MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS

Seventy-Eighth Session
March 20, 2015

The Senate Committee on Government Affairs was called to order by Chair Pete Goicoechea at 1:31 p.m. on Friday, March 20, 2015, 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 Pete Goicoechea, Chair
Senator Joe P. Hardy, Vice Chair
Senator Mark Lipparelli
Senator David R. Parks
Senator Kelvin Atkinson

GUEST LEGISLATORS PRESENT:

Senator Ben Kieckhefer, Senatorial District No. 16

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Policy Analyst
Heidi Chlarson, Counsel
Suzanne Efford, Committee Secretary

OTHERS PRESENT:

Paul Moradkhan, Las Vegas Metro Chamber of Commerce
Miles Dickson, Nevada Community Foundation, Accelerate Nevada
Duncan Lee, Director and Chair, Investment Committee, Nevada Community Foundation
Maureen Schafer, Executive Director, Council for a Better Nevada
Tray Abney, The Chamber

Paula Berkley, Food Bank of Northern Nevada
Shelly Capurro, Focus Property Group
Angela Castro, Regional Transportation Commission of Southern Nevada
Mike Mullin, CEO, Nevada Housing and Neighborhood Development
Janine Hansen, Nevada Families

Chair Goicoechea:
We will open the meeting with the introduction of Bill Draft Request (BDR) 31-409.

BILL DRAFT REQUEST 31-409: Creates the K-12 Public Education Stabilization Account. (Later introduced as Senate Bill 424.)

SENATOR HARDY MOVED TO INTRODUCE BDR 31-409.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Goicoechea:
We will open the work session on Senate Bill (S.B.) 158.

SENATE BILL 158: Revises provisions relating to collective bargaining by local governments. (BDR 23-704)

Jennifer Ruedy (Policy Analyst):
I will summarize S.B. 158 as contained in the work session document (Exhibit C).

Two proposed amendments are presented. The first proposed amendment is from Clark County, which changes the agenda posting requirement from 10 to 3 days.

Rusty McAllister, on behalf of the Professional Firefighters of Nevada, Clark County Firefighters Local 1908 and the Combined Law Enforcement Association of Nevada, presented the second proposed amendment. This amendment makes the provisions of S.B. 158 applicable to other employee agreements.

There are several fiscal notes; however, they all have zero impact with the exception of Elko County at $2,500 each fiscal year, White Pine County at $1,000 and White Pine County School District at $500.

Chair Goicoechea:
Clark County's proposal to move the posting requirement from 10 to 3 days is realistic because 10 days is difficult with which to comply.

Senator Lipparelli:
I will submit this as a comment that I am not sure that 3 days is enough time for public review.

Senator Parks:
Are the 3 days working days?

Chair Goicoechea:
Yes.

Senator Parks:
Are we considering the second proposed amendment?

Chair Goicoechea:
My problem with the second amendment is that the list would be extensive if other unrepresented employees to a collective bargaining agreement must be posted and documented.

Senator Parks:
I realize additional activity is required; however, that would level the playing field.

Chair Goicoechea:
The amendment is too broad.

> SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 158 WITH CLARK COUNTY'S PROPOSED AMENDMENT.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Goicoechea:
We will close the work session and open the hearing on S.B. 213.

SENATE BILL 213: Revises provisions relating to federal assistance received by agencies of the Executive Department of State Government. (BDR 31-838)

Senator Ben Kieckhefer (Senatorial District No. 16):
Senate Bill 213 and Senate Bill 214 are two parts of a three-part package of bills introduced in the Senate Committee on Finance. It came about after working with the Las Vegas Metro Chamber of Commerce and the Nevada Community Foundation (NCF) on issues regarding the State's receipt and use of federal grant money.

SENATE BILL 214: Creates the Nevada Advisory Council on Federal Assistance. (BDR 31-837)

This is an effort to address what has become a legacy problem for Nevada. For nearly 40 years, Nevada has ranked at or near the bottom of all states, and even some territories, in the rate of federal grant funds it receives from Washington, D.C. The annual cost to Nevadans because of this discrepancy is huge, $529 million annually, when compared to some of our Intermountain West neighboring states.

