

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Eighth Session
April 30, 2015**

The Committee on Government Affairs was called to order by Chairman John Ellison at 8:37 a.m. on Thursday, April 30, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman John Ellison, Chairman
Assemblyman John Moore, Vice Chairman
Assemblyman Richard Carrillo
Assemblywoman Victoria A. Dooling
Assemblywoman Amber Joiner
Assemblyman Harvey J. Munford
Assemblywoman Dina Neal
Assemblywoman Shelly M. Shelton
Assemblyman Stephen H. Silberkraus
Assemblywoman Ellen B. Spiegel
Assemblyman Lynn D. Stewart
Assemblyman Jim Wheeler
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblyman Edgar Flores (excused)

GUEST LEGISLATORS PRESENT:

None

Minutes ID: 1007



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Eileen O'Grady, Committee Counsel
Aubrie Bates, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce
Miles R. Dickson, representing Nevada Community Foundation
Sheila Lambert, Chief of Grants Procurement, Office of Grant Procurement, Coordination and Management, Department of Administration
Tray Abney, Director of Government Relations, The Chamber of Reno-Sparks-Northern Nevada
Shelly Capurro, representing John Ritter and the Focus Property Group
Samuel P. McMullen, representing Las Vegas Global Economic Alliance; and Reno-Sparks Convention and Visitors Authority
Maureen Shafer, Executive Director, Council for a Better Nevada; and Chairperson, Nevada Community Foundation
Greg Ferraro, representing Nevada Resort Association
Lisa A. Gianoli, representing Washoe County
Scott F. Gilles, Esq., Legislative Relations Program Manager, Office of the City Manager, City of Reno
Michael Alonso, representing Caesars Entertainment; and Peppermill Casinos, Inc.
Josh Griffin, representing MGM Resorts
Mike Draper, representing Grand Sierra Resort

Chairman Ellison:

[Roll was called. Rules and protocol were explained.] We will begin by opening the hearing on Senate Bill 473.

Senate Bill 473: Revises provisions relating to the Office of Grant Procurement, Coordination and Management of the Department of Administration. (BDR 18-839)

Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce:

Thank you for allowing us the opportunity to provide remarks regarding Senate Bill 473. I would also like to thank Senator Kieckhefer for bringing this

bill forward through the Senate and to present today before this Committee. Senate Bill 473 is the first bill in a three-bill package that aims to strategically and significantly move Nevada forward in getting its fair share of federal grant funding. For nearly 40 years, Nevada has been the last, or very near last, in the rate of federal grant funding it receives. That means for decades Nevada has sent its federal tax dollars back to Washington, D.C., but instead of receiving its fair share of funding back, the dollars have been redistributed to 49 other states. In fact, based on a 2014 analysis of Nevada's grant levels, our state receives \$529 million less than its neighboring states in the Intermountain West region.

Improving Nevada's rate of return on federal grant funds will allow us to increase the quality and quantity of services that benefit all Nevadans and reduce the burden on the General Fund. Importantly, it does so without increasing the tax burden on Nevadans. It increases the efficiency in use of federal taxes Nevadans are already paying. Senate Bill 473 aims to ensure that Nevada fully utilizes, when possible, grant funds it is awarded. It accomplishes this by establishing a process for the Office of Grant Procurement, Coordination and Management, Department of Administration, to work with state agencies to identify two components: unused funds, and opportunities for them to be used before the grants terminate and the unexpended funds are returned to the federal government.

Senate Bill 473 is about ensuring Nevada has a process and practice to take a careful look at each grant award opportunity and put every grant dollar to use, if at all possible, before returning money to the federal government. In the last few years, Nevada has been making valuable progress in identifying, procuring, and utilizing federal grant funding revenue. The Office of Grant Procurement, Coordination and Management, Department of Administration, commonly known as the Grants Office and created by this body in 2011, is reporting nearly \$60 million in new grant funding this fiscal year.

The goal of Senate Bill 473 and the total package of federal funding bills that are being considered by this legislative body will move our state further down the road. This is a priority for the Las Vegas Metro Chamber of Commerce because it will benefit our entire state. This is good public policy and a commonsense approach to addressing this issue. Miles Dickson, representing the Nevada Community Foundation, will address the specifics and the technical components of the proposal.

Miles R. Dickson, representing Nevada Community Foundation:

Mr. Moradkhan has done a great job covering most of my content. I would like to make a few remarks on federal funding in general. As you all know and have

heard many times, the state has not had the pro rata share of federal funding that many states enjoy, in fact that all 49 states typically enjoy, over us. The effect is that we send money to Washington, D.C., but instead of getting back our fair share, those dollars are redistributed to 49 other states and several territories. The consequence is that we have less funding to pay for quality and quantity of programs, and we have a higher burden on the General Fund as well.

