

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eighty-second Session
June 1, 2023**

The Senate Committee on Finance was called to order by Chair Marilyn Dondero Loop at 8:13 a.m. on Thursday, June 1, 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 Nicole J. Cannizzaro, Vice Chair
Senator Dallas Harris
Senator Dina Neal
Senator Rochelle T. Nguyen
Senator Pete Goicoechea
Senator Heidi Seevers Gansert
Senator Robin L. Titus

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Cathy Crocket, Chief Principal Deputy Fiscal Analyst
Marie Bell, Committee Secretary

OTHERS PRESENT:

Zach Conine, State Treasurer
Erik Jimenez, Senior Deputy Treasurer, Office of the Treasurer
Paul Johnson, CFO, White Pine County School District
Areli Alarcon, Las Vegas Global Economic Alliance
Will Adler, Owyhee Duck Valley Reservation
Alexis Motarex, Nevada Chapter Associated General Contractors
Dawn Etcheverry, Nevada State Education Association
Mary Pierczynski, Nevada Association of School Superintendents
Paige Barnes, Nevada Association of School Boards

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Glen Leavitt, Nevada Contractors Association
Caleb Cage, White Pine County School District
Brian Mason, Chairman, Shoshone-Paiute Tribes of the Duck Valley Reservation,
Nevada
Michelle Booth, Educate Nevada Now
Mary Kerner
Michelle Beecher, President, Parent-Teacher Organization, White Pine Middle
School
Unidentified Testifier No. 1
Krystal Blades, Member, Board of Trustees, White Pine County School District
Steffani Thompson, Counselor, White Pine High School, White Pine County
School District
Shauna Widdison, Teacher, David E. Norman Elementary School, White Pine
County School District
Adam Young, Superintendent, White Pine County School District
Caroline Murphree, Teacher, White Pine Middle School, White Pine County
School District
Casie Weaver, Social Worker, David E. Norman Elementary School, White Pine
County School District
Terri Borghoff, Chair, Board of Trustees, White Pine County School District
Sydnee Locke, Administrative Assistant, White Pine Middle School, White Pine
County School District
Nathan Robertson, Mayor, City of Ely
Dolores Danner, Administrative Assistant, David E. Norman Elementary School,
White Pine County School District
Kristina Ernest, Assistant Principal, White Pine Middle School, White Pine
County School District
Elyse Clark
Susan Jensen, Principal, White Pine Middle School, White Pine County School
District
Kelly Sturgeon, White Pine High School, White Pine County School District
Lindsay Costello, Member, Board of Trustees, White Pine County School District
Amanda Campbell, White Pine County School District
Kenna Hall, Assistant Principal, David E. Norman Elementary School, White Pine
County School District
Melissa Crump
James Beecher, District Attorney, White Pine County
Unidentified Testifier No. 2

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Alan Hedges, Principal, White Pine High School, White Pine County School District

Sara Hunt, Ph.D., Assistant Dean, Behavioral Health Sciences, Kirk Kerkorian School of Medicine, University of Nevada, Las Vegas; Director, UNLV Mental and Behavioral Health Training Coalition

Constance Brooks, University of Nevada, Las Vegas

Sheila Bray, University of Nevada, Reno

Joan Hall, Nevada Rural Hospital Partners

Elyse Monroy-Marsala, Nevada Primary Care Association; Nevada Public Health Association

Jaina Moan, The Nature Conservancy, Nevada Chapter

Jeff Fontaine, Central Nevada Regional Water Authority

Leah Chan Grinvald, Dean, William S. Boyd School of Law, University of Nevada, Las Vegas

CHAIR DONDERO LOOP:

We will open today's meeting with Senate Bill (S.B.) 10.

SENATE BILL 10 (1st Reprint): Revises provisions related to the Nevada State Infrastructure Bank. (BDR 35-358)

ZACH CONINE (State Treasurer):

I am here today to present S.B. 10 that makes several changes to the Nevada State Infrastructure Bank. I will begin with the proposed amendment (Exhibit C) that removes the \$50 million appropriation from the bill. This was the bill's only financial impact. I am available to discuss any policy pieces of this bill.

SENATOR NEAL:

Section 1.7, subsection 5, paragraph (a) of S.B. 10 defines what will be confidential information. It begins with the amount and source of income and continues with profits, losses or expenditures. Finally, it states, "without limitation, data relating to cost or price submitted to the Bank in support of a proposal..." Why would someone's source of income or the amount of their income not be disclosed?

TREASURER CONINE:

In context, it is a scenario for a public-private partnership seeking financing through the Bank. We used language that exists in the Governor's Office of Economic Development (GOED) and other places. The intention is to find the

middle ground between information submitted in an application prior to an award being granted and the discussion in an open meeting regarding the investment or loan from the Bank. If it is an investment by the Bank, then all the information surrounding the investment would be available. The goal is not to provide a chilling effect between the applicants and the Bank prior to receiving support.

SENATOR NEAL:

I understand what you are saying, but the income amount has a lot to do with establishing whether somebody is deserving of a loan.

I view the Bank as a pass-through agency with limited oversight. These additional provisions regarding confidentiality are new to the law. Provide me with the public policy purpose, excluding what you just said, on why this is not information we would need to know. How often is the Bank audited?

TREASURER CONINE:

The Nevada State Infrastructure Bank has an annual report that is sent to the Legislature. I am agreeable to come before the Interim Finance Committee (IFC) or other appropriate forums to discuss the work of the Bank. In addition, the Bank is subject to the Open Meeting Law, and meeting minutes are available. The agendas are posted in advance and the meetings are open to the public.

We do not want to discourage an applicant from applying or coming forward to the Bank. The applicant may have a public-private partnership idea like a new sewer treatment facility or building a housing project. This is a way to make sure we are bringing additional resources to support economic development. We want them to talk to us.

One area we are working on is additional high-speed Internet to rural and underserved communities. Some of those companies that could partner with us are public. They are hesitant to provide information on their shareholders' or officers' personal finances. This is not necessarily pertinent information for us and we would not ask for it. However, if the company ends up partnering with the State, they do not want their private information to become public. That is the intention of the confidentiality.

SENATOR NEAL:

Reporting to IFC is not the same as a Legislative audit. Has there been a Legislative audit? Are there provisions stating the Bank is subject to an audit?

TREASURER CONINE:

I am not aware of a Legislative audit. The money originally went into the Bank in the middle of 2022 which is a short timeframe. We would welcome an audit at any time.

SENATOR NEAL:

Section 9.3 of S.B. 10 has added the K-12 school facility as an eligible project. Help me understand why this is the business of the Bank when we have bonding. There are capital improvement programs for schools. Specifically, I will talk about the Clark County School District (CCSD). In 2015, there was an approved funding of \$4.1 billion over 10 years for the CCSD capital improvement program. This funding has been rolling since 1998. Why is the Bank getting into the business of building schools or funding the construction?

TREASURER CONINE:

Larger school districts have additional bonding capacity to build schools. There is no reason those districts would use the Bank. However, 15 other counties do not have the bonding capacity to build the schools needed. I expect some of the people who will testify today are exactly in that case. Schools in White Pine or Elko Counties do not have a bonding capacity.

This is similar to the State backstopping loans and refunding smaller counties that do not have the financial capacity to do it themselves. The intention is to let the Bank be another modality to help the smaller counties. If it is not the cheapest way to do it, then the Bank could have those conversations and bring in other money not available to the counties.

SENATOR NEAL:

If the Bank supports a K-12 facility, who is going to back that loan? Will it be the State?

TREASURER CONINE:

The Bank is funded through a general obligation bond which is not tied to its funds. In other words, the proceeds were used for the Bank, but the general

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obligation loan was on behalf of the State. It is part of our larger affordability piece of business. What the Bank does and what the bond does are separate.

The Bank would loan from its own proceeds, and the risk is limited to the size of the loan. It would become a loan from the Bank and not the State. The Bank cannot create additional credit risk for the State.

SENATOR NEAL:

Is it built on the general obligation bonds that came from the State?

TREASURER CONINE:

That is correct. It was through the series of \$75 million bonds that was a part of the 2021 Capital Improvement Program.

SENATOR NEAL:

The power to fund projects is running through the Bank rather than the Legislature. I have been making the argument this Session that the Legislature should decide how funds are appropriated. We are now allowing additional pieces to run through the Bank, and the Legislature is not a part of the conversation.

Why would we give this power for K-12 school facilities over to the Bank? Give me the legitimate reason for the power shift.

TREASURER CONINE:

I would not phrase it as a power shift, but a power addition.

SENATOR NEAL:

No.

TREASURER CONINE:

There are schools in the State that are not getting funded. The Office of the Governor wanted to give the State the ability to leverage capital to get projects done. Former Governor Steve Sisolak submitted the legislation for the Nevada State Infrastructure Bank to give the State additional flexibility.

SENATOR NEAL:

Why is it the Bank's responsibility versus the Legislature's responsibility? It is the Legislature's purview to fund schools. Why would we want to give power to

the Nevada State Infrastructure Bank, which clearly this legislation is asking for? The school bonding has typically come through the Legislature for an add on or addition to a school. This bill is proposing this power would rest within the Bank. I do not see any direct oversight and do not understand why we need to include this power.

I understand you want to be the helping hand. This is not the direction that the Bank needs to go because it is not appropriate. The Bank is proposing it will take care of the other 15 counties. However, it is the power of the Legislature to decide if a general obligation bond is approved for those counties. It is not the Bank's decision.

TREASURER CONINE:

The Legislature created the Nevada State Infrastructure Bank.

SENATOR NEAL:

They did, but you want to add K-12 school facilities.

TREASURER CONINE:

The Bank's original intention was to help fill gaps from a national infrastructure law. The changes made in 2021 by Governor Steve Sisolak and approved by this Legislature allowed the Bank to fill in gaps that existed. This bill's intention is to continue that work. The money in the Bank came from a Legislative appropriation. It is not allowing the Bank to create new general obligation bonds. It is not allowing the Bank to do anything other than the work that has already been in front of it. The addition of K-12 facilities is proposed to meet the demand in this space. The bill is a Legislative decision. We are here to ask for it.

CHAIR DONDERO LOOP:

Is it only for the 15 counties that do not have large school districts?

TREASURER CONINE

We did not define.

CHAIR DONDERO LOOP:

I see it states, "whose population is less than 100,000." That would remove Washoe and Clark Counties from this legislation. Can a charter school or a private school use the funds?

ERIK JIMENEZ (Senior Deputy Treasurer, Office of the Treasurer):

The State has a constitutional prohibition against loaning money to private businesses. The only entities outlined in statute that could apply to the Bank are a tribal government, a local government or a nonprofit created for charitable or educational purposes. There is no contemplation under the law or the Bank's Board of Directors to provide any sort of funding to private school operators.

CHAIR DONDERO LOOP:

If I am a nonprofit and want to open a charter school, could I obtain a loan? Please note, I am not picking on charter schools but just using them as an example.

TREASURER CONINE:

Assuming it is a nonprofit, then you could make an application for a loan, but the proceeds are limited. The general obligation authority, the bonding from the 2021 Legislature, was limited by its definition. We do not have the capital to start funding every school, so we look for opportunities. An example was affordable housing where we leveraged \$1 of State money and up to \$10 of other people's money.