This series of bills is designed to move Nevada forward to increase its federal fund revenues strategically and significantly. Specifically, these two bills will provide the fiscal information, in cross-sector statewide leadership, our State needs to get its fair share of federal formula and competitive grant funds.

Increasing Nevada's federal funds revenue will yield hundreds of millions of dollars without adding additional tax burden. It will improve the efficiency of State government and provide this body with more opportunities for advancing its best ambitions for our State. Because of these outcomes, federal funding is a priority issue for Nevada's business community, which is why I have been working closely with the Las Vegas Metro Chamber to bring this legislation forward.

This is not a new issue. In 2011, the Legislature created the Office of Grant Procurement, Coordination and Management or Nevada Grant Office, in the Department of Administration. In addition, Governor Brian Sandoval has been working hard in the Executive Branch to identify and prioritize federal funding opportunities as they present themselves.

We have had some success. The State is submitting more grants and receiving more funds than it has before, both of which will bring the State a significant return on its investment.

Both S.B. 213 and S.B. 214, as well as the bill draft request that has not yet been introduced, are a result of the Federal Competitiveness Project, which is an initiative of the NCF. The NCF has identified challenges and solutions and has brought together private business, local government and community-based support organizations to support progress on this important issue for our State.

Senate Bill 213 requires the Chief of the Department of Administration's Budget Division to maintain a database of each request and budget submitted by each agency, institution and department of the Executive Branch to the federal government for federal assistance. In addition, the Chief must prepare an annual report containing certain information relating to federal assistance programs used by or available to agencies in each Executive Branch department.

The bill further requires the Legislative Counsel Bureau's Fiscal Analysis Division to prepare a report as to the advisability of using an available federal assistance program or discontinue the use of that program. The Chief is required to submit both reports to the Governor and to the Legislature annually.

Section 3 of S.B. 214 creates a 17-member advisory council and prescribes the membership. This council is tasked with reviewing and engaging federal fund opportunities. Sections 4 and 5 of the bill set forth the duties and powers of the council. Section 4 requires the council to meet at least once annually and authorizes the council to appoint committees from its members; engage the service of volunteers and consultants without compensation; and apply for and receive gifts, grants, donations and other monies from any source. The council is required to submit annual reports to the Governor and the Legislature outlining its activities and recommendations on or before December 31 each year.

Specific powers of the council are set forth in section 5. The council is to evaluate, monitor and advise State and local agencies how to obtain and maximize federal assistance. It is required to submit inquiries and request certain information in accordance with its stated purpose and to develop model strategies and guidelines to assist the individual needs and opportunities of State and local agencies.

The council is tasked to develop legislative and executive recommendations to address barriers to the acquisition of federal funds. Upon request, the council shall advise and assist an agency in implementing strategies to obtain and maximize federal dollars.

Both of these bills have fiscal notes.

Senator Lipparelli:
Why is there a 17-member council? Would you be open to a five-member council?

Senator Kieckhefer:
I am open to all interests. Perhaps 17 is large and unwieldy. There may be an opportunity to decrease the legislative representation on this council and look at agencies and local governments in terms of what funding sources might be available.

Chair Goicoechea:
When we talk about the advisory council, what interaction would members have with the Chief of the Budget Division? Is it correct that because they have the same agenda there would be some interaction?

Senator Kieckhefer:
I thought that the head of the Department of Administration was on the advisory council, but I may be mistaken. That can easily be reviewed in the makeup of the committee.

Chair Goicoechea:
I realize that we are only looking at the policy side of this. However, the advisory council findings should go hand in hand with the Budget Division.

Senator Kieckhefer:
I agree with that.

Senator Parks:
Senator Kieckhefer, you were one of the primary cosponsors on S.B. No. 233 of the 76th Session, which created the Nevada Grant Office. Do you have information on the productivity of the Office and the funds generated? The impetus for the creation of the Nevada Grant Office was to centralize and improve obtaining federal dollars. Do you have any numbers?