With this package of bills, we are looking carefully at the state's process to identify, procure, maintain, and fully utilize federal funds. Senate Bill 473 deals with the last piece, fully utilizing federal funds. The federal grant process, as represented on page 9 of the presentation ([Exhibit C](#)), is a pretty cumbersome process. At the end of the process, unused federal grant dollars will be returned to their authorizing agency. With S.B. 473, we are asking to establish a process by adding two pieces to the enacting legislation of the Grants Office: 1) for the Grants Office to act as a clearinghouse for unused funds, and 2) for agencies of the state to notify the Grants Office when there will be unused funds. You can see the diagram. At the tail end of each grant cycle, we would have the opportunity to cycle dollars back through the process to ensure that the state has a second bite at each apple. The effect is to reduce the amount of dollars we are returning to Washington, D.C.

On slide 10 ([Exhibit C](#)), you can see the specifics of the technical legislation. On slide 8 ([Exhibit C](#)) are the goals and reasoning. Essentially, we are looking at reducing the amount and rate of awarded federal grant funds that go unutilized by the state and are, in turn, returned to the federal government. We are looking at empowering the Grants Office to identify and coordinate opportunities for the state to fully utilize awarded federal grant funds. We are building on the existing statutes, keeping with legislative intent in the Grants Office's core competencies.

As Mr. Moradkhan mentioned, federal funding has been an issue for the state of Nevada for nearly 40 years. We are losing about \$529 million annually according to a 2014 analysis of what other Intermountain West states receive in grant funding. That is equal to about 75 percent of the entire gaming revenue tax in this state. It is a very significant amount of money. Since 2011, this Legislature created the Grants Office, which has been making tremendous progress toward improving the state. Just last year, they were responsible for and involved in bringing in \$60 million in grant funding. You can see highlights of their accomplishments on slide 5 ([Exhibit C](#)), which include over \$44 million in Department of Education early childhood funding. Federal grants represent a significant opportunity for this state to return Nevadans' taxpayer dollars to them for local use. Senate Bill 473 is one piece of that puzzle, and we hope you will support it today. I am happy to answer any questions.

Chairman Ellison:

Over the last two sessions, this body hired more people to do grant work. Last session and the session before, Assemblywoman Kirkpatrick headed that effort to make sure that a grants bill passed. Now are you saying we are not going after and receiving these grants?

Miles Dickson:

We are absolutely going out and getting grants. I would refer you to the Grants Office's biennial report, which highlights some of their accomplishments.

Chairman Ellison:

We are already applying for grants; we hired a lot of people to do this. You are saying we are still leaving money on the table. Please explain what you are trying to say.

Miles Dickson:

The state is making progress. The Grants Office is responsible for a lot of that progress and is involved in a lot of it. I am saying that the state is still not receiving as much as it could. I should clarify that federal funding is difficult to track. We end up with numbers two years after they are released, so we are waiting on progress from the federal reporting side. The state is absolutely increasing its share of grant funds. The aim of these bills, and we hope that it is also the aim of the state, is to grow Nevada's grants infrastructure at a rate that keeps up with what we are losing. One way to look at it is yes, we are adding people, and yes, they are making progress; but is that progress at the time and the scale that this state needs or would like? We think we are losing about \$500 million, and the Grants Office, not including all federal funding in this state, is securing \$60 million. That is fantastic progress, and the Grants Office has done a wonderful job of securing that. These bills, and S.B. 473 specifically, look at ensuring that once we receive federal grant funds, we use as many of those dollars as possible before returning them. This bill does not add staff to the effort.

Chairman Ellison:

I agree, but the Grants Office already has the authority to go after and administer grants. Is that correct?

Miles Dickson:

I will defer to the Grants Office, but yes, the state does have the authority to go after grants. Senate Bill No. 233 of the 76th Session created the Office of Grant Procurement, Coordination and Management and empowered it to identify, secure, and work to maintain federal grants.

Chairman Ellison:

It looks like we already created it. We already implement it. I do not understand why we need this.

Sheila Lambert, Chief of Grants Procurement, Office of Grant Procurement, Coordination and Management, Department of Administration:

We are neutral on this bill. I want to make some clarifications in terms of the Grants Office staff that the Legislature did support. The Grants Office has three employees responsible for the procurement, management, and coordination of grants statewide. Other grant positions are specifically to run those grant awards and programs for the other agencies. When we talk about our grant staff, we would want to make the clarification that it is those individuals employed within the agencies responsible to write and go after those funds, rather than those Grants Office staff members, who would administer and ensure that we are federally and state-wise compliant with those regulations.

In terms of what we are or are not leaving on the table, in our analysis we have determined an opportunity for \$150 million or less in this state. Part of that comes up with matching funds, of which we need to do a better job of working with our philanthropic community and others to identify opportunities for matching funds.

Chairman Ellison:

Are there any questions from the Committee?

Assemblyman Stewart:

Ms. Lambert, the Legislature created your agency in 2011. You have a total of three people in your office. Is that correct?

Sheila Lambert:

Yes, sir. We currently have three people in the Office of Grant Procurement.

Assemblyman Stewart:

Last fiscal year, you brought in \$60 million in federal grants. Is that correct?