CHAIR DONDERO LOOP:

To understand the bill, I see the Bank has a Board of Directors. Can you walk us through how the loan process works? I appreciate that you stated that the Bank does not have exponential money. How does the process work, and who decides which entity receives a loan?

TREASURER CONINE:

I can walk you through the process that has been in place since 2022. There are seven members on the Board of Directors. In addition to me, four members are from the Governor's cabinet, and the remaining two are appointed by the Governor. The current appointees are representatives from the Culinary Union and the Ironworkers Union from northern Nevada.

An application is made to the Bank with basic information and it is submitted to the Board of Directors. Typically, the executive director position, appointed by the Governor, will work through the process to determine whether the applicant is eligible. In addition, the executive director will evaluate if there are additional funds to leverage from areas like federal funds or pension dollars, to bring more

money into the State. Once complete, that application would be returned to the Board of Directors for discussion.

Functionally, that is how the loan process works. It is not a decision of mine, but a decision of the Board and the executive director who does not work for us.

CHAIR DONDERO LOOP:

Has anyone submitted a new idea regarding K-12 facilities?

TREASURER CONINE:

We have had many ask from rural schools because of the bonding cap problem in small areas. We have had many conversations on affordable housing and a few other random water projects.

SENATOR NEAL:

Earlier I asked about the confidential piece and you responded it is subject to the Open Meeting Law. However, in section 10, subsection 9 of S.B. 10, it states,

...except that the Board of Directors may hold a closed meeting or close a portion of a meeting to receive, examine or consider information which the Bank is required to keep confidential pursuant to section 1.7 of this act.

When will the decision be made if it is public Open Meeting Law or closed? How will those decisions be made?

MR. JIMENEZ:

This is in reference only to section 1.7 of this act. It is intended only for a situation where there is a public-private partnership and proprietary information. Any decision, formal or preconditional, of the Board of Directors is subject to the Open Meeting Law. A preconditional approval is an evaluation to determine if the application meets the rigorous statutory and regulatory criteria.

The Bank is subject to the Open Meeting Law and the Nevada Administrative Procedure Act. They went through a robust regulatory process approved by the Legislative Commission for regulations outlined in *Nevada Administrative Code* 408. We are available to further discuss the public process and what the

Bank has undergone. The section you referred to will not change what the Bank is doing with the Open Meeting Law.

SENATOR NEAL:

Prior to Session, I heard Opportunity 180 applied for a loan through the Bank. I do not understand how this entity is eligible. I also heard a rumor that the finances they presented might have been questionable, yet they were still being considered.

TREASURER CONINE:

The regulations, approved by the Legislative Commission, include taking \$15 million of the \$75 million originally appropriated for a charter school capital fund. This was part of the negotiation at the end of the last Legislative Session which led to a compromise of the mining tax approved by Governor Sisolak and the Legislature. We were looking to leverage the \$15 million charter school fund to bring in, as we do with everything else at the Bank, additional capital from outside the State. It is the same thing we did when working with the AFL-CIO's Housing Investment Trust to leverage additional dollars for affordable housing. The Bank is taking applications for an outside group to help us manage the charter school fund, which is specifically for charter schools in high-need communities.

MR. JIMENEZ:

That is correct. It would be for Title I schools in low-income communities.

SENATOR NEAL:

For clarity, are you going to allow Opportunity 180 to get a loan to manage Title I schools?

TREASURER CONINE:

I can walk you through the minutes on this application when it was heard in an open meeting. I am more than willing to take as much time on this application as you want. The application from Opportunity 180 would be managed by taking the \$15 million in charter school capital construction and leveraging additional funds from outside capital. Again, this funding was approved in regulation by the Legislative Commission. This application has not been finalized.

SENATOR NEAL:

Why is this application a good idea? What is Opportunity 180's expertise to manage \$15 million? Why would this fund be an option for them?

TREASURER CONINE:

Our intention is always to let experts be experts. Opportunity 180 and other groups are experts within the Title I charter school space. They know the participants or players, and they know the creditworthiness of those players. In open meetings, the Bank has discussed using Opportunity 180 to help facilitate a transaction to bring in matching capital.

SENATOR NGUYEN:

Section 11.5, subsection 4 of S.B. 10 states, "For purposes of this subsection, the anticipated useful life of a K-12 school facility must not be deemed to be longer than 50 years." Can you explain the purpose of the additional language? Does that tie the State to the building for not more than 50 years? What is the meaning?

MR. JIMENEZ:

We worked with Governor Joe Lombardo's office on this language. We wanted to solve the issue about rural school districts at the cap. If potentially there was a rural school district loan amortized over time, we did not want to take a lot of classroom dollars or the district's more flexible dollars. We wanted to extend, and it is a "may" for a period of up to 50 years. Currently, the Bank has a period of up to 35 years, so we are looking at long-term investments for these loans. The goal is not for the Bank to make money but to solve problems. We wanted to make sure that a rural school district can come to us and have the flexibility for a longer term loan.

SENATOR NGUYEN:

I want to move on to section 11.5, subsection 7 of S.B. 10 which talks about a 0 percent interest rate for the loan. What is the intent? Does it only apply to projects involving K-12 school facilities, or does it apply to other projects as well?

MR. JIMENEZ:

The language in this section has the word "may" and not "shall." We have an existing interest rate-setting methodology that I worked on for months. It pegs the rate of loans from the Bank to the Municipal Market Data Index or the

municipal bond rate for local governments. This is based on its credit rating and additional subsidy. If a project is in a disadvantaged community, is addressing affordable housing, or has additional needs based on legislative priorities then we want to get that project done. In these cases, the Bank would be able to offer rates well below market for about 200 to 300 basis points.

The idea is to ensure that if a school district came to the Bank, we are not taking dollars that could be utilized by teachers in classrooms. We want to get the interest rate as low as possible, but I do not know that it would be at zero. Again, this is a "may" and not a "shall." We are using the existing interest rate-setting methodology and figuring out a way that works for school districts at the lowest rate possible.

SENATOR NGUYEN:

I have concerns about the permissive language in the bill. I understand you are trying to solve a problem. However, due to the extensive permissive language, it appears to shift a lot of power to Nevada State Infrastructure Bank. This is more of a comment than a question.

CHAIR DONDERO LOOP:

I was unaware of the Opportunity 180 situation. If this bill has a 100,000-population cap, would Opportunity 180 be building in a small county?

TREASURER CONINE:

The cap is about our ability to do K-12 work directly. Opportunity 180 is part of a charter school capital fund concept. This fund was created through negotiation at the end of the last Session and the regulations followed. Therefore, this application is already within the regulations that exist.

The K-12 piece is based on requests received from the White Pine County School District and other individuals here today.

CHAIR DONDERO LOOP:

I understand, but the bill says a cap of 100,000. This takes out Clark and Washoe Counties, so does it limit them to build only in a small county?

MR. JIMENEZ:

In compliance with S.B. No. 430 of the 81st Legislative Session, the Bank can fund social infrastructure projects. Broadly this means housing, homelessness,

food assistance and education projects. Many education projects can be funded by the Bank through that social infrastructure piece. In our Series B issuance of the 2022 bonds, for the first time in State history, we did a social bond issuance. Potentially, there could be education projects in Clark and Washoe Counties under that definition.

This bill is creating something separate for K-12 facilities in rural schools. It will offer a more favorable interest rate for reasons discussed earlier.

CHAIR DONDERO LOOP:

Can you give me clarity on section 11.5, subsection 4 of S.B. 10 where it states, "the anticipated useful life of K-12 school facility must not be deemed to be longer than 50 years."

TREASURER CONINE:

If you look at the beginning of subsection 4, the Bank is not allowed to loan for longer than the useful life. For example, we cannot make a loan for an asset with a five-year useful life that gets paid back over ten years. The goal is to match a 50-year payback with a 50-year asset. This will provide some additional relief from a payment perspective to a school district who could not make payments over 30 years but could over 50 years.

CHAIR DONDERO LOOP:

That would be all of Nevada. There is a small school in Las Vegas called the Harvey N. Dondero Elementary School. This school opened in 1976 and its remaining useful life has a short amount of time. I bet we are not tearing this school down.

SENATOR NEAL:

I am still stuck on allowing the nonprofit to manage \$15 million. I am also stuck on the power amassed through Nevada State Infrastructure Bank. There are no audits and a portion of the application can be designated as closed.

If you were no longer the State Treasurer and your archenemy was, would you give them the same power?

TREASURER CONINE:

Absolutely. The Treasurer is the chair of the Bank's Board along with other people as members. In section 10 of S.B. 10, you will see some members will

be appointed by the Legislature with different knowledge, skill and experience, and the Treasurer is like any other member of the Board. It is the executive director of the Nevada State Infrastructure Bank, appointed by the Governor, who can have those conversations with the applicant, but the Board of Directors is not a rubber stamp. The applicant must meet the criteria before they get the money. This is a situation where the Board of Directors looks at the financials of the entity, the opportunity, and the return to the State both directly from a capital perspective and from an economic development perspective.

When Governor Sisolak proposed this legislation, we had a lot of conversations about a worst-case scenario. What if Governor Sisolak was no longer the Governor? What if I was not the State Treasurer? Everything we created is not for the State Treasury or one elected official. Everything the Legislature creates is not for one majority. It is about creating something to help people in the future.

You had mentioned the audit. We have had the funds for less than nine months, and no funds have left the State. We are happy to have an audit as often as needed. Every Legislative audit the Office of the Treasurer has been effective. We have always found ways to improve.

SENATOR NEAL:

Who is the executive director? There was an incumbent, but he is no longer a part of it. Who is in the position now?

TREASURER CONINE:

The position is vacant. A search is underway. Governor Lombardo will appoint someone when he finds a candidate that he likes.

SENATOR NEAL:

You mentioned that last Session the social infrastructure piece was added to the bill. Was it added within the last three days of Session when we were trying to deal with negotiations? Was it during a time when we would vote for something that we may not have even wanted?

TREASURER CONINE:

I cannot speak to the timeframe when that legislation happened. However, I know that the negotiations over the \$15 million was part of the compromise around the mining tax.

SENATOR NEAL:

You have been in this building long enough, and I have been here since 2011. Your points are not the most persuasive for why someone would move around policy. Especially when someone is basically saying if you do not do this, then I am going to veto the bill. It is not a public policy framework to use a guiding principle that "this is the best way to manage something." Giving this power to the Bank to do work on K-12 facilities sounds like good intentions. However, I see it as an amass of power.

Over the past year, I have heard things about the Nevada State Infrastructure Bank that makes me feel uncomfortable. For example, the way the confidentiality was happening and how people are vetted. I will leave it there.

TREASURER CONINE:

I understand your frustration. However, I would like to point out to you the regulatory process went through open meetings. The Legislative Commission also has a process to look at the funding and where the \$75 million should go. It also had a vote taken by this Body or by a subset of this Body.

I would invite anyone to look at the records available and have a conversation about the finances. The seed money may have come during the end of the Legislative Session, but the plant has grown in the daylight. Our intention is to help in a public way as much as possible. The confidentiality language in S.B. 10 was not in place during previous conversations. All the documents that you may be asking for are public and we can share them with you.

PAUL JOHNSON (CFO, White Pine County School District):

We are in support of S.B. 10 and any other creative measures that the State can propose. We need to find solutions for school construction in the rural areas.

ARELI ALARCON (Las Vegas Global Economic Alliance):

We are in support of S.B. 10 because it supports meaningful projects in our region.