Senator Kieckhefer:
The best I have is anecdotal information. I have heard positive things about the Nevada Grant Office. As a percentage, our federal dollars have increased in the past 4 years. A large portion of that is because of the increase of our Medicaid population under the optional expansion.

Paul Moradkhan (Las Vegas Metro Chamber of Commerce):
For nearly 40 years, Nevada has ranked at or near the bottom of all 50 states and several territories in the pro rata amount of federal grant funding it receives. Recent reports from the Lincy Institute at the University of Nevada, Las Vegas, have estimated the costs to Nevada, based on a comparison of Intermountain West states, is a staggering $529 million per year, excluding Medicaid.

Every year, Nevada businesses and families pay their federal taxes despite not getting a fair share of federal grant money. Our tax dollars are not put to local use; they are redistributed to the other 49 states to pay for better education, higher qualities of life and other economy-growing programs. In the absence of these federal funds, we must rely on the General Fund, municipal funds and philanthropic dollars to close the gap. Sadly, none of these sources has the capacity needed to do so.

To be clear, increasing Nevada's federal grant revenue does not eliminate the need for other immediate revenue enhancements. However, increasing federal revenue funds will have a profound near- and long-term positive impact on the State's ability to stabilize its budget, grow the quality and quantity of programs available to Nevadans, and reduce the need for future local revenue enhancements.

In short, increasing federal revenue provides additional funding to the State as another revenue option to enhance state programs and to meet the needs of our citizens. This body took an important step in the 76th Session by creating the Nevada Grant Office. Similarly, the Governor's Office has worked diligently to identify, secure and utilize federal grant opportunities.

The Las Vegas Metro Chamber of Commerce, on behalf of the statewide business community and its partners, supports S.B. 213 and S.B. 214 because they are good governance measures that move Nevada closer to obtaining its fair share of federal grants.

Chair Goicoechea:
Senate Bill 213 has a significant fiscal note.

Miles Dickson (Nevada Community Foundation, Accelerate Nevada):
I have submitted a list of grant highlights that Nevada has obtained recently (Exhibit D). It contains everything from veterans services benefits to workforce development programs and from significant funding for education to mental health programs. It is important that when we discuss federal funds, we do not always construe them as bridge-to-nowhere funds or an invitation to undue influence from the federal government.

My interest in federal funding began about 6 years ago when I worked at Three Square, southern Nevada's community food bank. At that point and on many occasions since, I have seen how the low amounts of federal grant funds can cripple a program's ability to serve Nevadans. In law school, I researched and wrote on the U.S. Congress's ability to condition federal funds, such as what are the limits; what do they do; and how long have they done it.

We will propose a few amendments that are based on input from the Nevada Grant Office. Our hope is that the amendments will reduce the fiscal note on S.B. 213. Many of the things we are looking at for reporting and tracking are already followed, so there is a solution.

Senator Lipparelli:
You spoke about the federal funds we lose each year. Can you explain why we are not getting these funds?

Mr. Dickson:
Yes, I can. Federal grants are programs that date back to the founding of America. The Continental Congress issued the first set of federal grants to support education in the Northwest Territory. In 1808, America began its first cash grant program to help states support and raise the National Guard. There is a long history of federal grant program use.

In the 1980s, the Ronald Reagan Administration spent much time, energy and political resources reorganizing these programs to streamline and target them for use and to increase efficiency.

In the late 2000s, congressionally directed earmark grants were curtailed. This was a significant turning point in the way federal grants were allocated to the states. Today, the federal government distributes hundreds of billions of dollars every year through federal grant programs.

In fiscal year 2011, the federal government distributed $514.6 billion in grants through 26 agencies and approximately 1,700 different programs. The federal government and subsequently state and local governments use grant funding for many policy reasons. One that often comes to mind for many people is the ability for the federal government to influence state and local government activities by conditioning performance of funds.

The Twenty-First Amendment to the U.S. Constitution empowered states to control the sale of liquor. In recognition of an increasing number of highway deaths due to DUI, the federal government sought to establish the age of 21 as the minimum drinking age. Unfortunately, the federal government could not do that constitutionally, so it conditioned the allocation of U.S. Department of

Transportation funds on the states' elective choice to establish the age of 21 as the minimum drinking age.