Sheila Lambert:

We brought in \$64 million dollars as of today for fiscal year 2015 in discretionary grant funds.

Assemblyman Stewart:

In nine months you have brought in \$64 million. Before your agency was created, how much money were we getting from federal grants? Do you know that number?

Sheila Lambert:

Are you asking about discretionary grant funds?

Assemblyman Stewart:

Yes.

Sheila Lambert:

I can provide that specific information to you later. I was appointed chief in March of fiscal year 2014, and from just the end of fiscal year 2014, the Grants Office brought in over \$20 million of discretionary grant funds. I think it is also important to note that there are federal grant awards that are discretionary and formula- and project-based. Our office is focused on those discretionary funds because the states are allocated formula funds based on specific populations. Those we do not have a large impact on. For example, formula funds, which make up the majority of grant funds in Nevada, could be for human immunodeficiency virus (HIV) populations, and we would be awarded a specific number of dollars for those individuals in a specific county or area who tested positive for HIV. Our focus is on those discretionary grants for which all states can be competitive, and it is an all-or-nothing sum game.

Assemblyman Stewart:

In fiscal year 2014, you took in about \$20 million, and so far this fiscal year you have taken in \$64 million. If we have several different potential federal grants, and we do not spend all of the funds for one health program—we were given \$10 million and we only spent \$8 million—then the remaining money goes back to the federal government. However, this bill would allow us to transfer the funds to another grant program so that we would not lose that \$2 million. Am I understanding this correctly?

Sheila Lambert:

There are specific bills, and some grants are for particular programs.

Assemblyman Stewart:

I realize that, but in some cases they are not. In some cases the grant funds could be moved over to a different area. Is that correct?

Sheila Lambert:

In very few cases that is correct. One example would be with the Department of Employment, Training and Rehabilitation (DETR), some vocational funds require 50 percent match. We are currently working with Clark County to see if they are able to come up with a match before some of those funds would have to be returned. There is an opportunity.

Assemblyman Stewart:

The whole point is to make this more flexible and have better use of the money that is available. Is that correct?

Sheila Lambert:

That is my understanding; we are not the author of the bill. In some cases we would be able to do that; in other cases we would be limited by the federal funder, who will determine what we can and cannot do.

Assemblyman Stewart:

In the cases where you are not limited, this would make it more flexible. Is that correct?

Sheila Lambert:

We could make the funds available and see if there is a program to utilize them.

Chairman Ellison:

Do you know how many grants are applied for by the state of Nevada each year?

Sheila Lambert:

Are you asking about discretionary funds?

Chairman Ellison:

I am asking about everything. I do not know how many grants for which we have applied for police and fire, and on and on. Do you know how many grants are applied for throughout the state? Do agencies have to come through you? Do they have to let you know what they are applying for?

Sheila Lambert:

Under *Nevada Revised Statutes* (NRS), the agencies are supposed to notify the Office of Grant Procurement. We are working on improving that participation. I do not have that answer for you right now, but I can get it for you.

Chairman Ellison:

It has to be in the hundreds.

Sheila Lambert:

Yes, sir. For each agency, particularly when you talk about health and human services or emergency management, there are a significant number of grants that are formula- and project-based. Look at the Department of Transportation (NDOT) alone, there are hundreds of grants. The ones our office tracks are the discretionary grants.

Chairman Ellison:

I think that was what Assemblyman Stewart was trying to get to. Some of these programs that might be alike, we might be able to do something with. If there is something germane to the grant topic, we might be able to transfer the funds instead of sending them back. It is something to think about.

Sheila Lambert:

Part of our job is definitely to make sure that Nevada utilizes every federal dollar, and this is one tool that has been presented as a mechanism to bring to light some of the monies that would not be spent.

Chairman Ellison:

I think that knowledge is important.

Assemblywoman Neal:

I was looking at the Strategic Plan for Performance Measures on your office's website. It is a draft, which is incomplete. How would the "clearinghouse for disseminating information relating to unexpended grant money of state agencies," as defined in section 1, subsection 1(h), work when the strategic plan for performance measures and what the money is doing and how well it is performing is not captured because the performance measure plan is still being drafted? The two things work together: If you cannot get the front end, how are you going to get the back end? Technically, when money comes through, the idea was that there was supposed to be a strategic plan and performance measures. Did you meet the need of what you are supposed to be doing? I am assuming that is why you did the Community Needs Assessment and have had an ongoing conversation about what you need to meet, how you need to meet it, when you need to meet it, and what the funds are that you would seek or gain in order to achieve the mission. That is the basic foundation. Please explain how you can be a clearinghouse when the performance metrics are not complete. I do not understand.

Miles Dickson:

I will defer to Ms. Lambert in a moment. I would like to make sure we are very clear that this legislation is the genesis of individuals like me who research federal funding and our partners. We have been in communication with the

Grants Office. I want to make sure that Ms. Lambert is not responsible for connecting the legislation we have proposed with their strategic plan.

