus rolls forward from year to year. I do commend Director Dzurenda and NDOC for recently removing markups on hygiene items.

Senate Bill 416 eliminates the Department’s ability to charge room and board fees to inmates who have jobs. Many jobs pay far less than \$1 an hour, or as little as \$10 a month. Only people who have jobs are charged these fees, creating a deterrent to work and a punishment for those who choose to do so.

Senate Bill 416 deals with debt upon release by eliminating outstanding medical and institutional debt upon prison exit. Current practice has led to individuals leaving incarceration with anywhere from hundreds to, at least in one case, over \$100,000 in debt upon release. These people are often sent directly to collections, with their credit scores ruined. This makes reentering society difficult. Collections rates, according to a public record from NDOC, are often less than 1 percent per year. We are asking that nobody leave NDOC with less than \$100 as it is difficult to reenter society. However, we believe the

cost-saving measures in this bill would eliminate much of the impact to the State when it comes to ensuring inmates exiting prison have \$100.

This is a robust bill with a significant fiscal note. While we are confident this is the direction the State needs to move in, we are willing to work within the confines and priorities of the Committee to ensure some relief is attained by families.

LILLIAN PATIL (Fines and Fees Justice Center):

I will briefly summarize the budget memo [Exhibit C](#) we have submitted in support of S.B. 416. We recognize that the full implementation of this legislation would require annual General Fund support to replace the way NDOC currently assesses fees on incarcerated people and their families.

We wanted to consider where the General Fund need might be minimized or offset, so we conducted an analysis of each component of the existing fiscal note using publicly available data. We came up with a revised estimate for the revenue loss associated with S.B. 416 of \$4.9 million per year or \$9.7 million over the 2023-2025 biennium.

Our estimates in [Exhibit C](#) differ from the original fiscal note of about \$6.1 million per year, primarily in the areas of commissary markups and medical debt. We believe the cost of limiting commissary markups to 5 percent may be less expensive than originally estimated because we factored in the likelihood that once commissary items are no longer marked up, they will purchase more things at a cheaper price. Even if you assume additional inventory purchasing needs, we estimate these savings could result in over \$800,000 of additional revenue.

We believe the cost of eliminating medical co-pays and reimbursements may be less expensive than current estimates based on public records and budget data about revenue collections from the past few years in these areas.

After coming up with a revised fiscal estimate, I built a model to demonstrate how the State could minimize the need for General Fund appropriations for at least the next five years. To do this, we recommend the State use a portion of the recently identified ARPA savings of about \$5.7 million over the next two years to replace lost revenue in the NDOC budget. This would reduce the need for General Fund support for S.B. 416, but more importantly, it would also

help ensure ARPA funds are being used by their December 2026 deadline and avoid reversion of funds to the U.S. Department of the Treasury.

We recommend using about \$1 million per year from the offenders' store fund balance for three fiscal years to further offset the amount of General Fund dollars that would be needed to fill the remaining revenue gap created in S.B. 416. The fund has built up a significant surplus in recent years from revenues primarily generated from fees on incarcerated people and their families. We believe it is only right to use the money to reduce the financial burden for these individuals in the future.

Using our model and revised fiscal estimates, we show that if these two recommended revenue sources are used over the next five years, the State would only need to appropriate about \$2 million of General Fund appropriations per year for the 2023-2025 biennium, and gradually increase that support to about \$3.8 million in FY 2025-2026 and \$4.9 million in FY 2028-2029 and beyond. If S.B. 416 is amended, that estimate changes, but we believe the General Fund impact can be minimized in any situation by the strategic use of funds and help from the NDOC store fund balance.

SENATOR NGUYEN:

I am looking at the fiscal note and co-pay elimination. If people seek preventative care instead of refusing to do so based on not being able to handle co-pays, some of the costs can be mitigated as some people might need to take Advil as opposed to requiring a surgical procedure. Is my understanding correct?

MR. SHEPACK:

Yes. The people we have spoken to indicated they are not seeking medical care until it is necessary due to costs.

SENATOR NGUYEN:

The room and board reduction revenue item in the fiscal note constitutes \$482,000 per year of the 2023-2025 biennium. That item pertains to inmates being required to pay for room and board when they get a job. People who do not work or build skills can get free room and board. Is that correct?

MR. SHEPACK:

Yes.

SENATOR NGUYEN:

Would people who are working not have to pay for room and board, and thus be similarly situated to people who do not work?

MR. SHEPACK:

Yes.

SENATOR NGUYEN:

What does the \$71,713 on page 2 of [Exhibit C](#) refer to?

MR. SHEPACK:

That would be the collected amount of debt, not the assessed amount of debt. There is well over \$10 million of outstanding debt, and the \$71,000 is being collected by NDOC.