I share this because some may think of federal funds as being coercive. A strong body of constitutional law limits the ability of the U.S. Congress to be coercive. Instead, this is often pushing good federal policy that sits beyond the purview within the Commerce Clause of the U.S. Constitution.

Another important policy reason for federal grant funding is to create economic efficiency by placing decision-making at the local level. The federal government does not always operate as efficiently as we would like it to. Grant programs are based on raising and aggregating funds via tax dollars from around the Country and distributing those tax dollars at the local level for federal policy priorities. Through the administration of state governments, local governments and nonprofits, dollars are brought closer to the problems they want to solve.

Federal grant programs are used to stabilize the national economy. Many grant programs direct funds to communities most in need of funds. Therefore, grants have the effect of fueling more dollars into weak economies and reducing the dollars in strong economies.

In the past several decades, Nevada has had low participation in the federal grant system. Our challenge is well-documented as mentioned by Mr. Moradkhan in the Lincy Institute study. At the national level, the Pew Charitable Trusts had findings similar to the Lincy Institute and, even though the reporting is fragmented, the federal government echoes these findings, as do numerous state commissions.

Senate Concurrent Resolution No. 14 of the 61st Session directed the Legislative Commission to review the growing rate of federal funds in local governments. It found no agency within the State tracking federal dollars.

In 2003, the Governor's Task Force on Tax Policy in Nevada found that the State's revenue mix was not sufficient and that increasing the share of federal funding would partially mitigate the revenue challenges.

In 2010, the Nevada Spending and Government Efficiency Commission (SAGE) reported that "the lackadaisical attitude of public employees and officials throughout Nevada toward identifying and then relentlessly pursuing grant opportunities was puzzling to commissioners," and that "a strategic, managed focus on this opportunity as does almost every other state … should be a full-out, statewide effort … ." Because of those recommendations and the leadership of the 76th Session, the Office of Grant Procurement, Coordination and Management was created and has been making progress.

As part of our research project over the last 1 1/2 years, we interviewed dozens of State employees and reviewed how other states manage this. We have classified challenges in three areas: procedural, structural and low capacity in State and local governments and nonprofits for procuring and administering grant funds.

The procedural and structural challenges are primarily at the State level because of a real and perceived lack of match funding available for grants, which slows and inhibits grant procurement and administration. Federal grants require some level of match or maintenance of effort dollars that must be supplied by a state or local government or a nonprofit. Match funding was the main reason the State does not seek federal grants. However, nothing tells us the amount of match funding needed. The low capacity for procuring and administering grant funds is primarily in human capital in both sheer hours and technical expertise.

In the last few years, the Nevada Grant Office has made great progress, with the Governor's leadership, in identifying and moving toward many grant programs such as the Medicaid expansion.

We have submitted a presentation on S.B. 213 (Exhibit E) which highlights the bill language as introduced. However, we intend to propose an amendment to S.B. 213.

Chair Goicoechea:
Are you considering amending S.B. 213?

Mr. Dickson:
Yes, we are considering amending it based on recommendations from the Nevada Grant Office and others. It concerns the amount of reporting and tracking we are asking for, specifically in section 1, subsection 3, paragraph (b). It requires the tracking of federal assistance available to each department for

which it did not apply. This would require the agency to scan the entire federal docket for grant funds. It is an important step for this State because it shows federal grant funding opportunities. However, it may be too much, too soon.

In place of that, we are asking for reporting and tracking from each agency and department on three issues: the dollar amounts of federal grants applied for; the amounts received; and the amounts spent. That is the baseline information that anyone who writes about and follows this issue thinks you need. In private business, it would be similar to knowing your revenue, expenses and cash on hand. They are the three things necessary to make good financial decisions.

It is not in the legislation because we are staying away from prescribing exact process. About 8 years ago, the State of Arizona, under then-Governor Jan Brewer, instituted a process requiring every agency and department to submit an attachment with its annual budget showing what was applied for, what was received and what was used. The Arizona practice goes several steps further; however, we are not asking for that yet.