I will offer from our point of view, this state has struggled with federal funding for four decades. We researched quite a bit of legislative history; we can go back to legislation in 1978 when former Senator Floyd Lamb worked in these halls addressing the need for more information for progress for infrastructure. Federal funding has shifted significantly in the last decade and a half, especially since the curtailment of earmark spending in 2009. States are grappling with how to deal with their grants infrastructure. It is a learning process and it is made absolutely no easier by the federal government. The federal government has almost 1,700 different grant programs that are formula- or program-based. Even the states that are, if you will, significantly ahead of us in these efforts, such as Illinois and Maryland—10, 12, and 15 years in some cases—are still grappling with issues of what the performance metrics are, how much they should expect, how they juggle the challenge of making sure they get their fair share of federal funding, and the challenges that go along with that. You mentioned policy priorities, such as hungry children or education. Many states will base their federal funding programs around the policy priorities of the state.

Assemblywoman Neal:

I would like to make a clarification before you go further. My issue is: if you want to compile the unexpended amounts of grants, yet the performance measures and the strategic plan or policy for how that money was spent is not clear or not complete, then how can you get an accurate assessment or dialogue on the unexpended money when the information you will receive about the unexpended money has no relationship to a performance metric?

Sheila Lambert:

Every grant we submit does have a performance metric included within the grant. There are specific requirements mandated by each program that we work on and those individuals who manage those programs are responsible for meeting the criteria. I may not be understanding your question.

Assemblywoman Neal:

There is a link on your website that reads, "Nevada Strategic Planning and Performance Information." There is a PowerPoint and another link entitled, "Drafting a strategic plan and performance measure." Then it takes you to a Microsoft Word document, which is a draft with goal work sheets and different things. It is a draft, so it is not complete, final, or comprehensive. You are still working out issues in your own office in terms of how you are reporting information. I am thinking that if you do not have a plan about the

money coming in and the relationships to the agencies that are receiving it, making sure the money worked for them, then how can you have a conversation about the unexpended money? You do not know how the money was used, yet you are going to capture information about unexpended funds. The question is: What did you do with the funds that you did use?

Sheila Lambert:

The Office of Grant Management website has a link for planning that is not part of our office. I would be happy to provide you with a copy of the strategic plan for the Grants Office. I think that is the confusion. The Office of Grant Procurement and Management is not part of the planning unit, although they do have a link on our website. I apologize that I was not following your line of questioning.

Assemblywoman Neal:

Okay, that makes sense. Other offices have material on your site that does not belong to you.

Sheila Lambert:

Yes, ma'am. I would be happy to make sure you get a copy of our strategic plan and how the Grants Office is working to identify programs and priorities that are based on directives from the Legislature and the Governor and our accountability measures for the Office. In fact, we do not work on grant programs that are not in an agency strategic plan as a priority for the Office.

Assemblywoman Neal:

Is the Community Needs Assessment yours or someone else's?

Sheila Lambert:

In the state of Nevada, we have so many different community needs assessments that unless I was looking at it, I would not be able to tell you if it is ours or not.

Assemblywoman Neal:

It would be helpful to clean up your website and get other offices' materials off so that we know what belongs to the Grants Office.

Sheila Lambert:

I appreciate those comments. If you are confused by some of that information, then we want to follow federal and state transparency. We want to make it clear to everyone. We will work on that.

Assemblywoman Joiner:

This bill sounds like a great idea. None of us wants to leave money on the table, especially if it comes from the federal government. We want to figure out how to use it for our own citizens. I have no problem with that. My problem is with the realistic implementation of this, so I have some questions about definitions.

I have a lot of experience with administering grants, having worked at the Department of Health and Human Services (DHHS) recently. I can think of all kinds of examples where the term "unexpended grant money" would be really difficult to define. I say this because we never left a dollar on the table if we could spend it on people, but sometimes the caseload was lower than expected, or we would have a staff vacancy based on a timeline that had changed. Technically, that is unexpended money, but it was never money that we would have the authority to turn around and spend anywhere else. Sometimes we would ask for it to be rolled over to the next year or we would ask for an extension from the federal government. Every grant is a little different. I cannot even picture how I would report this to you all in my most recent job as Deputy Director of DHHS.

What are you picturing as far as unexpended grant money? Is it only in the cases where you think the money could be matched? That makes sense to me. If an agency came to you and said, "We really need help finding a match for these dollars. We can spend it if we have private dollars; would you help us?" I do not think that is what this bill does. It seems to be much broader, and I think it might be confusing for the public. I can think of one large grant we had at DHHS where we did not have the authority to spend the money either from International Finance Corporation or the federal government because the timeline had changed, yet the dollar amount would look large to the public. Could you explain how you arrived at that language or what the definition would be in the real implementation of this?

Miles Dickson:

You are absolutely correct in terms of not all grants working, and it can be very difficult. The measure is about providing one more shot for some of these grants. It will not work in all of them. In terms of a specific definition, I believe the legislation is written such that the Grants Office would provide the form or prescribe the form in which that information would be reported by agencies. It would be at their discretion to inform that. Regarding the question about match funding and eligibility, as Ms. Lambert had mentioned, they had a request from DETR looking for match funding.