WILL ADLER (Owyhee Duck Valley Reservation):

I am here to support any new and creative financing mechanisms for rural Nevada. This area needs infrastructure help, especially for schools. It is getting to be more expensive and the more tools in our toolkit, the better. The Nevada

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State Infrastructure Bank has some crossover with Assembly Bill (A.B.) 519. However, S.B. 10 has value and could be a good mechanism as well.

ASSEMBLY BILL 519: Establishes provisions governing capital projects of school districts. (BDR 34-1202)

TREASURER CONINE:

I appreciate the conversations about the Bank because it allows us to be creative in helping Nevada. Senator Neal, any time you want to discuss or look at our records, you know where we are.

As a result of the proposed amendment to remove the appropriation, there will be no fiscal note on this bill. We hope this will allow S.B. 10 to move forward and allow us to continue to do the work. From a policy perspective, this bill will deal with a budget problem.

When the Nevada State Infrastructure Bank was originally created, it was within the Nevada Department of Transportation (NDOT). However, NDOT is not doing any of the work. Whenever something came up, like purchasing equipment, hiring a financial adviser or holding a public meeting, our office must go through NDOT first. If the Legislature asked the Bank a question, the Legislative Counsel Bureau (LCB) asks NDOT, who in turn would ask us. Our response is then run through NDOT to LCB. We are trying to make that process more effective.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 10 and open the hearing on S.B. 100.

SENATE BILL 100: Makes an appropriation to the White Pine County School District for the construction of an elementary school. (BDR S-594)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

Considering the public comments we heard yesterday from White Pine County students, I will be brief today. Senate Bill 100 is a request for a \$60 million appropriation, and I want to echo the student's comments on the need for this funding.

White Pine County has been dealing with this for years. It is at least the third time I have brought legislation to try and fix this problem in White Pine County. We have an elementary school and a middle school that are over 100 years old.

I was in those schools before many of you were born. These were considered old schools when I attended. My granddaughters play sports in the middle school, and I asked why they did not use the locker rooms. They told me the locker rooms have been condemned and people cannot enter the rooms. A long time ago, I played on that floor in high school and now it is in rough shape.

With me today is Paul Johnson, chief financial officer for White Pine County School. He is available for financial questions on this bill. You must understand White Pine County has the highest property tax rate in the State. We are outside of the statutory property tax cap, and this is problematic. Where is the County going to obtain funding?

White Pine County is not declining, but it is a large rural area with a population of only 10,000 people. We need a new facility because the two schools were built in 1909 and 1913. Chair Dondero Loop, you referenced a school in Las Vegas, but it would be considered a new school in rural Nevada.

I will turn it over to Mr. Johnson, so he can provide the fiscal analysis. The previous bill would help if White Pine County could access some of the funds. We are looking for any venue, but we need money. White Pine County cannot generate enough money. Mr. Johnson will discuss what the County has bonded and how it is trying to pay those bonds off.

MR. JOHNSON:

In addition to my role at the White Pine County School, I serve on the Nevada Department of Taxation's Committee on Local Governmental Finance and am a member of the Nevada Department of Education's Commission on School Funding.

When I began my job in 1997 with White Pine County, it was on the heels of a vote to build a new school. The County had substantially completed a high school with the intention to build a new middle school. However, it could not issue the bonds because the County could not afford to repay them. Those bonds were sunset without being issued. At that time, it was \$15 million to build two schools. As time marches on, the cost for construction increases, and the goal for a new school becomes more elusive.

Since 1997, White Pine County has been at the property tax cap. At that time, we had a capital levy of 50 cents which would have helped tremendously. Due

to combined tax rate tax caps, the levy was forced out two years prior to its scheduled termination date. The County was not able to ask voters to reauthorize the 50-cent levy. We did have bonds secured with a debt rate and in 2008, our voters agreed to roll the debt rate over. We were able to secure about \$7 million in bonds which is about the maximum for us to bond.

The construction estimates are projected between \$53 million and \$62 million. We do not want to be greedy and did not request the full \$62 million. It is our hope, the \$60 million requested in S.B. 100 will be sufficient to construct the new school. We understand budgetary constraints and are open to any ideas that will reduce the burden on the State's budget. If there are other creative ways to reduce the fiscal impact to the State, like local contributions or using funds from the Nevada State Infrastructure Bank, we are in favor of seeking out those funds.

Since I have been there, capital projects have been a challenge. We have had to patch five to six different funding sources together to support one project. We have had an energy performance contract for \$3.5 million, and we completed the athletic field for about the same amount. Each of those projects require federal assistance, State grants, and/or fundraising efforts. We even had a legendary basketball coach from the University of Nevada, Las Vegas (UNLV), Jerry Tarkanian, help us with a fundraiser for the athletic field.

We have sought legislative changes for tax policy and have tried to secure grants through foundations. We had the Pennington Foundation help us with the health occupation wing on our high school. We have been creative, but the cost to construct a new school is beyond our ability to fundraise. Given the construction cost is projected at \$60 million, it is mathematically impossible given our current tax base and the tax structure for us to raise the funds on our own. We are asking for your help. We will embrace whatever help is offered.

Our superintendent, Adam Young, was unable to be here today. Yesterday, he accompanied a busload of students, who traveled here to provide public comment. Mr. Young is also the choir teacher and has a choir concert to attend. Our David E. Norman Elementary School was built in 1909, and our White Pine Middle School was built in 1913. Over the years, we have had some renovation or additions to these facilities.

We hired an architect and engineering firm called Lombard/Conrad Architects. They had a team of engineers go through these facilities to perform a building assessment systems analysis to determine their suitability. This includes inspecting the physical condition and site and educational suitability of each school. Based on their objective assessment, it is recommended that the schools need to be replaced. It is not a matter of if, but a matter of when they should be replaced.

The engineering report noted the schools do not have a fire and life safety suppression system. Yesterday, a student testified there are no fire alarm systems in the schools. We do have a fire alarm system in the schools, but no fire-suppression systems. The report continued that the schools have limited or are noncompliant with The Americans with Disabilities Act (ADA) standards for accessibility. For example, the middle school is a three-story building, and it does not have an elevator. If we have a student with severe needs, then we have to provide those services on the first floor, or we have to carry them up to the second or third floor.

The buildings have poor indoor air quality that will not allow fresh air flow and inadequate and unreliable cooling and heating systems. There is asbestos containing materials in the floors, walls, plumbing and ceilings. There is no outdoor parking or outside student playgrounds at the middle school. The report cited unreinforced masonry construction, a lack of facility features designed to improve school security, and student and faculty safety. The list of issues in the report continued.

We recently had two incidents that have shown wear and tear of the infrastructure behind the walls. Last winter, at the David E. Norman Elementary School, the boiler system broke. One of the steam pipes ruptured underneath the ground. When we excavated the ground, we discovered the pipe was riddled with holes and had to be replaced. This was an indication of the condition of the rest of the pipe. It is a matter of time before it breaks again.

The second example is at the White Pine Middle School. There was a horrible odor coming from under the floor, and the smell was emanating from one of the restrooms. The plumber discovered a sewer pipe in the boy's restroom on the second floor had rusted through and the effluence was running outside the pipe.

When making repairs, workmen must be aware of the asbestos materials in the walls. It is likely we will have a hazmat crew go in and help make those repairs. The wing will have to be closed off, and we cannot use those facilities. We have tried for years to solve this problem on our own. We cannot ask voters to assist with this because we are at the property tax cap. We have tried grants, public-private partnerships and patching together other funding mechanisms. The problem is the price tag requires some source of revenue to repay it, and we simply do not have those funds available.

Based on studies, we know that the quality of a facility affects the quality of what happens inside the classroom. It influences recruitment and retention of teachers. It also affects our employee morale and student performance. I am keenly aware the conditions of the facility. However, it was enlightening when our superintendent launched a civic engagement program with the students. He asked the students to talk about the facility. It is heartbreaking to hear their perspective and know that the students do understand that these schools are substandard.

We are here to ask for your help. The bottom line is, we do not care how the solution is created or crafted. We only care that a solution is crafted. It does not matter where in Nevada these facilities are located; they need to be replaced. I have been personally trying to do this for over 25 years. I have been at this Legislative Body on at least four separate occasions. I have been trying to get some tax policy changed or receive an appropriation. We even proposed a lottery system which was wildly unpopular. Even though we are one of three states that do not have one, it is unlikely that we would propose a lottery system again. Having said that, it should be noted a lottery system can contribute to school construction.

We have exhausted our creativity and ability to tap into local sources. We are asking for your help in some fashion. It could be an appropriation, a combination of appropriation and a Nevada State Infrastructure Bank loan or some other source of funding. We do not care, but the price tag is about \$60 million to \$63 million. However you decide to bundle the funding, it will help, and we will contribute anyway that we can locally.

SENATOR NEAL:

What is your debt service fund balance today?

MR. JOHNSON:

I do not know the exact figure, but I believe it is about \$3 million.

SENATOR NEAL:

As I read your budget information, I had a question on your net proceeds. Are you expecting it to decrease or stay stagnant?

MR. JOHNSON:

That is a tough question. The revenue source is volatile, and on the advice of the Nevada Department of Taxation, we do not incorporate it into operations. It has been stable recently with approximately \$1 million to \$1.5 million annually. However, I have been here when it was zero. Since I have been with the schools, we have had two mine closures. Although it is nice now, it is possible within the next ten years there is no mining revenue.

SENATOR NEAL:

You said the voters approved a rollover bond regardless of changes to the property tax base. What is your property tax right now? What are you getting in revenue annually?

MR. JOHNSON:

The annual revenue from the 25-cent levy is about \$1.2 million. Approximately \$600,000 of it pays the principal and interest for the \$7 million bond. The remaining revenue is used for capital improvements on a pay-as-you-go basis for items like a new roof, concrete, asphalt and other things.

SENATOR NEAL:

If S.B. 100 passes with \$60 million in appropriations, will there be further conversation around what the voters may approve in the future? What else could be leveraged because you are still going to have to do improvements. You are still going to have to maintain the school after you fix it. What is the long-term plan over the next 15 years?

MR. JOHNSON:

The rollover bond initiative, approved in 2008 by voters, secured the 25-cent debt rate. We can use that on a pay-as-you-go basis and to secure bonds which we did for the \$7 million bond. Those expire in 2034, and our plan is asking the voters to reauthorize the 25-cent debt rate.

Excluding the revenue from mining, we receive about \$800,000 annually. We also have revenue from sales tax. Senator Goicoechea indicated that we have the highest property tax rates in the State. We have the second highest sales tax in the State as well. Part of that sales tax is for capital improvements. We have those two sources.

Our plan is to replace the two schools that are both over 110 years old with one school. This will create an operating efficiency. We would move into one of those facilities and make the other our district office. We would have to have a community discussion to see how the people want to use the space for something like a civic center or a youth athletic facility. We would create an operating savings by maintaining one facility instead of two separate facilities.

SENATOR NEAL:

I was reading your 2014 general obligation bonds, and you have a 3.25 percent interest rate for your semiannual payments over 20 years. This was guaranteed by the State Permanent School Fund. I see there was a drop in your rating because of how quickly the drawdown was happening.

If this bill is passed, will it affect your bond rating or release some of the pressure on the State Permanent School Fund guarantee?