For now, those three issues will be sent to the Budget Division. The Budget Division has one person who aggregates that information and creates a statement of federal funds.

Our goals are to obtain financial information in a biennial budget statement that details federal grant activity in Nevada. It is an important piece, and we refer to it as a budget statement because it is a fiscal issue and relates to revenue of the State.

Receiving guidance from the Fiscal Analysis Division provides a divided approach. This allows for the review of budget statements and provides an analysis of the advantages of a federal program. Federal programs are not always good. Many states elect not to participate in some while participating in others based on their financial capacities and policy priorities. It is an opportunity for the Fiscal Analysis Division to review the biennial budget statement and provide a secondary analysis of any of the programs.

Senator Lipparelli:
How much of the $500 million left on the table is due to a qualitative factor that says we do not want a $200 million mandate on our State?

Mr. Dickson:
The $529 million figure is based on an aggregated analysis of Intermountain West neighbor states. We looked at the ten largest grants, the federal agencies providing the grants, and at what Nevada does, per capita, between each of them or among them, and the result was $529 million.

Neither the State nor I know the basis for losing $529 million, which means that we cannot make an intelligent decision from a policy perspective or from a financial return on investment prospective. Part of the statement of federal funds will give us the information needed to say in order to access another $100 million, we have to invest X dollars.

Chair Goicoechea:
We recognize the need because leaving that much money on the table is an issue. However, the problem is how to meet the match.

Mr. Dickson:
Match funding is a concern. It is both real and partially perceived. Only 48 percent of the agencies that participated in the 2011 benchmark study on federal grants applied for federal funds. Part of the biennial statement of federal funds seeks to answer the question about match. How match is raised is a separate and secondary inquiry. How other states are doing it is reflected in the last 7 years since the reduction of congressional earmark spending. The way people do match funding has changed.

Southern Nevada Strong Regional Plan was a $3.5 million federally funded, multiagency grant that the City of Henderson received through the Southern Nevada Regional Planning Coalition. The $1.5 million match came from in-kind services from local governments. Therefore, $1.5 million for services that local governments would do anyway was used to capitalize $3.5 million.

There is a change in how match funding is administered. In S.B. 214, an opportunity and trend toward philanthropy comes into play to help make those matches happen. I am not convinced that this State would have every dollar it needs to access $529 million. We do not know how many dollars are needed.

Duncan Lee (Director and Chair, Investment Committee, Nevada Community Foundation):
I have submitted written testimony supporting S.B. 213 (Exhibit F).

Maureen Schafer (Executive Director, Council for a Better Nevada):
We were introduced to this issue through a presentation by the Nevada Community Foundation over 2 1/2 years ago. We were astounded by how far behind Nevada was in its ability to be competitive within the federal grant process and by the opportunity to catch up. We went to work with Paul Moradkhan, Las Vegas Metro Chamber of Commerce; Steve Hill, Office of Economic Development; Gian Brosco, NCF; Miles Dickson, Accelerate Nevada; and many others. We put a coalition of willing partners together along with many of your colleagues from the north and south and from both parties. They see an opportunity for Nevada in 2015 and beyond to move forward expeditiously and take advantage of federal grants that can come back to the State and serve our citizens quickly and immediately.

The Nevada Grant Office has had an impact since its creation by the Legislature. It will continue to have an impact in a faster fashion, and to add the public policy being contemplated today will be a good thing.

We need to obtain our fair share of federal grants. Your comment, Mr. Chair, about the complexity and difficulty of obtaining match dollars is a real concern and should be contemplated. There has been an enormous amount of creativity applied to that question over many years to enable communities and states like ours, with budgetary constraints, to access those federal dollars. You should get that information from Mr. Dickson and have your staff delve into your concerns because we have been able to get around that barrier.

As a business group, the Council for a Better Nevada looks for state infrastructure opportunities to improve the quality of life for all Nevadans, not just a few of us. These opportunities will change lives if we bridge that gap and bring more federal dollars into this community. To create a matrix that shows grants that have been applied for and grants that have been received and see that on a year-over-year basis will motivate and bring accountability.