Senate Bill 473 is creating a process. It requires notification and empowers the Grants Office to act as a clearinghouse. It will not necessarily mean that every grant, or even a majority of those grants, if unexpended is the definition, will apply. I will defer to the Grants Office to come up with a definition for "unexpended" based on their prescription. We are looking for a process by which agencies notify the Grants Office, which is empowered through its enacting legislation to be responsible and involved in grants throughout the state. Agencies notify and the Grants Office maximizes those opportunities.

Assemblywoman Joiner:

I understand you to say that the Grants Office will determine the definition of "unexpended" grant money.

Miles Dickson:

That is correct.

Assemblywoman Joiner:

The intent is that the only funds required to be reported would be unexpended grant money that could be diverted or repurposed somehow. Anything that has strict requirements from the federal government as to how it has to be used would not need to be reported, then. Is that correct?

Miles Dickson:

"Could" would be the operative word there; not everyone must. We are not setting it up to where grants must be redistributed because that will not work.

Assemblywoman Joiner:

In section 2 of the bill, where it says that I, as an agency, would have had to report to the Grants Office any unexpended funds, I think that is really broad language. That is my concern. I appreciate that you put the intent on the record that it would be any unexpended funds that do not have restrictions and can be used somewhere else.

Miles Dickson:

They would be eligible for use, if you will.

Assemblywoman Joiner:

Thank you.

Assemblywoman Dooling:

My question is for Ms. Lambert. You have testified as neutral to this bill. Can you tell me why you are neutral to this bill?

Sheila Lambert:

The Department of Administration is neutral to the bill because it has not been able to fully recognize what the impact would be to the state agencies as of yet. There are a number of burdensome requirements under the existing legislation, although they are much needed. Not really understanding in complete detail what those definitions were going to be, we were waiting for the hearings to see what the intent of the sponsors and of the Legislature was to determine whether or not the Department would come back with that support. Before the Grants Office would want to support additional reporting, we would want a very clear understanding of what we would be obligating other state agencies to do and their responsibilities in this role.

Assemblywoman Dooling:

I am assuming you have read the bill. Would you request an amendment that would help you understand that?

Sheila Lambert:

We are currently researching that. I will be working with the director and deputy director of the Department of Administration and will be able to provide you a response.

Assemblywoman Dooling:

I would like a copy of the strategic plan you were speaking of with Assemblywoman Neal as well.

Assemblywoman Neal:

Did the intent of the bill change from the Senate to the Assembly? Did they explain the intent during the hearing in the Senate?

Sheila Lambert:

Yes, ma'am, they did. However, I was not in attendance at that hearing.

Assemblywoman Neal:

When did you find out about this bill?

Sheila Lambert:

We knew about this bill when it was introduced.

Assemblywoman Neal:

Have there been any changes from the introduction or the Senate hearing to now?

Sheila Lambert:

On this bill, no, ma'am. We are attempting to evaluate the three bills that were presented as a package and look at how the sponsors presented them and the impact each bill would have. They were presented as a package. There have been significant changes to Senate Bill 213 and Senate Bill 214, so we have been evaluating those bills as a package and not individually. Hearing your questions and concerns now, we need to go back and look at this as an individual bill.

Assemblywoman Shelton:

I would like clarification on Assemblywoman Joiner's comment about unexpended funds. Are you saying that grant money that does not have strings attached to it could be used elsewhere? Do not all grants have some type of restrictions on them?

Miles Dickson:

I would not say that 100 percent do, but virtually all grants do have some level of requirements—strings, obligations, performance measurements, et cetera. Therefore, in almost all cases in exchange for accepting a grant, you comply with a work plan. Some of those are highly restrictive and very selective in their uses and there is no way they would be translated at the back end into another project. However, there are some instances in which grants can be repurposed. If you think about a very general, or for that matter a very specific program, we can identify different organizations across the state that do similar programming. Our goal is to make sure that the agencies of the state are communicating to the Grants Office that they have unused grant funds, then the Grants Office would have an opportunity to identify and disseminate those unused funds across the state so that there are places in which those funds might be reused.

Assemblywoman Joiner:

What is the relationship of your organization to public entities? What is the motivation for your organization to support this measure and bring it forward?

Miles Dickson:

My client on this occasion is the Nevada Community Foundation. The chairwoman of the Board of the Nevada Community Foundation is in Las Vegas, and I know she plans to testify. She may be able to share a little bit about the Foundation's interest. I can tell you that the Foundation is one of the largest grant-making foundations in the state.

I have spent the last five and a half years working in and around nonprofits and philanthropy, and I can tell you first hand that in many cases philanthropists and

nonprofits work very hard to put resources into communities across this state to deal with everything from critical needs to measures to create more opportunities for Nevadans. We know there are federal funds that these organizations can use that they are not accessing right now.