SENATOR NEAL:

I had a bill that was similar in terms of convict leasing and charges. Did the prior governor's administration conduct an audit around the discharge of debt and ensuring that once you release a prisoner, the debt is not following them post release? We were in a situation where debt was being collected from an incarcerated person who was then in poverty.

MR. SHEPACK:

There were multiple recommendations in the gubernatorial audit. I have not heard of any move made on those recommendations.

SENATOR NEAL:

Senate Bill 416 contains a provision granting prisoners a minimum of \$100 upon release. What was the prior amount?

MR. SHEPACK:

The current minimum amount is \$25. That was what DeMarlo Berry was initially released with.

SENATOR NEAL:

What has NDOC said about the fiscal note for giving an additional \$75 to a released inmate? Did they say this was a burden they could not absorb?

MR. SHEPACK:

I have not had detailed conversations about this part of the fiscal note with NDOC.

SENATOR NEAL:

That \$100 amount might pay for a bus and one night in a weekly motel. I do not know where \$25 got people. We have to ask NDOC more questions on this item.

SENATOR TITUS:

Section 9, subsection 4 of S.B. 416 says, "If an offender does not have more than \$100" in his account, the account balance should be brought up to \$100. While they are incarcerated, could inmates spend their money, always knowing they will have \$100 upon release?

MR. SHEPACK:

Anytime an inmate makes money or gets money from their family, a portion is taken out and put into a savings account. The savings account has a cap on it. If you have outstanding medical debt with NDOC, they will take from that savings.

SENATOR TITUS:

What is the cap?

MR. SHEPACK:

I do not know.

SENATOR TITUS:

Section 9, subsection 4, paragraph (l) of S.B. 416 pertains to discharging debt owed by the offender at the time of discharge unless the money is owed by the offender to NDOC pursuant to NRS 209.246. It appears the debt is supposed to be ignored as if it never existed. Would inmates know that and be able to accrue debt, knowing they will not be responsible for it upon the time of release? How much debt can be accrued over a period of time with the knowledge that it will be forgiven upon release?

MR. SHEPACK:

The vast majority of debt anyone is released with from NDOC is medical debt from medically necessary procedures. From our perspective, individuals are not likely to break more ankles because they would not have to pay for treatment

upon release. We had one inmate who had a \$10,000 medical bill upon release from a basketball injury. We see collection rates for that debt between 0.6 percent and 1 percent. The money is not being recouped by the State.

SENATOR TITUS:

Medical debt is one of the horrific things happening in our Nation for everyone, not just prisoners. The amount of medical debt people are accruing over a period of time is phenomenal. Most folks have to set up a payment plan for paying that debt. Do inmates have any obligations to set up a contract for handling the debt?

MR. SHEPACK:

It is my understanding that there is a deduction scheme where, while a person is incarcerated, a certain amount of every dollar placed on their books from family or a job will be taken and applied to debt. Upon release, inmates have either 60 or 90 days to fully pay off their debt. If they do not pay off their full balance, they would be sent to a collections agency that is contracted with NDOC. The former inmate would be on the hook for the whole amount. I have not heard of any person who has been put on a payment plan or who was presented financial options for outstanding debt upon release by NDOC.

SENATOR TITUS:

In health care, we use the term "warm handoff." I would not discharge someone from the emergency room, and put them in a wheelchair on the sidewalk, without knowing they have some place to go. I appreciate the intent in S.B. 416, as released inmates should be given some direction. They should not just be given their bag of stuff and told, "We hope we do not see you again."

MS. MOSELEY:

Our public health specialist has numbers related to surveys we administer to incarcerated people that outline the impact of medical debt they are released with, and the average amount of medical debt someone comes out of prison with. She can present that information. She can share what it looks like when someone comes out of prison with that debt, and how it impacts their families.

I will address Senator Titus' elective debt where someone just decides to have a procedure and charges it to their account. The debt that people are coming out

of prison with can arise merely from getting appointments complaining about a sore throat or similar ailments. The average co-pay in Nevada for these types of services is \$8 per visit. Across the Nation, the average co-pay is \$2 to \$4.

Any time an inmate decides to see or needs to see a doctor, they are charged \$8. Mr. Shepack mentioned earlier that an inmate who has a job at NDOC makes less than \$1 an hour. They make less than \$10 per month. Inmates who need a doctor and make less than \$10 a month give \$8 of their pay to physicians. That is not to mention what they pay for room and board, or other debts they are responsible for paying. That is where the debt is being accrued.

SENATOR HARRIS:

Senator Neal asked about audits that were conducted on NDOC. Did the audit reports contain much discussion on commissary prices?

MR. SHEPACK:

Yes.