Tray Abney (The Chamber):
I agree with everything that was said today. My comments are the same on both bills. This issue came up several sessions ago when we were discussing the SAGE Commission and its recommendations. Obviously, there is reason to believe that we are leaving much money on the table, and we must do anything we can to bring more of that money back to Nevada taxpayers. We have an obligation to the taxpayers to make sure we get the most for our dollars.

We support S.B. 213 and S.B. 214.

Paula Berkley (Food Bank of Northern Nevada):
A question was brought up on S.B. 213 about the challenges from a nonprofit point of view. This State does not collaborate well with nonprofits while writing grants. We offer subject matter expertise. We tend to be more at where the rubber meets the road. The federal government likes to see local governments, communities and itself work together. It strengthens greatly the grant application.

I do not see many grant writers within State government. You have been cheap on that. I would love to see a few more grant writers at the agency level because when working together, we would obtain money.

The Food Bank of Northern Nevada (FBNN) has applied for grants for the State. The USDA Commodity Supplemental Food Program would be a good example of the State not applying for a grant. The FBNN applied for and received that grant for the State 4 years in a row. The issue is not always matching funds; sometimes we can just grab that money if someone is willing to do it.

Efficiencies are created if nonprofits and the State do what they are best at to obtain the grants by dividing and conquering. If everyone does his or her share, the federal government realizes that the grant is realistic.

I agree that there should be a performance budget-based document to account for grant dollars. I have been asking for performance measures to be written into the federal nutrition programs. There are 12 federal nutrition programs. If there was an area in State government where we could group some of the grants together, we could look at them as a comprehensive whole because each is designed to reach a target group. We could be more effective and efficient at targeting groups and developing performance measures.

Many federal nutrition programs are capped. We do not have performance measures to show what the State has been doing, what it is doing now and where is it going in the future. I would like to see that kind of pattern to rate ourselves and know that we are being responsive to the people who need the service and we are efficient while doing it.

Chair Goicoechea:
Senate Bill 213 deals with the oversight and review by the Chief of the Budget Division.

Senator Parks:
Sometimes the various levels of government believe that they are in competition with the nonprofit sector. However, there can be much collaboration and mutual benefit derived from working together. I brought forward S.B. No. 233 of the 76th Session, not because of the SAGE Commission but because of my many years serving on the Assembly Committee on Ways and Means and seeing how few grants were requested by State agencies. Comparing Nevada to New Mexico: New Mexico received $2 for every $1 sent to Washington, D.C., while Nevada was getting dollar for dollar from the federal government.

Chair Goicoechea:
I agree with that. We are getting just pennies back on the dollar.

Shelly Capurro (Focus Property Group):
We support S.B. 213.

Angela Castro (Regional Transportation Commission of Southern Nevada):
We support S.B. 213 and S.B. 214. We recently assumed the role of core administrator of the Southern Nevada Strong Regional Plan. This is the most comprehensive, forward-thinking plan our community has ever produced. It is the result of 3 years of in-depth research and extensive input from more than 70,000 community members. It is a commitment from 13 regional partners, including each of our local governments, the Clark County School District and the University of Nevada, Las Vegas.

The cornerstone of this plan is increasing the availability and the effective use of private and federal grant funds that can be used for plan implementation.

We hope that you will support this effort to move our community closer to getting our fair share of federal grant dollars that will help ensure that we continue to build a prosperous Nevada.

Mike Mullin (CEO, Nevada Housing and Neighborhood Development):
I am a user of the federal program, Low Income Housing Tax Credits program (LIHTC), which is funded by U.S. Department of the Treasury and administered by the Housing Division, Department of Business and Industry. The Housing Division has built and preserved over 29,000 apartment homes for low-income Nevadans in the last 25 years.

The LIHTC program in Nevada has generated over $2 billion in private equity investments from people who buy tax credits. It has created over 29,000 jobs and over $2 billion in income generated by those jobs and $1.1 billion in tax revenue. Those statistics came from the National Association of Home Builders national study on the impact of the LIHTC program.

Nevada Housing and Neighborhood Development used this program to build over 3,000 affordable homes and generated, in our own portfolio, over $200 million in private equity investment.

