

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Ninth Session  
May 24, 2017**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:10 a.m. on Wednesday, May 24, 2017, in Room 3137 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/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Assemblyman Jason Frierson, Vice Chair  
Assemblyman Nelson Araujo  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Olivia Diaz  
Assemblyman Chris Edwards  
Assemblyman John Hambrick  
Assemblyman James Oscarson  
Assemblywoman Ellen B. Spiegel  
Assemblyman Michael C. Sprinkle  
Assemblywoman Heidi Swank  
Assemblywoman Robin L. Titus

**COMMITTEE MEMBERS EXCUSED:**

Assemblyman Paul Anderson

**GUEST LEGISLATORS PRESENT:**

Senator Scott Hammond, Senate District No. 18  
Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1



**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Sarah Coffman, Principal Deputy Fiscal Analyst  
Michelle Hamilton, Committee Secretary  
Lisa McAlister, Committee Assistant

After roll was called, Chair Carlton stated that the meeting would start with a hearing on Assembly Bill (A.B.) 374 (1st Reprint).

**Assembly Bill 374 (1st Reprint): Requires the Department of Health and Human Services, if authorized by federal law, to establish a health care plan within Medicaid for purchase by persons who are not otherwise eligible for Medicaid. (BDR 38-881)**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 374 (1st Reprint) required the Director of the Department of Health and Human Services to seek any necessary waiver of certain provisions of federal law to allow the Nevada Care Plan to be offered by certain insurers or for purchase through the Silver State Health Insurance Exchange to persons who were otherwise ineligible for Medicaid. This bill contained an appropriation of \$89,540 to the Division of Health Care Financing and Policy, Department of Health and Human Services, that was not included in The Executive Budget for each year of the biennium. The appropriation would fund administrative expenses for the Nevada Care Plan. A fiscal note was also submitted by the Silver State Health Insurance Exchange, Division of Welfare and Supportive Services, Department of Health and Human Services, that indicated there was a fiscal effect, but the amount could not be determined.

Assemblyman Michael C. Sprinkle, Assembly District No. 30, presented A.B. 374 (R1). The Committee had heard the very basic outline of what the bill did and were present today to discuss the request for one position to help manage the program once the bill was approved. The intent, he stated, was for the bill to move forward and, during the interim, enable the Department of Health and Human Services (DHHS) to put together the structure for the program. He said there was an amendment to A.B. 374 (R1) that extended the effective date of the program to January 1, 2019, so the plan could be completed and to ensure the plan would function efficiently in the insurance marketplace. To accomplish this, DHHS said it would need at least one position to manage this program. He noted that DHHS staff were in attendance to address any questions about the duties of the position, but the purpose of this hearing was the position request.

Chair Carlton said she wanted more detail about the program and how it would work.

Assemblyman Sprinkle said there had been a lot of confusion because of the use of the term "Medicaid." The working group had named this program the "Nevada Care Plan" to differentiate the plan from Medicaid. No Medicaid federal dollars could be used for the

Nevada Care Plan, an important distinction between the two plans. The Nevada Care Plan would be like an insurance program, offered through Medicaid Services, Division of Health Care Financing and Policy, DHHS. The proposed new position would be separate from the existing Medicaid program, the program was new and innovative, and the State of Nevada would be managing the Nevada Care Plan.

Chair Carlton noted that the Nevada Care Plan would not allow people to buy into Medicaid, and the plan would not ask people who were on Medicaid to contribute to the Nevada Care Plan.

Assemblyman Sprinkle verified the Chair's statement, but said the program was not set in stone, which was why the work would be done during the interim. The intent was, through the premiums charged by the Nevada Care Plan that at some point the Nevada Care Plan would help to self-fund Medicaid. If the Committee were faced with the draconian cuts proposed by the federal government, this was one step to preserve the Medicaid program for Nevadans who were dependent upon Medicaid. He was very excited about the potential of this program.

Assemblywoman Titus asked whether this was an affordable health-care policy, administered by Nevada's Medicaid system, separate from the Silver State Health Insurance Exchange. She wanted to know whether the position requested in this bill was the person who would study and monitor how the program would function.