SENATOR HARRIS:

Are you aware of efforts being taken to address that part of the audit?

MR. SHEPACK:

The Department has eliminated all markups on hygiene items. They have shown some effort to address the concerns in the audit. We have heard there is work being done to address the overall cost, and have seen support from NDOC on policies through the *Nevada Administrative Code* 233B process. I do not know where they are in the full process.

SENATOR HARRIS:

Would S.B. 416 go a long way in addressing the issues for the rest of the items NDOC had not addressed yet?

MR. SHEPACK:

Yes.

SENATOR HARRIS:

Are you aware of how many states fund their corrections departments off the backs of incarcerated families as opposed to their general funds?

MR. SHEPACK:

Each state we have studied uses different funding formulas. I can confidently say that Nevada relies more heavily on funds from incarcerated people's families than the vast majority of states.

CHAIR DONDERO LOOP:

We send people to prison to pay their debt to society and rehabilitate them. We do not want people to leave prison as they entered. There are many reasons people go to prison. When we attempt to rehabilitate someone, we also try to teach them things. The vast majority of inmates enter as young people. There is nobody on this Committee who was not very different at 18, 19, 20 or 21 years old than they are now. This is with respect to money, social graces and other life aspects.

I was shocked to hear that if you do not work, you do not pay for room and board. I felt like we were rewarding people for not working. We were not teaching inmates rehabilitation skills. What we want is for people to learn to be responsible citizens and pay for what they need upon release. I am also struck that women offenders pay for personal products differently, based on factors nobody has a choice over. It is not like buying yogurt.

We want to rehabilitate people and teach them responsibility. It is our duty to teach that to 18, 19, 20 or 21 year olds because if we do not give them social parameters, things to learn or credentials such as a GED, we are sending them back into the world to do the same things we hoped they would not do again.

SENATOR SCHEIBLE:

Chair Dondero Loop is correct in stating the purpose of sending people to NDOC prisons. Our hope is they serve their time and are rehabilitated. We want to set people up with success when they are released.

We cannot compare the experiences of living, working, having an income, spending money and receiving medical care in prison to the same experiences anywhere else in society. People are restricted to the NDOC environment. They do not have choices in medical providers, the jobs they have, where they bank, how they spend their time, who they spend their time with and what educational opportunities are available.

We are doing better in providing more choices and opportunities, but there is no substitute for freedom. It is not fair to stack debt on top of the punishment. The punishment is supposed to be being removed from society, taken away from loved ones and isolated for a given period of time. We end up adding burdens such as exiting prison with debt, without the skills necessary to work and contribute to their families and communities. That is beyond what prisons should be about. We should do what it takes to ensure prisons remain what they are supposed to be instead of creating collateral consequences for inmates. Senate Bill 416 is the right policy decision, and we should put our money where our mouth is.

CHAIR DONDERO LOOP:

At the minimum, we need to think about medical co-pays and fees for room and board. If I was making \$1,000 a month, I would not be able to rent an apartment that cost \$1,300 per month. If I am in a situation where I have to pay room and board at an \$8 rate, but earn \$10, that is different. I hope we have more discussions on S.B. 416.

NICOLE WILLIAMS:

I support S.B. 416. Unless you have experienced being incarcerated, or have a family member or friend who was incarcerated, you will never know how much financial burden the cost of incarceration is. When my husband was sentenced, I thought \$50 to \$100 per month added to our already tight budget would be sufficient in getting him essential items and phone time to call his children, me, his elderly mother and other family members. I was wrong. Food prices are outrageous, 15-minute phone calls go by so fast, and there are fees to add money to your account. We are unable to visit because I cannot afford to drive 800 miles round trip, rent a room and have money for expensive vending machines in the visiting room.

Quarterly food and clothing packages have a spending limit, and the prices are sky high. Pretty much everything in prison has a cost or fee involved. These include medical co-pays, room and board fees, body retrieval fees that families pay if their loved one passes away in prison, and so on. Please vote yes on S.B. 416 so Nevada can fund its prisons through the General Fund, like many of our neighboring states do. Families should not have to pay for any portion of their loved ones' incarceration.

BETTY GUESS:

My husband and I have a son incarcerated by NDOC. We no longer live in Nevada, so visiting is a difficult situation. We live in Indiana, 1,800 miles away from our son. My husband and I are in our mid-seventies and rely mainly on our Social Security benefits to survive. My husband still has to work as an Uber driver to make ends meet. We use some of his income to send emails to our son and talk to him on the phone. That money often runs out before we can send more. We do not have any money to send our son money or food packages.