As the largest IRS Code section 501(c)(3) nonprofit provider of affordable housing in this State, with over 200 employees, we are committed to our mission of improving lives. We improve lives in two ways: by providing safe, decent, affordable housing and coordinating with our nonprofit partners in State and local agencies to provide services and opportunities for our residents to work their way up the economic ladder.

The 2,800 seniors who reside with us have an average income of $16,500 a year. The 2,000 adults and 900 children who reside with us have an average household size of 3 1/2 people and an average income of $23,000 a year.

Our mission to help our residents claw their way out of poverty involves working with State and local agencies and nonprofit partners in four areas, economic security, health and wellness, education, and engagement. We have an opportunity to help these partners efficiently provide services to our residents and the neighbors of our residents in our 35 locations.

We are now developing a campus that will include 300 units of affordable housing, a kindergarten through Grade 8 charter school, a Boys & Girls Club, a food pantry, a job training center and a health clinic. All this is a result of four different sources of federal funding, the LIHTC program, U.S. Department of the Treasury; New Markets Tax Credit Program; the HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development (HUD); and the HUD Community Development Block Grant Program.

Without federal funding, these Nevadans would find themselves in unsafe, substandard housing or overcrowded living conditions—or even find themselves homeless. With all that Nevada has accomplished and with the thoughtful, efficient use of just this one federal program, imagine what we can do with the 1,700 other programs.

Janine Hansen (Nevada Families):
I have concerns and warnings regarding our increasing dependency on federal money, federal grants and federal mandates. The fears of Thomas Jefferson and James Madison have been realized. We are no longer a sovereign state; we are a federal vassal. We can see that in the control of our land and other issues.

By increasing federal funding, we will lose more sovereignty and become a greater vassal of the federal government. There are many significant issues happening in the United States and internationally that will affect the ability of the federal government to fulfill its current grants and obligations. As we become more and more dependent, we will be more and more vulnerable in our State to the loss of those federal funds. Many people say that we are in a crisis. We know from the federal budget deficit that we have problems.

Chair Goicoechea:
I will close the hearing on S.B. 213 and open the hearing on S.B. 214.

Mr. Moradkhan:
The Las Vegas Metro Chamber of Commerce supports S.B. 214. An advisory council would serve as additional expertise and knowledge for the Nevada Grant

Office. The council is beneficial as we seek to secure additional grants for our State.

Many of the people who support S.B. 213 also support S.B. 214.

Mr. Dickson:
I ask that the Committee consider the testimony on S.B. 213 in lieu of testimony on S.B. 214.

As mentioned, 17 members on the advisory council is a large number. The thinking was that this is a large problem and it requires participation from people throughout the State as well as local government, state government, nonprofits, philanthropy and private business. That was the thinking behind a 17-member council.

We have proposed a conceptual amendment (Exhibit G) that would reduce the council membership from 17 to 9 voting members. There would still be representation from 8 State departments, so there are still 17 people.

States are the clearinghouses by which or through which federal funding flows. It is often department by department; therefore, it is critically important and valuable to have large departments such as the Department of Health and Human Services (HHS) and the Nevada Department of Transportation (NDOT) represented on the council. We suggest adding the Department of Employment, Training and Rehabilitation, which, based on employment and the number of federal funding trends, would be the best candidate to attract several of the forthcoming work force development grants.

There was also an omission in the original bill. We should have included the Nevada Grant Office on the council. Functionally, this Office is how the State could and should move forward to attract federal funds. Therefore, it makes sense that it has a seat and a strong voice in the conversation.

We propose to decrease the amount of council appointments to five. The proposed amendment, Exhibit G, is specific about whom those appointees represent: one for a grant-making institution, philanthropy; one for a grant-receiving institution, a service organization; one for local government; and two from the private sector.

The Legislature is a key piece of this as we alluded to in S.B. 213. Many times these are budgetary and governance issues as much as about federal funding. In addition, it is about how federal funds are used to interact with the General Fund and make important programmatic and service choices; therefore, legislative representation is important. Four appointees from the Legislature are included in the council.