My background in this issue is about six years ago, in law school, I wrote my papers on the jurisprudence and the ability for the federal government to condition spending. For me, it is an issue that tracks back six years. The reason I wrote that paper is because at the time I worked at Three Square, southern Nevada's food distribution hub. As we considered the hunger gap in southern Nevada, it became very, very clear that we would not be able to feed all the hungry people, the folks in southern Nevada who needed assistance, unless we participated in a more meaningful way in federal programs. For me, the history in federal funding is pretty deep. I will tell you that I do not have the technical expertise on the grants side that I understand you have, but we are very hopeful as a group, and we are turning to the state saying we recognize that great progress has been made.

I should be very clear: Ms. Lambert and her team and this state are making progress. Procuring \$60 million when we did not have it the year before is huge. The question is: How can we get down the road further and faster so that we not only make sure our nonprofits, local governments, or the state government are able to deliver services at the quality and quantity that you all determine is appropriate, but equally as important, that taxpayers and corporations, such as my organization and those the Las Vegas Metro Chamber of Commerce represents, are seeing and appreciating an effort to return Nevadan's tax dollars to them? When we send money away and we do not get a share back, we end up having to fund programs out of more local revenue. We are looking for good tax policy, and ultimately the use of those funds in the quantity and quality of services. You all may suggest otherwise, and I would defer to you to make those choices.

Assemblyman Stewart:

You referred to the lack of money we are getting back from the federal government. For approximately every dollar that we send, how much are we getting back from the federal government?

Miles Dickson:

The calculations vary depending on the year. As I mentioned earlier, the federal government does not make this stuff easy to track, unfortunately. Over the last decade, we have seen ranges from about 62 cents to about 73 cents per dollar.

Assemblyman Stewart:

The most we have gotten back from the federal government in the last decade or so is 73 cents on every dollar we have sent to Washington, D.C.

Miles Dickson:

That sounds about right, but I can provide you an exact number so I am not misspeaking.

Assemblyman Stewart:

This would be helpful in boosting that number up into the 80s. Is that correct?

Miles Dickson:

I will not venture quite to what the number will be. I will say that when we look at organizations such as the Pew Charitable Trusts, which operates at a national level and tracks this very extensively, I think there is a delta between our \$529 million, the Grants Office's \$150 million, and the Pew Charitable Trusts, which comes up around \$420 million. The number varies depending on how you approach it, but yes, there is significant progress for this state to make.

Assemblyman Stewart:

Right now, we are losing about \$1 billion each biennium that other states around us are acquiring. Is that correct?

Miles Dickson:

Based on our analysis, yes.

Assemblyman Munford:

In my district there are quite a lot of nonprofit organizations and groups. They always tend to be funded or financed through grant money. This bill makes more money available for the nonprofits to utilize. To which level of the government do the nonprofits normally apply for grants? Is it the state, local, or federal government?

Miles Dickson:

The vast majority of federal grant funds flow through a state. It flows from a department of a federal agency or the federal government to a state government, and the state government sub-grants down or uses the funds for its own programming. In the 501(c)(3) scenario, they apply for grants from philanthropic organizations, such as the Nevada Community Foundation. They may apply for funds at the local government level. For example, if they were doing a building, they may apply for community development block grants (CDBG). Often, nonprofits do receive state funding. It is infrequent that

nonprofits, especially smaller, community-based 501(c)(3)s, apply for funding directly to the federal government. Any of you who have seen forms that you send to the federal government, they are not easy, they are not simple. You end up with a capacity issue at the 501(c)(3) level, especially the smaller, community-based ones. They do not have the scale or the expertise to interface with the federal government.

Assemblyman Munford:

This is basically going to be giving people the possibility or opportunity to elevate themselves and improve their lives. That is the focus of this bill, is it not?

Miles Dickson:

The best among them hopefully accomplish that, Assemblyman Munford. From a regulatory standpoint, you enjoy a 501(c)(3) benefit from filling out several forms and maintaining regular compliance, and that is conditioned upon serving some sort of public benefit. In the most optimal scenario, you have 501(c)(3)s, local governments, and state government working alongside philanthropies to make sure that gaps in programming and services are being filled, dollars are not being duplicated.

Chairman Ellison:

Is anyone wishing to testify in support of S.B. 473?

Tray Abney, Director of Government Relations, The Chamber of Reno-Sparks-Northern Nevada:

We support this bill. In this room tomorrow there will be a very important meeting that will mark the beginning of the end of this regular session. That is when decisions will have to be made about how much we are going to spend over the next biennium and how much or what type of revenue we are going to raise. The point being, as we talk about potentially raising revenue from the people of Nevada, we have to ensure we do everything possible to utilize current dollars we have and, hopefully, to get more dollars that we are owed and deserve from the federal government. We think this is one piece of it; this is not the complete puzzle. This is one piece of the puzzle to ensure that we better spend and utilize those federal dollars. We support this bill.

Shelly Capurro, representing John Ritter and the Focus Property Group:

We are in support of S.B. 473, and we are in support of the efforts of the state managing the federal grant money they receive.