We, like so many others, were under the false impression that the State would supply what he needed while he was in their so-called care. We have since learned that if does not have money to buy extra food in the commissary or spend on clothes, he could go hungry most of the time and wear out his clothes before being provided more. Neither incarcerated persons nor their families should have to pay for prison costs. Please take the burden off the backs of innocent families, most of whom are already struggling to survive because they have lost the income of their loved ones. We support S.B. 416.

PAMELA BROWNING:

My loved one has been incarcerated for nine years. Before making a bad choice that sent him away, he was the sole provider for four children. I now have to make sure they have all the things they need, such as school clothes, shoes and supplies. I do my best to make sure they have decent birthdays and Christmases. They are impacted as they cannot do the things kids should be doing at their age, including going to the movies, visiting the beach, traveling to Disneyland or riding a rollercoaster at Magic Mountain.

I work to make sure my loved one can continue having a strong relationship and open communication with his children, which costs me \$400 to keep money on the phone. Aside from his children, I make sure he has what he needs as far as hygiene, clothing and food items not sold on the commissary. Once every three months, I send him clothing packages with things like socks, t-shirts, jeans, shoes and thermals for when the cold weather comes. This adds up to \$250 quickly. Every three months, I spend \$150 on food packages, as the State does not provide enough or decent-tasting State food. It is insufficient.

For him to maintain between these packages, or cover co-pays or "man down" fees, I send him \$400 per month. As the only provider, I work two jobs to

maintain all of that, on top of my \$1,200 rent, my \$600 car payment, utilities, food, gas and personal items. I cannot afford to get sick, or we would all be homeless. I strongly support S.B. 416.

CRYSTAL VOIGHT:

My fiancé is incarcerated in NDOC. When he described the amount of food served, it was less than a child's meal, constituting a small ice cream scoop of eggs, a slice of toast and a tablespoon of peanut butter for breakfast. I send him \$300 a month for food and hygiene, and \$100 a month for the phone. Of the \$300, \$50 goes to hygiene, and the rest goes to food.

The cost of commissary food is so high that it is a struggle to ensure he is getting enough nutrition. When he was on store restriction, he lost almost 20 pounds. A Ramen soup, 30 cents at a regular store, was \$1 at the commissary. A packet of tuna that is \$1.50 at Walmart is \$4.95 on the store list. I am the sole provider for our household and have three children. Every month it is a struggle, to make sure bills are paid and to send him money. My fiancé also needs money for medical expenses. The Nevada Department of Corrections took \$80 a few months ago, which was not expected. He went without commissary for two weeks as a result. The cost of his incarceration is high, and it falls onto us family members who are struggling.

I want to support him through his journey of rehabilitation so he can be successful upon release, but I need help. When my fiancé is released, he will face the challenges of starting a new and successful life. The thought of him leaving with thousands of dollars of medical debt before he obtains a job is discouraging. I would add him to my insurance, but because he is incarcerated, that is not possible. I want my fiancé to succeed and focus on rehabilitation and am willing to do anything to help him, but we need help. I support S.B. 416.

MS. LIEBERMANN-PARRAGA:

Battle Born Progress supports S.B. 416. It has been heartbreaking to hear the stories before me. I do not have any loved ones in the prison system, but I do understand what increased costs in medical services are like. I have the freedom to be able to seek care from a provider I choose, work with my insurance, work with my doctor or ask for a raise at work so I can have more money coming in. The people we are talking about in NDOC prisons do not have that freedom. That is why we need S.B. 416.

ELIZABETH GUTIERREZ:

I support S.B. 416. My husband is incarcerated, and I am directly impacted by this. Markups and co-pays place much pressure on our family. I have started working two jobs to be able to care for our daughter. I support my husband by giving him commissary money, phone calls and packages so he can have a decent amount of food and necessities.

Our daughter misses out on time with her father, but she also misses time with me since I have to work twice as hard to cover the costs. It is time for Nevada to figure out how we pay for incarceration costs with General Fund dollars. We have enough on our plates by being sole providers for our children. It should not fall on us to pay for the incarceration of loved ones. Vote yes on S.B. 416.

YESENIA MOYA:

I support S.B. 416 as someone who has grown up seeing various family members or community members in prison. I have lost count of how many times I have had to fundraise for clothing, food baskets or putting money on someone's commissary books or phone lines. There are a lot of things that go into this. I echo the comments of other supporters of S.B. 416.

JODI HOCKING (Executive Director, Return Strong!):

Return Strong supports S.B. 416. We work with people who are incarcerated and their family members. We are deeply connected to this work. I am also part of an impacted family with a loved one who is incarcerated.