We originally proposed that the advisory council be involved in implementation. The advisory council should not be involved in implementation. It is not an effective use of the Nevada Grant Office or volunteers' time. Implementation should be left to the State.

As introduced in section 5 of the bill, duties were to evaluate and monitor. The proposed conceptual amendment, Exhibit G, changes that to advise and assist. This is about becoming a tool and a resource to the Nevada Grant Office and to the larger state agencies.

Why does it matter to have that tool available? We discussed match funding and capacity issues. In many states, the cross-sector partnerships increase the ability of the states, local governments and nonprofits to match funding.

The issues to address are legal and regulatory, as well as other barriers the State faces; match funding opportunities; partnerships with nonprofits and philanthropy; a sufficient level of personnel and technical expertise to procure and administer the funds; and balancing the costs and the return to the State.

During the sequestration of 2012, many states learned it is important to understand what federal funds are in the state and how to administer programs. This is not just about increasing funds. It is about measuring and monitoring what you have; therefore, we included the concept of balancing the cost and maintenance of federal dollars in State budgets.

Chair Goicoechea:
The bill allows you to create subcommittees. Could nonvoting members serve on a subcommittee? By moving that out and away from nonvoting members, you could expand the people who are working in and representing the community.

Mr. Dickson:
That is correct.

Senator Hardy:
Would those subcommittees be a function of the committee and therefore subject to the Open Meeting Law?

Mr. Dickson:
I am not prepared to answer that, but I can find an answer.

Senator Hardy:
It has been my impression that any time a committee is a function of government and there is a subcommittee, the subcommittee is exposed to the Open Meeting Law. Working groups are not.

If the committee is smaller, working groups can be more facile and flexible in what they are doing.

Mr. Dickson:
It will be interesting exploring that.

Senator Parks:
As long as I have been in the Legislature, and when I talk to constituents, I often say that the three big things that we spend our money on at the State are: we educate, we medicate and we incarcerate.

Looking at this list, I do not see anyone in the public safety sector among the members. Is that an oversight, or is there a reason? Many grant programs relate to public safety.

Mr. Dickson:
We recommended the council participants from State departments based on the research we did that placed HHS and NDOT in the largest funding categories. We included the Governor's Office of Economic Development because much funding flows from the federal government relating to economic development and the Grants Office because it is a critical piece of it.

There are many public safety grant funds out there. That can be said for several departments; however, a significant amount of money is spent on justice issues in the State. Therefore, if there is a consensus about departments we are missing, we are flexible. Our point of view was that the State and the departments that are the largest beneficiaries of federal funds should be at the table.

Chair Goicoechea:
Some agencies do not want to participate and others do. We need to decide what the advisory council should look like and who should be in it. You have done much work, but maybe we do not have enough representation from the State. We have one representative from local government, but perhaps we can meld this.

Senator Hardy's question on the Open Meeting Law is a valid one. If there were a mechanism whereby you could reach out, have a section of volunteers and continue to engage in this council, it would be good. We have a big State and many grants for which to apply, we will need many funding matches.

Ms. Capurro:
We support S.B. 214.

Mr. Mullin:
I would like to ditto my comments from S.B. 213 to S.B. 214.

Ms. Hansen:
I have already placed my objection to this whole concept with my previous testimony. I oppose S.B. 214.

Chair Goicoechea:
I will close the hearing on S.B. 214 and adjourn the meeting of the Senate Committee on Government Affairs at 2:49 p.m.

RESPECTFULLY SUBMITTED:

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Suzanne Efford,
Committee Secretary

APPROVED BY:

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Senator Pete Goicoechea, Chair

DATE:____

EXHIBIT SUMMARY				
Bill	**Exhibit**		**Witness or Agency**	**Description**
	A	1		Agenda
	B	4		Attendance Roster
S.B. 158	C	4	Jennifer Ruedy	Work Session Document
S.B. 213	D	5	Accelerate Nevada	Grant Highlights
S.B. 213	E	11	Accelerate Nevada	Presentation
S.B. 213	F	2	Duncan Lee	Written Testimony
S.B. 214	G	2	Accelerate Nevada	Proposed Amendment