MR. JOHNSON:

Yes, I think you are referencing a report from Moody's Corporation. It was an investment rating service from a few years ago. During the recession, we had to stabilize our educational system by spending our fund reserves. Moody's referenced that we had significantly spent our fund balance over a short period of time. This is why they changed our risk rating when we were under the old Nevada Plan Formula.

Today it is much different. We are just short of 100 percent guaranteed revenue. A large part of the revenue is guaranteed through the Nevada Plan funding formula. We have over \$5 million in our General Fund balance which is much different from a few years ago. When the new formula was implemented, White Pine County School District benefited.

SENATOR NEAL:

You were one of the hold harmless.

MR. JOHNSON:

No, we were a school district that its funding increased.

SENATOR NEAL:

Has your rating increased through Moody's?

MR. JOHNSON:

We have scheduled a call with Moody's to review this very thing. We have not had an official rating increase yet, but I imagine that it will because of the formula change. There is less risk in our revenue and our fund reserve is significant.

SENATOR NEAL:

You may have some room, if this bill passes, to think more creatively about how to continue to maintain the school.

MR. JOHNSON:

Yes. Maintaining the schools will not be an issue when compared to finding money to construct them. If passed, we would go from maintaining two schools to one school. Although these two schools are in incredible condition for their age, we do not anticipate maintaining a new school will be an issue. We are open to any creative measures to help us.

CHAIR DONDERO LOOP:

A couple of items have been brought to me. As I referenced in the last bill, we have many old schools in Nevada. While not all were built in 1909, we do have some schools built in the 1920s and 1930s. I have had a couple of people from northern Nevada ask if this funding is approved, will the State replace other old schools. The problem is the State does not have that kind of exponential money. This is more of a statement than a question.

I have traveled this State extensively. If my memory serves me, Eureka is about 60 to 70 miles from you. Do you have people who commute from Eureka to work in White Pine County at places like the mines? Is there any crossover? I know you have small mines, but in the past, they have been a fabulous partner. Have you discussed this with the mines? Have you discussed this with your neighbor Eureka that fortunately for them is sitting on funding that may help you. Sometimes neighbors must help neighbors.

SENATOR GOICOECHEA:

Unfortunately, the leakage is going the other way. People are living in Eureka and working in White Pine County. The Pan Mine and the County's largest mine, Bald Mountain, are closer to Eureka. Secondly, the students at the Duckwater School go to Eureka. It is working in reverse of what you are talking about.

CHAIR DONDERO LOOP:

That would feed into the story. Are you saying that a person is living in White Pine County and working in Eureka?

SENATOR GOICOECHEA:

No, the people living in Eureka are working in White Pine County. Eureka is educating and housing those kids. The two mines I referenced earlier are closer to Eureka.

CHAIR DONDERO LOOP:

Has there been any discussion with Eureka County about the schools? As I said earlier, neighbors sometimes help neighbors. We know that they are sitting on quite a bit of funding.

MR. JOHNSON:

We have not had serious discussions with Eureka County to pay for facilities in White Pine County. We get a handful of students from the bordering counties and states. We get some students from Nye, Eureka and Elko Counties. Sometimes we get students from Millard County in Utah. However, it is a small number of students.

We have joked about Eureka adopting us or becoming the Eureka annex. It could allow us to obtain some of the wealth that they have received from their mines. There is no mechanism to do that. We cannot ask Eureka voters to build facilities in White Pine County.

Eureka County may have their wealth curtailed or changed due to the funding formula. The Pupil-Centered Funding Plan took away the local wealth obtained from the mineral proceeds. That money now flows through the State Education Fund. This has resulted in a long-term plan to reduce their operating fund to match the revenue through the Pupil-Centered Funding Plan.

CHAIR DONDERO LOOP:

Has there been any discussion with the mines? Again, these are things that have been brought to me.

MR. JOHNSON:

We have discussed with every community organization within White Pine County to figure out a way to raise funds. The mines support us in many ways and contribute on a regular basis for smaller projects. However, this project is too large. The mines operating in White Pine County have not had the same wealth as other gold mines in neighboring counties. The mines do not have the ability to fund the construction. They are partnering with hundreds of thousands of dollars but not millions of dollars.

We certainly can ask them if there is a shortfall. We can contribute funds from our fund balances, general fund, debt service fund and capital funds to help reduce the request. If additional funding is needed, then we would seek resources within our local community.

CHAIR DONDERO LOOP:

I wanted the discussion on these items because it was brought to me and it was important to put it on the record. Additionally, Nevada has other schools that need funding to build facilities and other projects. We need to think of creative solutions. If somebody cannot give you \$60 million but gave a smaller amount, how would you fill that gap? This is why I brought up the mines, Eureka County and any other idea out there. If we gave you an appropriation and you could not match it or put it together, then would you have the money to finish the project? That is my concern.

MR. JOHNSON:

When Kenny Guinn was Governor and Brian Krolicki was State Treasurer, we had the same discussion. In 1999, *Nevada Revised Statutes* (NRS) 387.333 was created to assist schools with capital improvement funding. To qualify the county had to be at the tax cap and meet certain conditions within the facilities to reduce the State's liability. The fear was opening Pandora's Box for all school construction. This statute had limiting conditions for schools that met these emergency conditions to qualify for funding.

Perhaps the funding could apply under this statute until we can find a better solution, then patch together funding.

CHAIR DONDERO LOOP:

Last night A.B. 519 came out of the Assembly. Can White Pine County access this money? Can it help you at all?

SENATOR GOICOECHEA:

We believe there would be a component of that bill we could access since A.B. 519 allows a county to go outside the cap for its funding. However, we would need at least \$25 million to \$30 million from this Body to make it work. I will defer to Mr. Johnson to respond.

MR. JOHNSON:

We are monitoring this bill. I had hoped to attend the hearing but was on my way to Ely. We will try to access this funding, but we do not know at this point how much will be available. There is a potential for \$25 million, but there are a lot of rural school districts also looking at that money. The limiting language I discussed in the capital improvement funds for schools is not in A.B. 519. Therefore, I am not sure how much competition there will be for that funding or how much money will be available.

We are also monitoring S.B. 10 heard this morning. We are looking at whatever local sources we can leverage to secure the largest principal amount. We must plan 20 years down the road including what the mines will be doing in the next 20 years. If possible, we will leverage both bills.

CHAIR DONDERO LOOP:

If your money came today, when would the school be finished?

MR. JOHNSON:

We would hope to have it done within two years. The only potential problem would be construction delays.

SENATOR NEAL:

In terms of long-term sustainability for White Pine County, are you discussing what the economic diversification should be? If you move outside of the cap due to A.B. 519, you still have an underlying economic issue around what is sustainable. It cannot be just one thing. Is there a conversation about how the County can expand revenue to meet your needs?

MR. JOHNSON:

That is a common question asked throughout our County. The ideal scenario for me is to have a tax base sufficient to ask voters to build a new school. It would have been the easiest path and would have been one source of money. Our voters have a history of approving and supporting the school district.

It is a struggle because when mining goes away, the revenue goes away. We have suffered through some mining collapses where we lost 20 percent of our County population and 25 percent of our student population. This can happen but we have mechanisms in place to support the schools. We do need reform on the way the tax rates are distributed among the local governments. Economic development and recruitment are something that would help solve this issue. However, even if we expand our tax base, the rates that the local governments get to levy stay the same. For example, even if our tax base quadruples, it does not automatically guarantee that we can bond because those rates would remain the same.

SENATOR NEAL:

I understand, but it would prevent the ripple effect from relying on one industry. You do not want to be dependent upon one industry to sustain yourself. It avoids the future conversation in 100 years where you state the school was built in 2023, and we cannot replace it. I find it strange that it has been 100 years, and there is no money. This is an economic issue.

MR. JOHNSON:

You are correct. We would accept assistance from GOED. The energy industry has made some promises in rural areas for wind energy and solar energy. We do have wind energy plants. Years ago, there was a coal energy plant proposed but was nixed due to health issues. We welcome any ideas for economic development in our area. It would help us diversify our economy. Similar to the State needing to diversify from gaming, we need to do the same from mining.

SENATOR GOICOECHEA:

We have a \$150 million investment in a hemp farm that is trying to get a cannabis license. They may have to close their doors and it is a \$150 million project. They have the greenhouse and everything else in place.

I agree with Mr. Johnson that renewable energy is probably going to be a huge industry for us. A company is looking at 50,000 acres for wind. We are on the

Greenlink Nevada line which will have transmission capability for renewable energy. We will see a little bubble from this, but rural Nevada has either agriculture or mining funding the area.

CHAIR DONDERO LOOP:

I understand and appreciate your comments. Goldfield has a school built around 1906 or 1908. There is a high school in Hawthorne that was built 100 years ago. This is Nevada, and I struggle with the fact we have another school in Owyhee which needs to be built. We have your school that needs to be built. Then we can line them all up.

I recognize the tax base for other areas might be different, and there may be money available. It may be higher in Clark and Washoe Counties. Perhaps it is higher in Elko County. Eureka County may be affected by the new funding formula, but they have money sitting there. We need to be real about this. The hard thing about this is how do we choose our favorite kid.

That is why I asked you about other options. I say this because of my love for Nevada and for education. We should try to help all children not just the children in one county or one school. It is hard to sift through. I always vote yes on education projects because our children deserve it. I do not care where we are at, but we do need to find a creative solution. We will continue the conversation.

MR. ADLER:

I want to provide some context and the genesis of A.B. 519. I would like to summarize what Owyhee Duck Valley Reservation is doing and the solutions found for some rural school financing. I would like to state what A.B. 519 could be useful for and what it is not useful for.

Assembly Bill 519 creates a mechanism for a State account with the intention to be a match grant account for any school district with a population of less than 100,000 people. Although it will be a useful mechanism available to White Pine County, it will have a limit to its usefulness in the immediacy. The design of that account, as I see it going forward, is one that rural counties can go into an agreement and put it before their voters and county commissioners to approve a small property tax between 1 cent and 25 cents. However, it has a limit to accrue funds over time. In my opinion, every rural county should put one

of those accounts into place immediately. There will be a State account that the county can levy against to have match grants funded.

In the case of White Pine County, this would have been useful 20 years ago. They could have started increasing those funds outside the property tax cap. The problem is this mechanism did not exist 20 years ago. We are in a situation where it will be a benefit in the future. Rural counties can start developing these accounts and can generate funds for future use to match with the State.

White Pine County has a small property tax base and having the ability to raise an additional 25 cents does have value. However, it would have a limit. I can see reducing the appropriation for S.B. 100 but there is a need to get some of the older schools that first jump in the door.

ALEXIS MOTAREX (Nevada Chapter Associated General Contractors):

We represent the commercial construction industry in northern Nevada and are in support of S.B. 100. This money is needed for a new school in White Pine County. It will also provide hundreds of prevailing wage construction jobs with the combined direct, indirect and induced economic benefit of over \$96 million for the local community.

DAWN ETCHEVERRY (Nevada State Education Association):

We stand in support of S.B. 100. The children we heard yesterday said it best.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):

White Pine County has one school built in 1909 when Howard Taft was our U.S. president. This building is 114 years old. The County has a second school built in 1913 when Woodrow Wilson was the U.S. President. This school is 110 years old. These buildings are old and have served their useful life. We understand there are many old schools in Nevada, but there is a real need in White Pine County. We are in support of S.B. 100.

PAIGE BARNES (Nevada Association of School Boards):

We are here in support of S.B. 100. Nevada needs to create and maintain safe and effective learning environments for our students. This includes the school buildings. We appreciate your time and urge your support.