Assemblyman Sprinkle replied that the proposed position would manage the new program under Medicaid Services. The position did not exist, the program did not exist, and the duties did not exist previously.

Assemblywoman Titus stated that this bill, A.B. 374 (R1), funded a position to look at the creating policy and establishing a new program, but the actual costs of the program were a separate matter.

Assemblyman Sprinkle said he had heard concern about premium rates. He stated that nothing had been determined and currently there was no way to determine rates. The intent was that once the Nevada Care Plan was established in statute, there would be a working group formed during the interim. The working group would put the pieces together and determine what made sense for the program. This group would ensure that there would not be marketplace disruption and there would be no undercutting of the current insurance system. This position would be part of the working group, because ultimately the position and staff would manage the program that was created. The Nevada Care Plan, he summarized, was in a conceptual stage and would be designed during the interim.

Assemblywoman Bustamante Adams questioned the amount of \$89,540 per year for the position in each year of the biennium. Chair Carlton explained that \$89,540 per year would cover the position, the office space, the required equipment, and any other associated administrative expenses.

Assemblywoman Bustamante Adams asked about the reporting structure for the proposed position.

Chair Carlton asked for any questions for Assemblyman Sprinkle before the next speaker addressed Assemblywoman Bustamante Adams' question. There were no other questions.

Marta Jensen, Acting Administrator, Division of Health Care Financing and Policy, DHHS, said that the proposed position would be a contract position and would report to her. The position would be an active member of the working group and would help to create a framework for the program and to guide the program. She said that DHHS' Nevada Check-up program was a similar program that had used this methodology to create a program infrastructure.

Assemblyman Oscarson asked whether any other states offered a similar program that could be used as a model.

Assemblyman Sprinkle said there were parts of this program being considered in Minnesota, but other than that, he was unaware of any other states that offered this program. This program would be brand new, and he felt Nevada would be leading the nation with this new concept to provide healthcare.

Chair Carlton asked whether there was anyone in support of, in opposition to, or neutral on A.B. 374 (R1). Hearing no responses, she closed the hearing for A.B. 374 (R1). She opened the hearing on Assembly Bill (A.B.) 407 (1st Reprint).

**Assembly Bill 407 (1st Reprint): Makes various changes relating to Cooperative Extension programs. (BDR 49-1162)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill (A.B.) 407 (1st Reprint) designated the University of Nevada, Las Vegas (UNLV), the University of Nevada, Reno (UNR), and the Desert Research Institute as land-grant institutions. In addition, this bill established northern and southern regions of Nevada and provided budgets and expenditures for the Cooperative Extension programs to be set up in the northern and southern regions.

Ms. Jones said currently, the Cooperative Extension was administered by UNR as a statewide program. She referred to a fiscal note submitted by the Nevada System of Higher Education (NSHE) that claimed that if the southern region needed its own dedicated oversight management staff, it was estimated that UNLV would need approximately \$471,000 in each year of the biennium. That amount would fund five staff positions for the southern region.

The fiscal note also indicated that A.B. 407 (R1) would transition three counties from the southern region to the northern region, and this would create a fiscal consequence for the northern region of approximately \$209,000 in each year of the biennium. Fiscal staff received information about the resources that were available for these programs. The Cooperative Extension programs were supported by both county and State General Fund contributions. Staff from the Fiscal Analysis Division, Legislative Counsel Bureau, had been in communication with UNLV (see [Exhibit C](#), a letter dated May 5, 2017, from Len Jessup, Ph.D., President, UNLV), and it believed the costs could be absorbed with current resources; however, Fiscal staff did not know how those additional resources would affect the availability of funds for future or current biennia. In addition, if additional funds were needed in the future, Fiscal staff did not know whether those funds would be paid by county reimbursements or additional State General Funds.

Assemblywoman Olivia Diaz, Assembly District No. 11, presented A.B. 407 (R1). She introduced Senator Scott Hammond, Senate District No. 18, to the Committee for an overview of A.B. 407 (R1).