Chairman Ellison:

We need a lot of these grants for municipalities and cities. Is there anything out there we can utilize for commercial areas other than fixing sidewalks and beautification projects? Is there anything out there we are missing that could help small businesses?

Tray Abney:

I do not have any specific items we are missing. I know our local governments use a lot. They utilize the CDBG funds and things like that. Of course, fixing up and beautifying and providing sidewalks obviously helps the entire community, plus those businesses located there, and helps tourism and economic development. I cannot answer your question about specific grants we are missing or which we need more.

Samuel P. McMullen, representing Las Vegas Global Economic Alliance:

We clearly support this effort too. In answer to your question, there are a number of instances I am aware of in my many years doing this where they have grants that go to private or commercial purposes that actually are beneficial to the state. One I can share with you is we have just recently completed a three-year program working with Medicaid and Medicare funds where if the state leaves money on the table in Washington, D.C., it could come to the state because of certain configurations as to where the money goes. We actually collaborated with the health care system and had services provided here and the ability to get the money here transferred elsewhere to make sure that we had a whole consortium of interest. I think that is a classic example of government and the private sector doing things I think you all would be much more interested in, which is helping diffuse finance issues in the state. We believe we brought around \$95 million annually into the state with a consortium of people for those who do not have all of the money to pay for their health care.

Chairman Ellison:

That would also cover pharmacies and medicine for senior citizens.

Samuel McMullen:

Exactly. The reason I use that example is it is an interesting public-private partnership to make sure we get more funds for the people in this state and budget relief.

Chairman Ellison:

Are there questions from the Committee? [There were none.] Is anyone else wishing to testify in favor of the bill?

**Maureen Shafer, Executive Director, Council for a Better Nevada; and
Chairperson, Nevada Community Foundation:**

I am here to testify in support of the bill. I would like to thank Miles Dickson. He has been a terrific representative of both of our organizations. The last three years, both of our organizations have researched this issue on behalf of Nevada. The Council for a Better Nevada is a group of 25 chief executive officers representing the state who pursue a better quality of life for all Nevadans. The Nevada Community Foundation represents the social sector.

This is an important issue, as Mr. Abney represented very appropriately, because we ponder revenue enhancements for the state today. This is something where we have a tremendous opportunity to be extraordinarily forward-thinking and go back to the federal government to look for tax dollars we can recover and build appropriate infrastructure that we have begun doing through the Grants Office with your support. There is a plan we are presenting to you today in that endeavor. Thank you for your consideration of that plan. We have been thinking about this the last couple of years and are excited about it and excited for your feedback. On behalf of these two organizations, we urge your support for this bill and look forward to your further input.

Chairman Ellison:

Are there any questions from the Committee? [There were none.] Is there anyone wishing to testify in opposition to the bill S.B. 473? [There was no one.] Is there anyone wishing to testify as neutral to the bill? [There was no one.] Would the presenters of the bill like to make any closing remarks? [They did not.] We will close the hearing on S.B. 473 and open the hearing on Senate Bill 480.

Senate Bill 480 (1st Reprint): Revises the membership of the county fair and recreation board in certain counties. (BDR 20-1113)

Greg Ferraro, representing Nevada Resort Association:

I am here today to present Senate Bill 480 (1st Reprint). For a brief bit of background, I would like to explain the history and evolution of this measure, then I can walk you quickly through the bill. It is not nearly as complex as the previous bill. The Nevada Resort Association began discussing the need for this issue last summer. Let me explain to you who the Resort Association is as to its northern membership; it includes the Peppermill Hotel and Casino; Caesars Entertainment and its Harrah's Reno property; MGM with its Circus Circus Reno property and its 50 percent ownership of the Silver Legacy; the Eldorado Hotel and Casino and the other half of the Silver Legacy's ownership; the Atlantis; the Grand Sierra Resort; the Nugget; and Club Cal-Neva. We unanimously approached the Legislature to bring this legislation. In the meantime, we began

to build a coalition of support that includes the City of Reno; Washoe County; The Chamber of Reno-Sparks-Northern Nevada; and the Reno-Sparks Convention and Visitors Authority (RSCVA).

This bill proposes to reduce the number of members of the RSCVA from 13 members to 9 members. It only has application in Washoe County. There is a recognition that we are at a critical point in time as it relates to the tourism challenges that confront the region, and one of the solutions was to address the size of the board and to consider making it smaller and more focused, providing more expertise and greater efficiency, and make it easier to get a quorum and for staff to work with its members. Consequently, the Resort Association approached The Chamber of Reno-Sparks-Northern Nevada. The Chamber agreed to voluntarily reduce its membership from two members to one. We visited with the City of Reno, which also had two members on this board; they also agreed to reduce their membership by one. Washoe County had two seats and they agreed to reduce their membership by one. The motel seat is proposed to be removed from the board, leading to a nine-member board.

We are also proposing that we borrow from the Las Vegas Visitors and Convention Authority the way in which they select the chairman of their board. In Las Vegas, that board member is always someone who is publicly elected and representing one of the local governments. As you will see in this bill, on lines 8 and 9 on page 2, we are proposing to do the same, which would make the chairperson of the RSCVA one of the three elected persons who are on the commission.