These past few years have been a journey for us. We learned how prisons are funded and why families of the incarcerated are paying for their prison terms. Initially, I thought this huge difference was because we were getting robbed by NDOC. Nevada's prison system is in dire need of funding. We lack jobs—which is why people do not work and do not get paid. It took my husband four years of waiting to be able to get a job to put food in the microwave. He does not get paid for it. He just does not lose any more days. Making assumptions about the pieces are tricky because there is a lot more to it. The system, as built, is not sustainable. It places an undue burden on people who are already struggling—the incarcerated and their families.

While these costs may not be reflected in the State budget, someone out there pays for them. That would be the families who remain behind and are financially victimized by the policies. We understand this is complicated. This fight is the

tip of the iceberg, which would give families relief. There is also the root of the problem, which goes deeper than S.B. 416.

States that fund prisons through general budget appropriations have lower recidivism rates and better outcomes for both the people who are incarcerated after release and their families. Those states are able to invest in education, job training programs and the things discussed in S.B. 416. It is time for Nevada to follow suit instead of relying on families who are left behind and have done nothing wrong except love, care and support people in the prison system. Doing so will ensure our prison system has the resources it needs to operate effectively and improve outcomes for people reentering our communities. We are here in support of S.B. 416.

JENESSA PREMUS:

I am calling in support of S.B. 416. I have a loved one who is incarcerated within NDOC. I have seen the pressure placed on families. Nevada needs to come together to figure out how to pay for the costs associated with incarceration through the General Fund. Costs should not fall onto loved ones. Please vote yes on S.B. 416.

MS. PROFFITT:

I urge the Committee to pass S.B. 416. A previous caller said they were not sure how we got into this situation. I believe some of you know there is corruption within our prisons. There was a prison warden that was fired in the past couple of years. In addition to passing this measure, the Legislature should investigate the fired warden and have him reimburse the people who were gouged for years. You should also find out who he was paying off to get away with it as long as he did. Please pass S.B. 416. I like it when you work on a bipartisan basis.

MR. HOJJATY:

I ditto the callers in support of S.B. 416.

SJ PADTETT:

I support S.B. 416. I am an impacted family member and echo the sentiments of previous supportive callers.

KRIS CAVELLO:

I support S.B. 416. I had a son who was incarcerated in NDOC. I am on a fixed income, as is my husband. My son knew it was a hard struggle for us to put money on the books for his food. He took a job working at a conservation camp with the Nevada Department of Conservation and Natural Resources, Division of Forestry.

After working for a month to earn enough money to get food, he ended up with \$30. This is after fees and room and board. That \$30 amount is not much. At least he tried to get that money because it was such a pressure for us to feed him in addition to paying our bills on a fixed income. I support S.B. 416.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 416. We will now hear S.B. 240.

SENATE BILL 240 (1st Reprint): Revises provisions relating to the Nevada New Markets Jobs Act. (BDR 18-792)

SENATOR DINA NEAL (Senatorial District No. 4):

The Nevada New Markets Job Act first passed in 2013. We reauthorized it in 2019. It has offered \$200 million in tax credits that are pledged against the insurance premium tax. With the 2019 allocation, we have been able to leverage \$73 million in federal New Market Tax Credits to do projects within Nevada.

I want to highlight what we were able to do with the 2019 New Markets Jobs Act and give context for why we are reauthorizing the legislation through S.B. 240. We have built the Elko Community Center, where 11 community development entities invested roughly \$32 million for a 30,000 square-foot medical facility in Elko. We invested \$2 million in New Market funds in a Las Vegas plumber and pipefitter local union apprenticeship. We gave the union an additional \$156,000 in New Market funds to run a training center. We gave \$5.8 million in New Market funds to the Pahrump Community Health Center and an additional \$2.7 million of stacked federal funds.

We have managed to put money into Three Square, which opened another food bank with an investment of \$14.7 million by five community development entities. There have been a total of 27 projects since the 2019 edition of the legislation. Senate Bill 240 reauthorizes the Nevada New Markets Jobs Act but

reduces the previous \$200 million figure to \$170 million. The monies would not kick in until July 1, 2026, which is the beginning of FY 2026-2027.

The fiscal note from the Nevada Department of Business and Industry (B&I) creates a qualified community development entity. On top of what we were already doing, which were qualified investments in low-income census tracts, a quality community development entity would be established with a smaller pool to focus on smaller businesses. An issue that has arisen since 2013 is that New Markets funds, although they help businesses with projects \$500,000 and over, have not typically been usable for investments in smaller businesses with projects less than \$500,000.

Senate Bill 240 attempts to create the second program, with an authorization to use the existing credits as approved in 2019. What does this look like in terms of revenue? These credits are not calculated in our books. They are treated as negative revenue because of the 2019 version of the law. If S.B. 240 passes, the revenue of \$170 million in tax credits against the insurance premium tax would remain off the books until the end of the seven-year period.