GLEN LEAVITT (Nevada Contractors Association):

We want to echo the support of our colleagues in the north.

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CALEB CAGE (White Pine County School District):

We visited the White Pine County Middle School last week and saw firsthand much of what was discussed today. I appreciated the commentary from the students yesterday and your consideration in your remarks today. We support this bill and ask you to support it as well.

BRIAN MASON (Chairman, Shoshone-Paiute Tribes of the Duck Valley Reservation, Nevada):

I am here to offer support for S.B. 100. I want to convince the Committee to support this bill. I live in rural Nevada and understand where White Pine County is coming from. All of rural Nevada is struggling with the same thing. I know it is a tough call, but we must remember it is about children. The future of Nevada is the education of the children. I support S.B. 100.

MICHELLE BOOTH (Educate Nevada Now):

We are here in support of S.B. 100. We had the opportunity to visit White Pine County schools. We saw firsthand the poor conditions of the buildings that these students are learning in.

We saw a patchwork of tiles holding floors and walls together, duct tape fixes on the heating and cooling systems and felt the chilled areas of the school that do not heat up in the winter or cool down in the summer. We saw a gym floor on the brink of catastrophic failure. What we could not see is the underlying asbestos at the 100-year-old schools. We heard about a student who is in a wheelchair and was carried up the stairs since there is no elevator. The school structure is unsafe, hazardous and inexcusable.

We commend Senate leadership for putting partisanship aside and doing what is right for children by hearing this bill. This is the political process at its best. The children of White Pine County need adults to step up with real solutions and you have today. We urge your support of S.B. 100.

MARY KERNER:

I am from White Pine County, and I wear many hats in my community. The most important hat is parent to my five children. I am urging you to support S.B. 100. We need your help. Please pass this bill.

MICHELLE BEECHER (President, Parent-Teacher Organization, White Pine Middle School):

I am the parent of three children who have attended both David E. Norman Elementary School and White Pine Middle School. As a fourth-generation White Pine County resident, my children, nieces and nephews attend schools that their great-grandparents attended.

Although not for a lack of trying by our District staff, these schools are in poor condition. Our children deserve to have the opportunity to learn in schools with proper heating, cooling and infrastructure. I urge you to pass this bill as our small community has no ability to generate the funds we need. Please send a message to our children that they are a priority. We appreciate your consideration today.

UNIDENTIFIED TESTIFIER NO. 1:

You mentioned other Nevada schools need to be replaced as well. The State needs to start somewhere on this critical safety concern for our students. Let us start in White Pine County. I am a fourth-generation citizen of White Pine County and the City of Ely. I am a student, whose great-grandparents attended the same school that I attended. My daughter is one year old, and she will also be attending the same school.

I would like to share my support for S.B. 100. Both David E. Norman Elementary School and White Pine Middle School were in poor condition when I attended 20 plus years ago. Safety and health issues were a concern then and are even more so now. My one-year-old daughter will be attending school in a few years. My husband and I are worried about sending her to the current school buildings.

Please assist our small, yet vital community by providing the critical funding in this bill. Funding from the State is desperately needed for Nevada children that our County cannot obtain on its own.

KRYSTAL BLADES (Member, Board of Trustees, White Pine County School District):

I am in full support of S.B. 100

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STEFFANI THOMPSON (Counselor, White Pine High School, White Pine County School District):

I am a parent and a high school counselor in White Pine County. I am here in full support of S.B. 100. I urge you to support this bill. We cannot raise the funds locally and we need your help.

SHAUNA WIDDISON (Teacher, David E. Norman Elementary School, White Pine County School District):

I am a third-generation Ely resident and attended this elementary school. My students and I have worked extremely hard to convince you to pass this bill. My students have one thing they would like to say to you in unison: "Please support S.B. 100."

ADAM YOUNG (Superintendent, White Pine County School District):

I would like to thank Senators Goicoechea and Dondero Loop for taking time today to hear about our needs and limitations. I hope you can understand why I am in Ely because I am getting ready for a concert with my students tonight. We have worked hard to keep these schools up and running. We have an incredible maintenance staff, custodians, teachers and support staff. We have done everything we can to keep the doors open. We are asking for your help.

Assembly Bill 519 and S.B. 10 would be helpful, but neither are sufficient alone. The local mines are supportive of education, but this project is bigger than what mining can do alone. As Mr. Johnson stated, we are open to creative solutions, but it will require some type of an appropriation for us to move forward. As discussed yesterday in the film industry hearing, this is an investment in the future of our students and our community. You cannot quantify this investment with tax credits and dollars and cents. There is no value that can be placed on investing in a student's learning environment. I support S.B. 100 and urge you to support S.B. 100 as well. If we could do it ourselves, we would have already done so.

CAROLINE MURPHREE (Teacher, White Pine Middle School, White Pine County School District):

I am a parent of five students and a teacher at the White Pine County School District. I urge you to support S.B. 100. My classroom is on the third floor at the White Pine Middle School, and I can see new water damage from last night. The windows in this room are unsafe and do not have screens. These are examples that make it unsafe and hazardous for children to attend this school.

When you include the security issues and the asbestos, it places my children at risk. This County cannot fix the problem themselves. Please support S.B. 100.

CASIE WEAVER (Social Worker, David E. Norman Elementary School, White Pine County School District):

Joining me today is Amy Newman, our school counselor, and Kara Garcia, our family engagement specialist. We are the student support staff for David E. Norman Elementary School. We urge you to support S.B. 100. Keeping our students safe is a major concern.

TERRI BORGHOFF (Chair, Board of Trustees, White Pine County School District):

I am also a parent of three White Pine County students. One is currently at the middle school. I have heard about the unsafe conditions and lack of ADA access for the entire facility. We cannot do this ourselves. Please help us by supporting S.B. 100.

SYDNEE LOCKE (Administrative Assistant, White Pine Middle School, White Pine County School District):

I would like to share my support for S.B. 100. I have children who attend David E. Norman Elementary School. I cannot express how much we need a new facility for these children. We are trying to build a world-class learning environment and these schools are not conducive to do this. There are many safety issues in these facilities. We do not have the ability to generate the funds locally. We need Legislative support. I request that you pass S.B. 100.

NATHAN ROBERTSON (Mayor, City of Ely):

I urge your support of S.B. 100 because this kind of funding is needed. This request is not only for the condition the schools are in. Our community has not built schools for the last 100 years. This request is also due to how tax and State regulations have changed over the last few decades. Our inability to fund this locally needs to be addressed in the long term. However, in the short term, we are past the point of needing to address the deficiencies in our infrastructure.

Given the State's current financial situation, there is no time like the present to fund the replacement of our schools. I would urge today's continued support of S.B. 100 and certainly down the road in the future.

DOLORES DANNER (Administrative Assistant, David E. Norman Elementary School, White Pine County School District):

I am in support of S.B. 100. The schools are in desperate need of replacement because it is unsafe for our children. We have wonderful students, and the teachers are good. However, we are surrounded by an old building and would appreciate a new one.

KRISTINA ERNEST (Assistant Principal, White Pine Middle School, White Pine County School District):

Yesterday, our students made a great plea to get a new building. Every day that I am here, I worry for our students. As you heard, our gym floor is structurally unsafe. We cannot have any events in the gym for fear of the floor collapsing. Our stairs are decaying and crumbling, and we cannot keep them maintained. These are fears that I have every day for our students.

Our school's entrance is a safety hazard. A perpetrator or person wanting to cause harm can walk into the school. The person can walk up a flight of stairs to our office or walk down a flight of stairs to harm our students. It is easy and quick access to the students. These are some of the major concerns that keep me up at night. Please consider and approve S.B. 100.

ELYSE CLARK:

I am a parent of a student who appeared yesterday on S.B. 100. We are new to White Pine County, and I see the dangers of these old schools. I urge you to support this bill and thank you for listening to the children yesterday. We appreciate you hearing this bill today and ask for your support on S.B. 100.

SUSAN JENSEN (Principal, White Pine Middle School, White Pine County School District):

I am a lifelong resident of White Pine County. I appreciate the opportunity our students were given to share their stories with you yesterday. They have spent a good deal of time on the Legislative process and have learned a great deal. I could rehash every issue that we have with the buildings, which are not conducive to our student's learning. Our community and school district have exhausted opportunities to do this on our own. We are now asking for your help. We urge you to pass S.B. 100.

KELLY STURGEON (White Pine High School, White Pine County School District):

I have been an educator in White Pine County for nearly 20 years and have raised children here. I am at White Pine High School, our new school, which is over 20 years old. We have seen thousands of students come through our schools. All of them have experienced the facilities getting in the way of their education. We appreciate that you have taken the time to hear our community. Please do what is right for our kids and support S.B. 100.

LINDSAY COSTELLO (Member, Board of Trustees, White Pine County School District):

My husband's family is from Ely. We moved back to the community three or four years ago. One of the reasons I joined the School Board was to advocate for my children. Our family's biggest concern about moving to Ely was the school facilities. As a nurse, my children's health is a priority for me. I send them to school with the threat of uncertainty over their safety. The school is on the main highway and there is no fencing around the facility. In addition, there are structural issues.

I did appear at the hearing yesterday with my children. However, we had to return to Ely before we could voice our concerns and opinions. We urge you to consider this bill. Please show our children that they are a priority and they can get a new school. Please support S.B. 100.

AMANDA CAMPBELL (White Pine County School District):

I support S.B. 100. Our children need this building. We have a ton of issues at our schools. The biggest concern for me, as a parent and a staff member, is safety due to how our building is laid out. I am asking you to support S.B. 100.

KENNA HALL (Assistant Principal, David E. Norman Elementary School, White Pine County School District):

I am in support of S.B. 100. As you have heard, our kids need this building so they can receive the best education possible. During our crazy winters, we need to ensure they are comfortable as far as heating and cooling. More importantly, our students are not as safe as they could be. It is our responsibility to keep all students safe. Thank you for supporting S.B. 100.

MELISSA CRUMP:

I am a parent, member of the David E. Norman Parent-Teacher Organization and a community member. We appreciate your support of S.B. 100. Not only to

keep our children safe, but also to promote a world-class learning environment for them.

JAMES BEECHER (District Attorney, White Pine County):

I am in support of S.B. 100. We hope that we have your support too. The school is in a uniquely dire situation as far as liability, danger to the children and the needs when compared to other schools Statewide. We appreciate your support.

UNIDENTIFIED TESTIFIER NO. 2:

I support S.B. 100. I want to reaffirm the dire need of our buildings in White Pine County. Earlier you talked about economic need. Our schools hamper our community. Anyone looking to move to White Pine County is deterred when looking at our schools. People with families do not want to move to our community when they see our schools. We need to improve our schools to have economic diversification.

ALAN HEDGES (Principal, White Pine High School, White Pine County School District):

I have worked in this school district for 19 years. Although my school building is in overall great condition, we are all aware of the significant need to replace the elementary school and the middle school. This Committee has mentioned there is a need to replace older schools Statewide but that should not minimize the need for our schools. My hope is if we cannot help everyone, we could at least start with our district which has a tremendous need.

VICE CHAIR NGUYEN:

Hearing no testimony in opposition or neutral, we will close the hearing on S.B. 100. We will open the hearing on S.B. 300.