Senator Scott Hammond, Senate District No. 18, was in support of A.B. 407 (R1). He stated that he had received questions about the purpose of A.B. 407 (R1). His response to the purpose of the bill was that the Cooperative Extension Service provided programs pertaining to agriculture, community development, horticulture, and natural resources in rural and urban communities. Senator Hammond said that A.B. 407 (R1) divided the administration of the Cooperative Extension Service into two regions with UNLV administering the southern region (Clark County, Lincoln County, and Nye County) and UNR administering the northern region (Carson City, Churchill County, Douglas County, Elko County, Esmeralda County, Eureka County, Humboldt County, Lander County, Lyon County, Mineral County, Pershing County, Storey County, Washoe County, and White Pine County).

Senator Hammond stated that he had been asked what A.B. 407 (R1) would change about the 4-H program. He noted that A.B. 407 (R1) would not change existing 4-H services, staff, or similar programs. All programs that existed now would be maintained at current funding levels, and all county-based funding would continue to be spent in that county as required by law. For example, if a county raised its property tax, that money would have to be spent in that county because county funding could not be transferred between counties.

Senator Hammond had been asked about the effect A.B. 407 (R1) would have on staff, such as the staff who worked at UNR. He noted that current Cooperative Extension Service staff in Clark County, Lincoln County, and Nye County would be assigned to the southern region and those employees would be administered by the southern branch of Nevada's land-grant institution at UNLV. Current Cooperative Extension Service staff in the other 14 counties would be assigned to the northern region, and these employees would be administered by the northern branch of Nevada's land-grant institution at UNR. All Cooperative Extension Service employees would continue to be NSHE employees paid by NSHE. The staff would be retained, there would not be any interruptions, and the natural course of work would continue unchanged.

Senator Hammond said another item he wanted to address was attracting public money to aid the Cooperative Extension programs. Resources from Cooperative Extension programs, local funds, state funds, and federal resources could be integrated into a comprehensive outreach program. This would leverage public money to attract significant private investment by industry leaders. A good example of such a partnership would be the Robert Mondavi Institute for Wine and Food Science at the University of California, Davis. Senator Hammond said, "Due to its tourist-fueled restaurant industry, Las Vegas was a major fresh food consumption center that was ready to become a leader in urban farming." Nevada would see firms such as Urban Seed, with its tag line, "What grows in Las Vegas, stays in Las Vegas." There already were firms building in Southern Nevada, and the industry needed a university partner that specialized in "next-gen agriculture," and UNLV was best positioned for that role. Senator Hammond referred to [Exhibit D](#), an e-mail communication dated May 22, 2017, from the Council for a Better Nevada in support of A.B. 407 (R1). He recommended the Committee look at the signatures of those who wrote that letter to see the community partnership that could be further developed as the Cooperative Extension Service program was expanded.

Assemblywoman Diaz said that [Exhibit E](#) was a proposed amendment to A.B. 407 (R1), and for the record, Senator Hammond was going to be a cosponsor of the bill. She said she had conversations with key stakeholders who would be affected by the bill, including Len Jessup, Ph.D., President, UNLV; Marc A. Johnson, President, UNR; Mark Walker, Interim Director and Associate Dean of Engagement, University of Nevada Cooperative Extension; and Board of Regents members. She wanted to make it clear that she was not making decisions in a vacuum and was taking all input to ensure the change to the Cooperative Extension would streamline services to all Nevadans. The end goal, she noted, was to put services near the communities.

Assemblywoman Diaz said there was a perception that she was trying to dismantle or undermine the program; but what she was trying to do was to offer a solution that would improve the University of Nevada Cooperative Extension. She referred to [Exhibit F](#), a letter by Len Jessup, President, UNLV, and said that UNR was tasked with serving all of Nevada. If A.B. 407 (R1) were to be passed, UNR would continue to service Northern Nevada, and UNLV would service Clark County, Nye County, and Lincoln County. The southern counties would be serviced by the southern institution closest to them because those counties accounted for about 75 percent of Nevada's population.

She noted that [Exhibit F](#) showed that NSHE had been decreasing the amount budgeted for Cooperative Extension services. Assemblywoman Diaz explained that she had asked NSHE about the \$12 million in Cooperative Extension money in Clark County and why the money had not been put to use. She had not received a clear answer. In property taxes, she explained, there was money from each county that went toward Cooperative Extension programming. That property tax funding was paid by all property owners in the county and had to be used in the county of origin. Therefore, Clark County funding could only be spent in Clark County. To this day, she was still waiting for an answer as to why Clark County had not put the \$12 million to good use.