This bill passed the Senate 21-0. We think it is necessary. We think it is appropriate. Many of our members are here. The president of the Resort Association, Richard Valentine, is here. We are happy to answer any questions.

There is an amendment ([Exhibit D](#)) that simply clarifies an inadvertent drafting error that occurred in the Senate. I will draw your attention to the amendment. It is just a word change that does not materially change the focus of what it does. It says, "One member who is a representative of interests related to tourism or other commercial interests or the resort hotel business." You will see in the reprint that it was an inadvertent wordsmithing problem, and we are just correcting that in the amendment. I am happy to answer questions for you. I know other members of the coalition are in attendance, and I am sure they would be willing to put their support on the record for you.

Chairman Ellison:

Can you describe the chair of the board?

Greg Ferraro:

Currently, the chairperson of the RSCVA is selected from any of its members, which today number 13, and include a majority of private sector members. With this bill, there will be a member from Washoe County appointed, a member from the City of Reno appointed, and a member from the City of Sparks appointed. Our change would require that the chairpersonship of the RSCVA be one of those three entities and their elected representative. On a rotating basis, for example, if the City of Sparks is the chairperson for this term, then it would logically follow that either Washoe County or Reno would be the next chairperson, unless they chose the representative from Sparks to continue. It would always be an elected member who chairs that board.

Chairman Ellison:

Are there any questions from the Committee? [There were none.] Those in favor of the bill, please come forward.

Samuel P. McMullen, representing Reno-Sparks Convention and Visitors Authority:

We totally accept these changes and support them. We also support the text of the amendment, which is basically to ensure that The Chamber has the full authority to appoint people who make sense for them. I will be happy to answer any questions.

Tray Abney, Director of Government Relations, The Chamber of Reno-Sparks-Northern Nevada:

We support this bill with the amendment submitted by Mr. Ferraro. I would like to thank Mr. Ferraro and his coalition for being patient with me and my organization as we got that language just right. As someone who reports to a 25-member board of directors, I can understand the need to make sure that boards can operate as efficiently as possible. We support this.

Lisa A. Gianoli, representing Washoe County:

Washoe County fully supports these changes and has taken action to support this.

Scott F. Gilles, Esq., Legislative Relations Program Manager, Office of the City Manager, City of Reno:

The City of Reno supports this bill as well. They have taken a vote of support unanimously. The support is for the reasons stated by Mr. Ferraro.

Chairman Ellison:

Are there any questions from the Committee?

Assemblyman Carrillo:

Mr. Abney mentioned something about efficiency. Do you feel that the reduction of board members from 13 to 9 would make the board more efficient as a whole?

Tray Abney:

Yes, sir. I think anytime you get a smaller group of people, it is easier to come to decisions, it is easier to act quickly. You have enough discussion, but the fewer people there are to go through and have that discussion would help them come to a decision.

Chairman Ellison:

Are there any other questions from the Committee? [There were none.]
Is there anyone else wishing to testify in favor of the bill?

Michael Alonso, representing Caesars Entertainment; and Peppermill Casinos, Inc.:

I am here representing Caesars Entertainment, which owns Harrah's Reno, and Peppermill Casinos, Inc., which owns the Peppermill in Reno and the Western Village in Sparks. We are here to support this bill for the reasons stated by previous testifiers.

Josh Griffin, representing MGM Resorts:

As previously stated, MGM Resorts owns Circus Circus and 50 percent of the Silver Legacy. We also support this bill for the reasons previously stated.

Mike Draper, representing Grand Sierra Resort:

We also very much support this bill and appreciate the opportunity to continue to evolve the RSCVA to better market our region.

Chairman Ellison:

Are there any questions from the Committee? [There were none.] Is there anyone else wishing to testify in favor of S.B. 480 (R1)? [There was no one.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral? [There was none.] Would the presenters of the bill like to make any closing comments? [They did not.] We will close the hearing on S.B. 480 (R1).

I would like to ask the Committee, since we heard two bills today with no opposition to either one, if they would like to schedule these bills for work session tomorrow or suspend the rules and send them out of Committee now. [Some Committee members requested that the rules not be suspended.] We will schedule these two bills for work session tomorrow. Is there anyone here for public comment? [There was no one.]

This meeting of the Assembly Committee on Government Affairs is adjourned [at 9:45 a.m.].

RESPECTFULLY SUBMITTED:

Aubrie Bates
Committee Secretary

APPROVED BY:

Assemblyman John Ellison, Chairman

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Government Affairs

Date: April 30, 2015

Time of Meeting: 8:37 a.m.

| Bill | Exhibit | Witness / Agency | Description |
|------------------|---------|---|-------------------------|
| | A | | Agenda |
| | B | | Attendance Roster |
| S.B. 473 | C | Miles Dickson, Nevada Community Foundation | PowerPoint Presentation |
| S.B. 480 (R1) | D | Greg Ferraro, Nevada Resort Association | Amendment |