SENATE BILL 300: Makes an appropriation from the State General Fund to the University of Nevada, Las Vegas, for a grant program for certain interns.
(BDR S-100)

SENATOR HEIDI SEEVERS GANSERT (Senatorial District No. 15):

Today, I am joined by Dr. Sarah Hunt, who is the director of the UNLV Mental and Behavioral Health Coalition and assistant dean of behavioral health sciences with the Kirk Kerkorian School of Medicine at UNLV, Department of Psychiatry and Behavioral Health.

During the Interim, I met with the UNLV's medical school and others in the university system to discuss what we could do to increase the behavioral health pipeline in Nevada. This resulted in a couple of ideas. One was a long-term solution which is establishing a center and that bill is moving through this Body.

The other solution is for the near term. We need to have more people provide behavioral health and mental health services in Nevada. Senate Bill 300 proposes a path forward in the near term to expand that pipeline. At this point, I will turn the presentation over to Dr. Hunt, who can explain what this bill is about and how it can advance that the pipeline for Nevada.

SARA HUNT, PH.D. (Assistant Dean, Behavioral Health Sciences, Kirk Kerkorian School of Medicine, University of Nevada, Las Vegas; Director, UNLV Mental and Behavioral Health Training Coalition):

I am a psychologist by training. One of the main areas I work in is mental health workforce development. We have a significant shortage of mental health professionals in Nevada, and we are struggling to meet the mental health needs in our State.

Senate Bill 300 is mimicking what is being done to increase the physician pipeline. You have often heard about expanding graduate medical education. If we have more training sites in the State, then we are likely to retain future physicians we are training. This is the equivalent solution for psychologists.

The requested funds would help offer grants to providers in the community. It would apply to mental health providers who establish psychology predoctoral internship training placements and postdoctoral training placements. This is important for licensure in Nevada. A predoctoral internship placement is the final year a doctoral student in psychology must do clinical supervision. Once completed along with all other requirements, the student can graduate. The State requires those graduates to have one additional year of licensed supervision. This would be the postdoctoral fellowship year.

We have some accredited sites across the State offering predoctoral and postdoctoral training. However, we do not have some critical mental health specialty areas. This is one way to continue the pipeline of retaining our graduates from the University of Nevada, Reno (UNR) and UNLV. This bill helps cover the gap year, or the postdoctoral fellowship year, towards licensure. This

would provide hope that the students would achieve their licensure in Nevada and choose to stay here.

SENATOR SEEVERS GANSERT:

Dr. Hunt, can you expand on the accreditation required that is the purpose for some of the funds?

DR. HUNT:

Section 1, subsection 3 of S.B. 300 documents how the funds will be used. First, it would be used to cover the stipend for interns. The predoctoral and postdoctoral interns are offered a stipend during the one-year placement. Second, the funds would cover the cost associated with supervising those interns. For example, a mental health clinic that does not currently staff a psychologist, could use the funds to hire a staff psychologist who would train and supervise the interns.

The third use is for any expenditure associated with obtaining accreditation. This would not only help Nevada retain graduates from UNR and UNLV but interns from out-of-state. To put Nevada on the map, we need to have those sites approved or accredited through either the American Psychological Association or the Association of State and Provincial Psychology Boards. The money would be available to help those future sites reach accreditation status or fund technical assistance to reach the accreditation status.

SENATOR SEEVERS GANSERT:

Today, there is no financial incentive for a psychologist to have anyone in their clinic or office. This is a way to make sure we can get additional sites accredited. It will allow our students to finish the clinical work needed. Obtaining the training is a big pipeline issue.

I had another bill that would require medical insurance to cover the supervision. If we had a doctor of philosophy supervising more than one student, some insurance companies will only pay if that supervisor is directly involved in the care even though the students are at the end of their education. This results in no resources because if it is a one-to-one supervision ratio, that person can just bill for themselves. Why would they have an intern? Although this bill did not move forward, it was a proposal to get additional money into the system.

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We have to incentivize people to have individuals trained at their clinical sites and offices. Senate Bill 300 is a way to expand our pipeline.

CHAIR DONDERO LOOP:

To make sure I am clear, the total fiscal impact is \$2.5 million.

SENATOR SEEVERS GANSERT:

You are correct. In section 1, it states the first fiscal year is \$1.5 million, and the second year is \$1 million. It would probably be \$1 million ongoing. This bill is requesting one-shot money, but it takes more money to get accredited and have sites set up. I will have Dr. Hunt respond about any ongoing money.

DR. HUNT:

Ideally it would be beneficial to have some ongoing funds available after the second year. One of the ways these sites could sustain a new training placement is through billing. Currently, they could only bill through Medicaid for the trainees. If there is another attempt at legislation like S.B. 267, which Senator Seevers Gansert referred to earlier, that would help expand the ability for psychologists to bill other insurance companies for the trainees.

SENATE BILL 267: Establishes provisions relating to insurance coverage of mental health services. (BDR 57-1020)

This type of legislation would help sustain these new placements.

SENATOR SEEVERS GANSERT:

I had two pieces of legislation because I was trying to make it self-sustaining. However, S.B. 267 died. If we consider it in a future session or amend S.B. 300, this legislation requires an insurance company to pay like Medicaid pays. If you are supervised and you are a psychological intern, then you get reimbursed whether or not the supervisor is in the room at the time the service is provided.

CHAIR DONDERO LOOP:

In part, S.B. 300 has to do with accreditation. We gave the medical school money for accreditation. Is this school able to be a recipient of those funds?

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SENATOR SEEVERS GANSERT:

The individual sites are seeking to be accredited so it can supervise the interns. It is not a place or school; it is a clinic or an office.

DR. HUNT:

Senator Seevers Gansert is correct. It would be grant money available for community mental health clinics, private practice psychologists or mental health practitioners. They could use the funds to become accredited and be a training site.

CONSTANCE BROOKS (University of Nevada, Las Vegas):

We would like to thank Senator Seevers Gansert for her early work in connecting with us on this needed legislation. We would also like to thank Dr. Hunt, who has been a leader across the State to help our behavioral mental health pipeline. This is another opportunity for university research institutions to work together to solve some State challenges.

SHEILA BRAY (University of Nevada, Reno):

I would echo Ms. Brooks comments. We look forward to working with UNLV on S.B. 300. There have been many conversations throughout the Session on health care. This bill is another way that we can increase the pipeline.

JOAN HALL (Nevada Rural Hospital Partners):

We support S.B. 300.

ELYSE MONROY-MARSALA (Nevada Primary Care Association; Nevada Public Health Association):

We support S.B. 300. We would like to thank Senator Seevers Gansert for her comprehensive approach. She wants to support the behavioral health workforce pipelines in a sustainable way. We hope there is an opportunity to support this investment as well as sustain it in the future.

SENATOR SEEVERS GANSERT:

I want to thank Dr. Hunt for presenting with me today. During the Interim, I was trying to figure out what we can do about the behavioral health pipeline, nursing and other topics. We can broaden the pipeline because we know there is a lack of providers in behavioral and mental health. I appreciate your support.

CHAIR DONDERO LOOP:

Hearing no testimony in opposition or neutral, we will close the hearing on S.B. 300. We will move to the work session with one bill S.B. 311.

SENATE BILL 311: Revises provisions relating to wildlife. (BDR 45-168)

WAYNE THORLEY (Senate Fiscal Analyst):

Senate Bill 311 was heard yesterday in this Committee and was presented by Senator Ira Hansen. This bill requires the Board of Wildlife Commissioners to establish a program allowing a person to transfer his or her tag to hunt a big game mammal to any person who is under 18 years of age. It requires a course of instruction in the responsibilities of hunters to be available online or in person regardless of the age of that person.

When presenting the bill, Senator Hansen noted a verbal amendment. The first part of the amendment is in section 1 to strike the word "shall" and replace it with "may." It would make the language permissive for the Wildlife Commission to adopt regulations indicated in that section. The second part of the amendment is to completely strike section 3 which is related to online instruction for hunters. The Senator noted that with the proposed amendment, there is no longer a fiscal impact to the Nevada Department of Wildlife.

There was testimony in support from the Board of Wildlife Commissioners. There was no testimony opposition and the Nevada Department of Wildlife testified in neutral.

If the Committee wishes to move S.B. 311, the appropriate action would be to amend and do pass as amended with the verbal amendment from Senator Hansen.

CHAIR DONDERO LOOP:

I will accept a motion on S.B. 311.

SENATOR NEAL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 311 WITH THE VERBAL AMENDMENT FROM SENATOR HANSEN IN SECTION 1 TO STRIKE THE WORD "SHALL" AND REPLACE IT WITH "MAY" AND COMPLETELY STRIKE SECTION 3 RELATED TO ONLINE INSTRUCTIONS FOR HUNTERS.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CANNIZZARO WAS ABSENT FOR THE VOTE.)

* * * * *

CHAIR DONDERO LOOP:
We will hear public comment.

JAINA MOAN (The Nature Conservancy, Nevada Chapter):
I am here today to urge you to hear and vote on S.B. 176 which establishes the Nevada water buyback initiative.

SENATE BILL 176 (1st Reprint): Establishes provisions relating to the conservation of groundwater. (BDR 48-79)

We are a water-limited State that relies on groundwater which is threatened by unsustainable use. In a recent assessment of stressors and threats to groundwater-dependent ecosystems, the Conservancy found almost 40 percent of over 6,500 wells analyzed had significantly declining groundwater level trends over the past several decades. We need to do something about this overuse now or it will become more difficult for Nevada to continue to support a growing economy, its plants, wildlife and people.

Senate Bill 176 will enable an important new tool to help us deal with groundwater overuse. It will establish a program and a fund to purchase groundwater rights and retire those rights forever. Having this fund will enable the State to multiply the dollars in federal grants and philanthropic donations. Now is the best time to act.

This bill has broad support from urban and rural communities, agriculture, local water authorities and the environmental community. That is rare for a water bill in this State. At the Senate Committee on Natural Resources hearing, it had no opposition. This is a critical moment in Nevada's water history. We are living in an era of increasing aridity and we are in one of the driest parts of the world.

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Water stakeholders are saying S.B. 176 is a good bill. Please pass this bill. We need to invest in resolving our water issues for future generations and we need to do it now.

JEFF FONTAINE (Central Nevada Regional Water Authority):

I too would like to comment and respectfully request your consideration for hearing S.B. 176. It is a proactive approach to bring Nevada's overpumped basins into balance and maintain them as sustainable water supplies for our communities and environment. It is about avoiding significant long-term negative impacts. We would like to get a program up and running as soon as possible. It will allow us to take advantage of federal funds and other funds that might be available for a program like this.

CHAIR DONDERO LOOP:

We will have two public comment sections. I knew a couple of people are waiting to testify. We will move on to A.B. 328.

ASSEMBLY BILL 328 (1st Reprint): Makes an appropriation to the Thomas & Mack Legal Clinic at the William S. Boyd School of Law of the University of Nevada, Las Vegas. (BDR S-1058)

LEAH CHAN GRINVALD (Dean, William S. Boyd School of Law, University of Nevada, Las Vegas):

Assembly Bill 328 appropriates \$1 million over the biennium for the Thomas & Mack Legal Clinic. The clinic serves the community by typically third-year law students who are under the supervision of our faculty. The students are allowed to provide direct legal services to the community in a wide array of areas such as mediation, misdemeanor, family law and immigration law.

CHAIR DONDERO LOOP:

Are you requesting \$500,000 in each fiscal year?