The Nevada Department of Business and Industry can start to have a conversation about the quality of investments on July 1, 2023, however, no credit can be taken until July 1, 2026. It is clear there will be no credits distributed until 2026.

We have had several discussions about tax credits in this building. There were times I wanted to kill S.B. 240. However, I did not do so because of the work done and the return on investment that has actually resulted from the New Markets Jobs Act. The way S.B. 240 is written is as an early reauthorization of the 2019 credits. It allows B&I to start having conversations with community development entities about new investments in 2023. However, there is a three-year window where no credits can be drawn down. New Markets funds are typically structured over a seven-year period. The funds in S.B. 240 have a five-year window. We have a staggered dropdown where it goes from 0; then, it goes 15, 15 and 15. The funds will not hit at once. They will start dropping in FY 2025-2026. Roughly \$24 million will come off for investments every year for five years with S.B. 240, as I am reducing the overall funds from \$200 million to \$170 million.

The prior authorization, when the Nevada New Markets Jobs Act was passed in 2013, was \$200 million. The authorization remained \$200 million in 2019. The 2023 reauthorization would drop the figure to \$170 million, and it would only be a credit against the insurance premium tax.

DARIAN HARRIS (Advantage Capital Partners):
Advantage Capital was one of the original community development entities to participate in the Nevada New Markets Jobs Act when it was enacted in 2013. We have continued to participate through its renewal in 2019. We support S.B. 240.

MR. THORLEY:
The measure contains \$170 million in investments, not tax credits.

MR. HARRIS:
That is correct. The \$170 million is the total investment authority granted to the community development entities. The tax credit portion of that is \$98.6 million.

SENATOR TITUS:
Was there \$170 million you were able to invest from 2019 to now, with \$98 million from tax credits? I saw there was a 10:1 return on investment. This is more of a 2:1 dollar return.

MR. HARRIS:
I believe the 10:1 figure you were referring to came from B&I's report saying that the total economic output from the program was as such.

NICK VASSILIADIS (Advantage Capital Partners):
There are figures from B&I's lookback study I think are pertinent. I would encourage the Committee to study the report as this is a complicated program, established in 2013. If any member was here in 2013, you voted for this already. It was successful. That is why it was reauthorized in 2019, with that investment continuing to impact businesses in Las Vegas, North Las Vegas, Pahrump, Silver Springs, Reno, Sparks and Elko. This is a Statewide impact.

To Senator Titus' question, the 10:1 return-on-investment figure was drawn from the B&I's report and centers on total economic impact. The average jobs salary resulting from these investments is \$25 per hour. These are good-paying

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jobs and a positive investment for the State. I would note 57 percent of the employees at these business are women or people of color.

This measure is meeting its true intent. When we brought this through in 2013, the Nevada New Markets Jobs Act was to specifically target areas based off of economically disadvantaged census tracts. The intent of this program is to focus on that, and it has been successful. Please support S.B. 240.

NICHOLAS SCHNEIDER (Policy Analyst, Vegas Chamber):
The Vegas Chamber supports S.B. 240.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 240. Senate Bill 278, S.B. 279 and S.B. 307 are being rescheduled. We will open the hearing on S.B. 246.

SENATE BILL 278 (1st Reprint): Revises provisions governing child care.
(BDR 32-290)

SENATE BILL 279: Revises provisions relating to employment. (BDR 23-882)

SENATE BILL 307 (1st Reprint): Revises provisions relating to human rights.
(BDR 16-881)

SENATE BILL 246 (1st Reprint): Revises provisions relating to governmental administration. (BDR S-1028)

SENATOR DINA NEAL (Senatorial District No. 4):

Section 4 of S.B. 246 contains a General Fund appropriation. The Southern Nevada Enterprise Community Board has been around since 2007. When I chaired it in 2015, we were approved by the U.S. Department of Commerce, U.S. Economic Development Administration for an economic development plan. Almost nothing happened. I was able to raise around \$5,000. Our economic development plan was reapproved in 2022, but I no longer chaired the Board.

We have always had an economic development plan related to West Las Vegas and North Las Vegas in order to remedy blight in the area. There has been an economic development plan approved by the U.S. Department of Commerce as of May 12, 2022. Chair William McCurdy, a member of the Clark County Commission, asked for the appropriation so the Southern Enterprise Community

Board could try to facilitate small grants to carry out an improvement project in these blighted areas, which have existed for over 50 years. Senate Bill 246 focuses on work that has yet to be done.

The fiscal notes from the City of Las Vegas come from the workforce components in S.B. 246. They are already doing workforce initiatives. The bill makes it so that, in the creation of a workforce program, a preference cannot be given to one minority group over another. Equal pay must be provided, with work opportunities related to economic development being shared and targeted. The same thing applies to the fiscal note from the City of North Las Vegas. As you know, we do not necessarily take into consideration fiscal notes from local governments, but rather focus on impacts to the General Fund. This concludes my comments on the \$5 million.