Assemblywoman Diaz made reference to [Exhibit C](#) and said that her understanding was that NSHE had never tried to contact UNLV about the fiscal note after [A.B. 407 \(R1\)](#) was originally heard. She also wanted to say that this proposal was being portrayed as an ugly divorce when it did not need to be that way. Nevada could learn from other programs, such as the University of California (UC), where there was one school that was the sole source of the funding, but all of the UC schools worked in collaboration to offer extension programs in different parts of the state. That was what made the most practical sense. This was the intent behind [A.B. 407 \(R1\)](#). On page 2 of [Exhibit C](#) was an estimate of \$471,000 per fiscal year. That amount, she stated, would cover UNR's projection for five full-time positions including a director, a 4-H coordinator, two financial staff, and one administrative position. She said she had conversations with Marc Johnson, President, UNR, and Mark Walker, Interim Director, University of Nevada Cooperative Extension, and expressed her concern because the additional staff would create duplication when the intent should be to work in coordination with each other. This bill was not meant to be territorial, and all parties should be able to discuss what made most sense for each area.

Assemblywoman Diaz stated that, per Mr. Jessup, UNLV believed with a reasonable and fair share of State General Funds, and with federal Cooperative Extension services funding and resources that it would receive from the counties, UNLV would be able to make the Cooperative Extension program work in Southern Nevada in the same manner as the medical school transition. She noted that the effective date of July 1, 2017, would be difficult because of the potential need to reassign personnel, so proposed amendment 4516 to [A.B. 407 \(R1\)](#) changed the effective date to January 1, 2018. The changed date allowed for flexibility and provided time for the two universities to work cooperatively to streamline staffing.

Chair Carlton said she wanted to make sure she understood the situation. There was one large program, and Assemblywoman Diaz' vision was to have two divisions in that program, with one division handling the southern part of the state and one division handling the northern part of the state. This would be similar, the Chair said, to the Nevada Highway Patrol, which had a northern and southern command. The funds received from the counties stayed in the county of origin, and the programs were provided for the respective constituents in those counties. Assemblywoman Diaz said that was correct.

Chair Carlton asked about the costs outlined in [Exhibit C](#) from UNLV that currently could be absorbed. However, she could see a problem in future biennia. [Assembly Bill 407 \(R1\)](#) was about reallocating resources and should not necessarily result in an increase in costs. Assemblywoman Diaz said in her conversation with UNLV President Len Jessup that UNLV would find a way to streamline staff in a cooperative effort between the universities to keep staff and possibly add staff later, as needed. This would ensure that both areas were strong.

Chair Carlton asked whether the NSHE fiscal note was still valid. Assemblywoman Diaz said she could not answer that question because she had not heard from NSHE.



Assemblyman Sprinkle requested verification that under current processes, the Cooperative Extension funding raised in one county had to stay in that county even though the program was administered statewide. Assemblywoman Diaz clarified that the counties entered into a memorandum of understanding (MOU) with the university and the counties decided the type of programs and the needs. Once the MOU was completed, then the money from the counties could be used by those counties. She read from page 4, [Exhibit E](#), the proposed amendment to the *Nevada Revised Statutes* would read, "The financial budget must take into account and ensure compliance with any Cooperative Extension memorandums of understanding or agreements entered into pursuant to NRS 549.100." That, she explained, was the current process, and [A.B. 407 \(R1\)](#) did not undermine the current process.

Assemblyman Sprinkle understood that what she said was local money per county was raised, allocated, and used for cooperative projects in those counties. Assemblywoman Diaz replied that he was correct. He continued by asking whether state dollars were currently disseminated through UNR because UNR managed the complete program and how the state dollars would be divided in the future. Assemblywoman Diaz said she hoped the state dollars would be distributed in an equitable fashion to address the needs of the entire state.

Assemblyman Sprinkle said that the northern division would be responsible for 14 counties and the southern division would be responsible for 3 counties. He wanted to know how the money would be divided. Assemblywoman Diaz said she had not seen how the state dollars were divided between the north and south and she could not answer his question, but the intent of [A.B. 407 \(R1\)](#) was for equitable distribution based on the needs of Nevada.