Ms. BROOKS:

That is correct.

SENATOR NGUYEN:

If appropriated, how would the money be used? I am a proud alumnus of the Boyd School of Law. Unfortunately, I was in the second class of the law school,

and those clinics were not operating. I am curious what the funds would provide for the law students. I know there are various clinics, but what does it cover?

Ms. GRINVALD:

The legal clinic is like a small in-house law firm within the law school. There are a number of operational costs, ranging from furniture to fees we pay on behalf of our clients that the clinic would need to bear.

SENATOR NGUYEN:

Is the clinic housed out of the law school or has it expanded to other locations? In the past, there have been discussions about a service in northern or in rural Nevada. Will this funding allow for an expansion or satellite campuses?

Ms. GRINVALD:

There are no plans for a physical expansion. However, given today's technology advancements, the clinic could think more fully about a virtual office. We could use this funding to set it up.

SENATOR SEEVERS GANSERT:

Can you summarize your current sources of income and how this money would bolster your budget? You mentioned fees, but do you pay the law students? Do you have staff? What does your operation look like?

Ms. GRINVALD:

We do have staff. Our current source of funding come from the Thomas & Mack Endowment that established the clinic. The Endowment is not sufficient to cover all the costs associated with running the clinic.

We do not pay the law students since they receive up to five or six credits of coursework for their work in the clinic itself.

SENATOR SEEVERS GANSERT:

What is your typical budget? To have some context, I am asking what \$500,000 a year would mean to you.

Ms. GRINVALD:

Depending on how many clinics we have, the costs can range from \$1.5 million to \$2.5 million. Some of the costs are operational and technology fees. We are in the middle of modernizing the filing to a more secure and safe environment. It

is a matter of how many clinics we can fund with our faculty and who is willing to teach. We recently hired two new faculty members and are excited to bring on two new clinics. A portion of this funding would be in anticipation.

SENATOR SEEVERS GANSERT:

When you refer to clinics, is that a place or number of days people can come in? I was thinking you meant a place, but it would be difficult to open and shut an office.

The appropriation appears to be a good boost. When people request one-shot funding, it is about a project they want to accomplish.

Ms. GRINVALD:

That is correct. The funding would be used for a variety of different operational expenses, like startup costs. The clinic is typically a virtual place. We do have some in-house services where clients can come in. However, we have a lot of online counseling to meet clients wherever they are. The technology costs can add up for initial costs of computers, data lines and the like.

SENATOR TITUS:

Is this the same amount you were awarded last Session?

Ms. GRINVALD:

It is an increase from last Session.

SENATOR TITUS:

Did you use all of the funds from last Session and then had to stop doing this service?

Ms. GRINVALD:

We did not stop services, but we had some faculty retire. The clinics did not run during COVID-19. A number of the clinics that are more court facing did not run. We were able to make do with the funding we received.

SENATOR TITUS:

This question is for Legislative staff. Do the unused funds revert back to the State?

MR. THORLEY:

Section 1, subsection 2 of A.B. 328 requires the remaining balance of the appropriated funding to revert at the end of each fiscal year.

SENATOR NEAL:

I want to thank you for allowing Professor Frank Fritz and certain law students to work on the Windsor Park Project. They have been a great help. I appreciate the extension to allow them to work on this issue with me and the commitment received from your law school.

Ms. BROOKS:

The University of Nevada, Las Vegas, is proud of the Thomas & Mack Legal Clinic. We are appreciative of the State and this Body for its continued financial support for the services we provide. This is an example of UNLV serving as a resource to our State. We appreciate this investment and partnership with the Legislature.

CHAIR DONDERO LOOP:

Hearing no testimony on opposition or neutral, we will close A.B. 328. We will open the hearing on S.B. 505.

SENATE BILL 505: Makes an appropriation to the Office of Energy in the Office of the Governor for a program to reduce energy use by and emissions resulting from certain activities of state agencies. (BDR S-1217)

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

The Nevada Legislature has an ambitious target for the State to be net zero by 2050. Based on the last measure, the State is far from this goal. In a 2021 report by the Nevada Division of Environmental Protection, we are falling behind all projected benchmarks. Not only do Nevadans deserve more, but they deserve to know the State's progress more than just every couple of years. That is why we are preparing to track some State emissions in real time.

We will begin with some State buildings and a small sample of vehicle fleets. However, as the State begins to collect this data, we must begin to implement a plan to achieve the goal of reducing our emissions. Further, we need to report regularly to the public the progress towards meeting statutory goals.

Senate Bill 505 proposes an appropriation of additional funding for the Governor's Office of Energy (GOE). These funds will allow GOE to further identify energy and emissions hotspots across the State and determine the most cost-effective interventions. By using data to identify cost-effective interventions, the State will know more and be able to do more to reduce its environmental impact while being good stewards of taxpayer dollars.

Senate Bill 505 will expand carbon benchmarking. It will allow the State to create additional federal funding opportunities tied to this benchmarking and expanded reporting. Improved energy and emissions data will make Nevada more competitive for federal funding opportunities in the Inflation Reduction Act. This bill will allow the State to begin measuring its purchasing impacts which allows us to continue to lead the Country. This legislation is a critical next step for the State to achieve its emissions goals adopted by this Body. It will help protect Nevada for generations to come and will measure and report our emissions in a way that should be the example for other states to follow.

The funding proposed in S.B. 505 will be used for critical tasks that build on efforts to capture granular greenhouse gas emissions. Data gathered from State buildings will identify high-impact opportunities to reduce those emissions as cost-effectively as possible. Additional activities, presently unfunded, include an expansion of emissions tracking of State motor vehicles and identification of changes in vehicle operations to reduce emissions and costs. This includes tracking emissions associated with electricity used to charge State electric vehicles.

Further, this funding will be used to audit State buildings to identify the most cost-effective interventions to reduce greenhouse gas emissions. These audits will be guided by accepted standards from the American Society of Heating, Refrigerating and Air-Conditioning Engineers. The GOE will develop a plan using automated insights to reduce the State's greenhouse gas emissions as close to zero as possible and use those insights for long-term budgetary planning.

Finally, the funding will be used to establish technological processes to automate uploading data necessary to achieve the above requirements. This will conserve State personnel, time and resources otherwise needed for manual uploading of data. An automated system will ensure the data is accessible as soon as possible after energy consumption occurs.

SENATOR TITUS:

How did you calculate the \$11 million figure? Will the State do this internally or do you have plans for a subcontractor to do it?

SENATOR CANNIZZARO:

The \$11 million requested in this bill seems to be the right amount to fund a contract to perform some of the things outlined in S.B. 505.

This bill will be managed by GOE. As documented in the bill, the funds will be appropriated to their office. The GOE would then be able to contract out to vendors to accomplish what is laid out in section 1, subsection 1, paragraphs (a) through (e) of S.B. 505.

SENATOR TITUS:

To clarify, we are giving \$11 million to GOE for the studies that you outlined in your presentation. I am not saying the studies are not needed but am asking if GOE will be using subcontractors. Will they first determine the location of the study and then select the subcontractors? Will GOE come back to the Legislative Branch when they spend the funds? Will it require an appearance before the IFC when GOE has selected a contractor?

I would assume it will be different contractors since emissions on vehicles are different than on a building for things like a window leak. NV Energy will notify a user when there is an issue. From personal experience, they have told me that a window on the top story of my house is letting heat out.

These audits are all separate. Is GOE going to come back and inform us on how they intend to use the funds?

SENATOR CANNIZZARO:

Senate Bill 505 does not have any reporting requirements. It does have some goals for what the program should look like. This will be run through GOE, and it will have to contract the work. The number of contractors is not prescriptive in the bill. It could be several different contracts or one contract to accomplish all these goals. There is no requirement for the IFC to approve contracts. The use of money would follow the normal processes.

SENATOR SEEVERS GANSERT:

Did we have American Rescue Plan Act of 2021 (ARPA) money allocated for the purpose of evaluating State buildings? As I recall, it was \$5 million.

MR. THORLEY:

In October, IFC approved a \$5-million allocation of ARPA funds from the Coronavirus State Fiscal Recovery funds to GOE for a contract and technical support. This allocation was approved for a study to gather data on electricity usage and greenhouse gas emissions in State-owned buildings. In 2023, the contract was approved by the Board of Examiners and is in place. The program supported by the contract is currently being operated.

This bill provides additional pieces to the program beyond tracking electricity usage and gathering data related to State-owned buildings. As outlined in the bill, the \$11 million will be used to track emissions from State-owned buildings and State fleet vehicles. The funds will be used to acquire analytical tools for real-time tracking, develop a web portal for public viewing of data gathered and develop long-term budgeting needs for State-owned buildings, fleet vehicles and other operations of State government that cause energy emissions.

SENATOR SEEVERS GANSERT:

It sounds like that contract is for evaluating and this request is for tracking. The City of Reno is using a company that does this type of work. It has dashboards and things like that. You mentioned automobiles, but I do not know whether that company tracks automobiles. I am uncertain about these types of companies.

Would GOE do a request for proposal (RFP)? Will it be one company as a solution? Or will it be multiple contracts given the scope of this program?

SENATOR CANNIZZARO:

This would fall under the RFP process. It could be one or several companies. It would depend on what that company can do. The vendor would need to prove it could meet our goals or standards. This process would be managed by GOE.

CHAIR DONDERO LOOP:

Hearing no testimony in support, opposition or neutral, we will close the hearing on S.B. 505. We will move to the work session.

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MR. THORLEY:

We will begin with S.B. 99 which was heard by this Committee on May 22, 2023.

SENATE BILL 99: Makes an appropriation to the Desert Research Institute of the Nevada System of Higher Education to support the Nevada State Cloud Seeding Program. (BDR S-592)

The bill makes an appropriation of \$600,000 in each fiscal year of the upcoming biennium to the Desert Research Institute (DRI) to support the Nevada State Cloud Seeding program. The bill requires DRI to submit a report to IFC on the expenditures made from this appropriation on or before September 20, 2024, and September 19, 2025, of each respective fiscal year.

The bill was presented by Senator Pete Goicoechea and DRI staff. There are no amendments proposed at the hearing. Support testimony was provided by the Vegas Chamber, the Humboldt River Water Basin Authority, Nevada Farm Bureau and the Nevada System of Higher Education. There was no testimony in opposition or neutral.

If the Committee wishes to move this bill, appropriate action would be to do pass.

CHAIR DONDERO LOOP:

I will accept a motion on S.B. 99.

SENATOR NGUYEN MOVED TO DO PASS S.B. 99.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

We will move on to S.B. 191.

SENATE BILL 191 (1st Reprint): Makes certain changes relating to applied behavior analysis. (BDR 38-545)

CATHY CROCKET (Chief Principal Deputy Fiscal Analyst):

On May 29, 2023, S.B. 191 was heard before this Committee. This bill requires the Director of the Department of Health and Human Services (DHHS) to include in the State Plan for Medicaid coverage the cost of services provided by behavior analysts, assistant behavior analysts and registered behavior technicians to Medicaid recipients under 27 years of age. The bill also increases the maximum fee from \$25 to \$450 that the Board of Applied Behavior Analysis may charge for the issuance of an initial license as a behavior analyst or assistant behavior analyst. The bill becomes effective upon passage and approval for a preparatory administrative task. For all other purposes, the bill is effective January 1, 2024.