CHAIR DONDERO LOOP:
Where would the \$5 million go?

SENATOR NEAL:
The funds would go to the Southern Nevada Enterprise Community Board. An account was set up over the past 15 years, with the Board run by the City of Las Vegas. The money is deposited into an account that the City of Las Vegas has in their budget, with an associated line item.

SENATOR GOICOECHEA:
Would the \$5 million go to the City of Las Vegas for the workforce program?

SENATOR NEAL:
Section 4 only relates to the Southern Nevada Enterprise Community Board, which has a comprehensive development strategy approved by the U.S. Department of Commerce as of May 12, 2022. The \$5 million would not apply to previous sections in S.B. 246.

CHAIR DONDERO LOOP:
Has this been done before?

SENATOR NEAL:
A special act was signed under President Bill Clinton. The Southern Nevada Enterprise Community Board has been in statute. We have never given any

money to it. In 2013, I had a bill that would have appropriated \$350,000 to it, but it died.

This request came from Commissioner McCurdy, who chairs the Southern Nevada Enterprise Community Board. This is our second time getting approved by the U.S. Economic Development Agency for the area to have a comprehensive development strategy. The first time was in 2015 when I chaired the Board. We went forward and got our comprehensive development strategy reviewed by the U.S. Department of Commerce, and they approved it in 2022. We were told to establish goals and priorities. The U.S. Economic Development Agency then reviewed those goals.

LEONARDO BENAVIDES (Government Affairs Manager, City of North Las Vegas):

The City of North Las Vegas opposes S.B. 246. The City's fiscal note has not changed as the bill will require additional staff and costs for bill inserts. While we were neutral when S.B. 246 was considered by its policy committee, that has changed due to Senate Amendment No. 486 ([Exhibit D](#)), delegating oversight powers to the City of North Las Vegas Charter Committee. The Charter Committee is meant to be an advisory committee, not an oversight committee. Senate Bill 246 is also problematic because it targets additional portions of the City of North Las Vegas Charter that are unrelated to the original workforce development requirements in S.B. 246.

We understand what Senator Neal is trying to do with the workforce development aspects of S.B. 246; we are concerned with other components pertaining to the City of North Las Vegas and what they could mean for our municipality.

STEPHEN WOOD (Nevada League of Cities and Municipalities):

I echo Mr. Benavides' comments on S.B. 246. The Nevada League of Cities and Municipalities supports the position of the City of North Las Vegas on this measure.

UNIDENTIFIED TESTIFIER:

I oppose S.B. 246. There are several people waiting to speak in opposition to S.B. 240. I oppose S.B. 240 because it carves out a special group of people depending on their sexual preference. Any person could qualify for the provisions in S.B. 240 by claiming they were bisexual.

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CHAIR DONDERO LOOP:

Senate Bill 240 and S.B. 246 do not pertain to sexuality.

UNIDENTIFIED TESTIFIER:

I oppose S.B. 240 and S.B. 246.

MR. HOJJATY:

I oppose S.B. 246.

SENATOR NEAL:

Senate Bill 184 tried to allow the City of North Las Vegas Charter Committee to function within the municipality. Arguments made during hearings of the Assembly Committee on Government Affairs and Senate Committee on Government Affairs, as well as in the Governor's response, indicated there was a desire for the process of amending the Charter to go through the Charter Committee, with respect to the expansion of the city council.

SENATE BILL 184 (1st Reprint): Revises the Charter of the City of North Las Vegas. (BDR S-5)

Senate Bill 246 allows the Charter Committee to bring up issues within the City of North Las Vegas. It creates a protection, as there was testimony in the government affairs committees from Charter Committee members indicating they were not allowed to meet. The measure guards the Charter Committee and allows them to meet without being prevented from doing so. The measure directs the City of North Las Vegas Clerk to post meeting information and not violate the law, among other provisions. These are the provisions added to S.B. 246. Amendment No. 486, made on the Senate Floor, was meant to allow the Charter Committee to function as S.B. 184 died in the Assembly. Senate Amendment No. 486 to S.B. 246 was done well before S.B. 184 died to ensure the Charter Committee could bring issues forward based on statutory provisions enacted in 2019.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 246. We will now hear public comment.

Ms. QUINN:

I have sat in live Legislative hearings, watched various committee work sessions and floor sessions, and read multiple bills and resolutions. This Session has

featured many bills and resolutions bent on intentional destruction of the traditional family unit and the addition of heavy mental loads to our children. I am disgusted at the Legislative push to erase humanity, emasculate men, dismember children in or out of the womb, obliterate the bond of the family and erase our U.S. Constitutional freedoms unless it suits Legislators' agenda.

All of this is being done on the altar of inclusivity, and economic and social governance. Our children do not belong to the government or any special interest groups that advocate for infringing on the parent-children relationship. Legislators are elected by their constituents to respect all parents' rights to protect and be the authority for their children. Legislators are not just elected for a particular sect.

Children do not and will never belong to the government. This is not a political party thing. This is a "they are not your children" thing. I ask Nevada parents and parents everywhere, "When did you surrender your children to the government?" Parents are the rightful authority for their children. They cannot allow the government or any special interest group to take away their God-given constitutional and parental rights. They cannot allow government to put children in harm's way. Our children depend on us, as parents, to serve and protect them. They are our future. I say, to the billions of loving parents across the planet, stand up for all children. Make your actions, not just your words, clearly speak to not letting anyone harm children. Government, keep your hands off of our children.

MR. HOJJATY:

Despite some issues, I really did enjoy this Session. Thank you for everything. I enjoyed the town hall last Saturday with Assemblyman Reuben D'Silva, Commissioner Tick Segerblom, Assemblywoman Claire Thomas and Assemblywoman Venicia Considine. It was productive. However, a lot of the people concerned about our State did not show up.

There are many people out there wishing to implement an annual session. I do support that idea if we cap the number of bills to 300 to 400 bills every session. I would appreciate putting a floor on that number. That way we would have more time to look at the bills. There are good bills I miss, and I am not able to address my opinions about what is going on. I do not like this Mission Impossible-style shoving of bills due to limited time, or how we can only offer limited testimony. I do not see this as working until we consider

alternatives. Please pass along the comments to Senator Pat Spearman who talked about this.

CHAIR DONDERO LOOP:

Not every Legislator is in Las Vegas every weekend. Sometimes Legislators cannot be at events because they are in committee hearings, like the Senate Committee on Finance was last Saturday.

LORENA CARDENAS:

I am speaking to Legislators on both the left and right. You have the opportunity to take control of the situation, which has gotten out of hand. You are witnessing a destructive social contagion that is affecting our youth. Senator Scheible said and claimed that S.B. 163 was not giving transgender individuals seeking surgery State-funded or taxpayer-funded surgeries. She said it was about equity and making sure they have health care accessible to anyone else. However, that is a lie because they can use our health insurance, funded with tax dollars, to get these surgeries done. The procedures lead to a lifelong state of needing medication. If you look up My Children's Advocate on Instagram or Facebook, you will see testimonies of teenagers regretting their procedures.

There is another website, Transition Justice at <https://www.transitionjustice.org>, where people testify that they get these surgeries and become mutilated. Their bodies can no longer reverse the damage or suffering. You have a real chance of slowing this down because the way things are progressing is leaving a trail of mutilated children in its wake.

In the Grant Sawyer State Office Building, I came across a man in the restroom who was intimidating. He towered over me. I went to use the restroom and I had my phone on me, hoping I did not come across someone mentally disturbed and suffering from gender dysphoria who would turn on me.

How are parents supposed to think it is safe to send their daughters to public restrooms? I will never again send my daughter to a public restroom. Where are the feminists? How have they stayed quiet throughout something like this? You are so proud of being the first female-led Legislature in the Country, but you are allowing something like this to happen to women. This is the definition of hypocrisy. Please take this into account. Tap into your conscience and moral compass. Do not betray women with these bills you have been willing to pass.

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Ms. PROFFITT:

I would like to ask you to consider your oath of office. I am looking at these bills, and you are often shoving these through to the Senate for a vote when over 85 percent of constituents, and in some cases 95 percent or more, are opposed. This includes Ms. Cardenas.

Please show Governor Joe Lombardo respect by approving A.B. 400 and approving parental choice for education in Nevada. This will help improve our school system, attract good doctors and improve our medical infrastructure.

ASSEMBLY BILL 400: Revises various provisions relating to education.
(BDR 34-1088)

Pay attention to your constituents when they ask you to approve Governor Joe Lombardo's voter identification proposal, which has yet to be brought to the Floor for a vote. Show Governor Joe Lombardo and your constituents respect. I thank those of you who are fighting for us tooth and nail.

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CHAIR DONDERO LOOP:

Seeing no further public comment, I adjourn this meeting at 4:55 p.m.

RESPECTFULLY SUBMITTED:

Joko Cailles,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
S.B. 416	C	36	Leisa Moseley / Fines and Fees Justice Center	Budget Memo
S.B. 246	D	55	Leonardo Benavides / City of North Las Vegas	Senate Amendment No. 486