Senate Bill 191 was presented by Senator Heidi Seevers Gansert. No amendments to the bill were discussed during the hearing. The Division of Health Care Financing and Policy (DHCFP) indicated a cost totaling approximately \$869,000 in fiscal year (FY) 2023-2024 and \$2.5 million in FY 2024-2025. However, upon discussion, the Agency indicated the line item related to contractual costs could be removed in recognition of funding added to their budget in the budget closing for additional administrative support related to waivers. It would decrease the total funding from the General Funds Account to \$118,272 in the first fiscal year and \$661,000 in the second fiscal year of the biennium. These funds would be matched with authorized funding.

If the Committee wishes to take action on this bill, the appropriate motion would be to amend and do pass as amended with funding for the DHCFP.

CHAIR DONDERO LOOP:

I will accept a motion on S.B. 191.

SENATOR NGUYEN MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 191 INCLUDING THE ADJUSTMENT IN FUNDING PRESENTED BY
DHCFP.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:
We will move on to S.B. 241.

SENATE BILL 241: Revises provisions relating to Medicaid. (BDR 38-971)

MS. CROCKET:

Senate Bill 241 was heard before this Committee on May 16, 2023. This bill requires the Director of DHHS to include in the State Plan for Medicaid, to the extent that federal financial participation is available, a requirement that the State must pay the nonfederal share of expenditures for outpatient and swing bed services provided at critical access hospitals. The reimbursement of a critical access hospital for such services is at a rate equal to the actual cost of providing the services or the amount charged by the hospital for the services, whichever is less. The bill is effective on January 1, 2024.

Senate Bill 241 was presented by Senator Robin Titus, and she was accompanied by the Director of the Nevada Rural Hospital Association. There were no amendments presented on the bill during the hearing. However, after the hearing, an amendment was provided by the Nevada Rural Hospital Association to specify that the provisions would apply to public and/or private hospitals. This will have an impact on the fiscal cost of the bill. Initially, the cost of the bill was \$2.6 million in FY 2023-2024 and \$6.1 million in FY 2024-2025. We have received an updated fiscal cost from DHCFFP. In FY 2023-2024, it is \$1,025,252 of which \$280,015 would be from the General Fund. In FY 2024-2025, it is a total cost of \$2.4 million of which \$683,550 would be from the General Fund.

There were a number of rural hospitals who provided testimony in support of the bill. No one testified in opposition or neutral.

If the Committee wishes to take action on S.B. 241, the motion will be to amend and do pass as amended with the change discussed to section 1 of the bill and the funding to support the Agency's costs.

CHAIR DONDERO LOOP:
I will accept a motion on S.B. 241.

SENATOR NEAL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 241, WITH THE CHANGE DISCUSSED TO SECTION 1 OF THE BILL AND FUNDING TO SUPPORT THE AGENCY'S COSTS.

SENATOR CANNIZZARO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:
We will move on to S.B. 385.

SENATE BILL 385 (1st Reprint): Revises provisions relating to health care.
(BDR 40-375)

Ms. CROCKET:

On May 19, 2023, S.B. 385 was heard before this Committee. This bill requires the hospital that discharges the patient to establish a team of healthcare providers, including a dietician, to assist in caring for the patient during rehabilitation at his or her residence. Further, the primary care physician of the patient at the hospital must document reasons why any customary tests were not ordered or conducted.

The bill requires a home healthcare entity to consult with the dietician, as needed, to ensure the dietary needs of a discharged patient are understood by the patient and/or the caregiver. Additionally, the bill requires the Director of DHHS to include in the State Plan for Medicaid a requirement that the State pays the nonfederal share of expenditures for filling cavities and the fabrication, preparation and placement of temporary or permanent crowns. Further, DHHS must apply for the federal approval necessary to provide such coverage.

Senate Bill 385 is effective on various dates. Sections 1 to 7 and sections 10 and 11 are effective on October 1, 2023. Sections 8 to 9.8 become effective upon passage and approval for preparatory administrative tasks. For all other purposes, this bill is effective on January 1, 2024.

The bill was presented by Senator Dina Neal. There was an amendment discussed at the bill hearing. It was presented by Renown Health regarding

section 1, subsection 3 of S.B. 385 to change the wording of that section. However, based on discussions, Senator Neal indicated that her preference would be to delete that section in its entirety. This amendment will not change the fiscal impact of the bill.

The Division of Public and Behavioral Health (DPBH) initially submitted a fiscal note. As indicated by the Agency, the first reprint of the bill eliminated the fiscal impact. The DHCFFP also submitted a fiscal note on the bill to provide medical service costs as well as system and actuarial costs. The total cost of this fiscal note is \$6.3 million in FY 2023-2024 of which \$1,165,221 is General Fund monies and \$7.2 million in FY 2024-2025, of which \$1,410,808 is from the General Fund.

There was no testimony in support or opposition of S.B. 385. The Nevada Hospital Association and the Deputy Administrator of DPBH testified in neutral on the bill. If the Committee wishes to take action on this bill, the appropriate motion would be to amend and do pass as amended with the amendment proposed by Senator Neal as well as funding for the Agency to provide dental services to Medicaid participants.

SENATOR GOICOECHEA:

I did not catch what section was amended out.

SENATOR NEAL:

Section 1, subsection 3 of S.B. 385 was amended out.

SENATOR TITUS:

I was a no vote on S.B. 385 in the hearing for Senate Committee on Health and Human Services because of section 1, subsection 3. As I stated in that hearing, it is important for discharge planning, but in many areas dieticians are not available. I like the idea that we need to have some discussion on diet. I am in favor of providing contact information like a telephone number. I appreciate Senator Neal for bringing this bill forward especially with the deletion of section 1, subsection 3 of S.B. 385.

CHAIR DONDERO LOOP:

I will accept a motion on S.B. 385.

SENATOR HARRIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 385 WITH THE DELETION OF SECTION 1, SUBSECTION 3 AND INCLUSION OF FUNDING FOR DHCFP TO PROVIDE DENTAL SERVICES TO MEDICAID PARTICIPANTS.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:
We will move on to S.B. 395.

[SENATE BILL 395 \(1st Reprint\)](#): Revises provisions relating to real property.
(BDR 10-288)

Ms. CROCKET:

On May 19, 2023, S.B. 395 was heard before this Committee. This bill limits, with exceptions, the total aggregate number of Nevada residential real property that may be bought in 1 year by corporations and limited liability companies not to exceed 1,000 units. The bill imposes the same limit in the current calendar year.

Senate Bill 395 requires the creation and maintenance of a registry of corporations and limited liability companies that purchase or own Nevada residential real property. The registry will be maintained by the Securities Division of the Office of the Secretary of State. In addition, it requires a corporation or limited liability company to register with the Securities Division before purchasing any residential real property in Nevada. The Secretary of State would be authorized to charge a fee for registration. It requires the Secretary of State to adopt regulations necessary to implement the bill. The bill is effective on October 1, 2023.

Senate Bill 395 was presented by Senator Dina Neal and no amendments were discussed during the bill hearing. However, in discussions with Senator Neal, she expressed that she would like the provisions of the bill to apply to corporations, limited liability companies and their affiliates. This amendment will

change section 1, subsection 4. The language will be amended to add affiliates after limited liability company.

The Secretary of State submitted a fiscal note indicating an impact of \$476,004 in FY 2023-2024 and \$81,705 in FY 2024-2025. The fiscal note is related to personnel and operating costs to create and maintain the registry. It also indicated the revenue authorized in the bill would eventually offset costs related to the continued maintenance of the registry. There was no testimony in support, opposition or neutral.

If the Committee wishes to take action on S.B. 395, the appropriate motion would be to amend and do pass as amended. It would include the proposed amendment Senator Neal indicated to apply to corporations, limited liability companies and affiliates and to add funding to support the Secretary of State's startup costs for the registry.

SENATOR SEEVERS GANSERT:

I am going to reserve my right. I understand the issue with corporations, but we just sat through a revenue meeting about real estate investment trusts. There are different ways homes and land are purchased and leased. I am not sure what the outcome is going to be.

CHAIR DONDERO LOOP:

Ms. Crocket, is the proper motion on this bill amend and do pass or do pass?

Ms. CROCKET:

It would be amend and do pass as amended because of the Office of the Secretary of State's costs. Also, the proposed amendment provided by Senator Neal.

CHAIR DONDERO LOOP:

I will accept a motion on S.B. 395.

SENATOR NGUYEN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 395 WITH THE PROPOSED AMENDMENT SENATOR NEAL INDICATED TO APPLY TO CORPORATIONS, LIMITED LIABILITY COMPANIES OR AFFILIATES OF SUCH ENTITIES WITH FUNDING TO SUPPORT THE SECRETARY OF STATE'S STARTUP COSTS FOR THE REGISTRY.

SENATOR NEAL SECONDED THE MOTION.

SENATOR GOICOECHEA:

I am concerned about the limitation. In most of the jurisdictions I represent, we would love to have 1,000 units and have it owned by 1 entity. This is going to require a corporation that buys rental property to register. It is an overreach. It is great for Clark County, but probably not for who I represent, even though I have a piece of Clark County.

CHAIR DONDERO LOOP:

Senator Titus is a ditto.

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

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CHAIR DONDERO LOOP:

I am making a request to introduce a Bill Draft Request (BDR) S-1227.

BILL DRAFT REQUEST S-1227: Makes appropriations for the implementation of certain collective bargaining agreements. (Later introduced as Senate Bill 510.)

SENATOR SEEVERS GANSERT:

Before we begin, I want to ask a question. Senator James Ohrenschall has done a lot of work around autism. It occurred to me that he may want to be on S.B. 191. We have to amend this bill to allocate funds for it. Is there a way to add Senator Ohrenschall's name and put the money in it at the same time? It will be an amend and do pass motion.

CHAIR DONDERO LOOP:

At this point, we are trying not to do amendments. I agree with you about Senator Ohrenschall, and I have done a lot of work around autism. We are likely going to have to bypass that request. We have three days left in the Legislative Session.

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SENATOR HARRIS:

Since this is a Senate bill, you can amend it by completing a cosponsor.

SENATOR SEEVERS GANSERT:

I would prefer not to fill it out. I was asking the question since we still have to put some money in it.

MR. THORLEY:

Bill Draft Request S-1227 makes an appropriation for the implementation of certain collective bargaining agreements. Governor Joe Lombardo's Office submitted this BDR. Per NRS 288.560, if a provision of a collective bargaining agreement requires an act of the Legislature to be given effect, then the Governor must submit a BDR to effectuate the change in that provision. This BDR accomplishes that requirement and makes appropriations for the cost of implementing various collective bargaining agreements that have been approved by the Board of Examiners.

SENATOR TITUS:

To be clear, this is a salary increase negotiated through collective bargaining and this bill is the cost.

MR. THORLEY:

The appropriations in this bill represent funding for the cost of implementing various provisions of the collective bargaining agreements. The amounts will cover different items like special pay or educational attainment.

CHAIR DONDERO LOOP:

This BDR was recently received from the Office of the Governor. We are only introducing it. Today's action does not mean that you support it.

I will entertain a motion on BDR S-1227.

SENATOR TITUS MOVED TO INTRODUCE BDR S-1227.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

This completes our business for today. We are adjourned at 7:04 p.m.

RESPECTFULLY SUBMITTED:

Mary Ashley,
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. 10	C	3	Treasurer Zach Conine	Proposed Amendment