Chair Carlton pointed to [Exhibit C](#) and told the Committee members that this document had a proposed breakdown between northern counties and southern counties by population and square miles.

Assemblyman Oscarson was interested in the programs UNLV had in place to support the Cooperative Extension. Not having administered the Cooperative Extension efforts in the past, he wondered how UNLV could support a program such as the Cooperative Extension. For the record, he added that the program needed to be a statewide effort, and he did not want to see the program become a north-versus-south matter. He hoped the intent would be to have statewide program resources from each place, and two regions that would be able to work collaboratively. Because UNR had managed this program for a long time, he hoped UNLV would work with UNR to tap into its historical knowledge.

Senator Hammond discussed what UNLV could offer. The UNLV already had an urban horticulture specialty in its biology program, a soil scientist working in its Environmental Soil Analysis Laboratory, and a Center for Urban Horticulture and Water Conservation. Another significant outcome would be the ability to leverage public money to attract private investment from industry leaders. An example was the development of the hydroponic industry to support restaurants in Southern Nevada. The restaurants in Las Vegas liked to



use high-end specialty items grown locally, and that part of the industry was ripe for development. There were many things that UNLV was already involved in and would continue to be involved.

Assemblyman Oscarson said that he appreciated the urban horticultural programs, but he would like to be assured that robust programs such as 4-H, livestock, and wine development in Northern Nevada would continue. These programs were in place now, and he wanted assurances that the funding for those programs was not going to be affected.

Assemblywoman Diaz said it was not her intent to erode, dilute, or dismantle what was in place. She did not want to fault the management of the Cooperative Extension; she felt there needed to be some recognition that Nevada had grown, and it needed to augment and expand those services to allow UNLV to share the responsibilities so that it could take on the geographical locations closest to UNLV. She was not looking to take away 4-H, school gardens, senior gardening, or to have any negative effect on existing Cooperative Extension programs. She was looking to be smarter, more nimble, and produce new programs. This was not about the north and south, but taking care of all Nevadans.

Assemblywoman Bustamante Adams wanted to know how the Desert Research Institute (DRI) fit into this proposal.

Assemblywoman Diaz said the DRI was not part of the cooperative services mix. She stated that UNLV could perhaps lean on DRI for research, but A.B. 407 (R1) would put into statute that UNR, UNLV, and DRI were each land-grant institutions. In the past, institutions had received federal research dollars, and it was not clear as to which institutions had the land-grant designation.

Assemblywoman Titus appreciated Assemblywoman Diaz' passion for the potential for urban agriculture and some of the programs described. She wondered that if the programs remained with UNR, whether new programs could be developed in Southern Nevada. Since money stayed in the county, she saw nothing in the current setup that would prohibit that from happening now. It sounded to her as if UNR was not fulfilling the needs of Clark County, but if Clark County went to UNR and said it was not getting the support it needed to develop programs, then Clark County should be able to get the funding now. She asked whether the current program administration could be changed instead of creating a new, expensive branch to administer the southern part of the state.

Assemblywoman Diaz felt that Nevada had grown and the service load needed to be shared. For connectivity and proximity, it was important to have a university that was located nearby. She mentioned that it was not just Clark County that wanted increased access to Cooperative Extension services, but also Nye County said it provided all the justification for a program that needed to be started in its community, but UNR never met Nye County at the halfway mark. She noted again that she had not received an answer from NSHE about why there was

\$12 million sitting in a Clark County account that could be used, and that silence told her that there was something that was not efficient in the handling of the program. The large reserve led her to believe there were too many hurdles in the current system, and A.B. 407 (R1) sought to address the problem.

Senator Hammond commented that the troubling part was that the goal of the Cooperative Extension was to develop programs and to infuse money, expertise, and time into these programs. Yet, for the past few years, Clark County had seen \$11 million to \$13 million left unused, and this was money that could be used for the needed programs. He acknowledged that Nevada was a large state, it was difficult to get to Southern Nevada, and there may have been a variety of reasons why the current program was not working for Southern Nevada. He wanted to see this money put to good use rather than see the money sit in reserve.

Assemblywoman Benitez-Thompson said that according to testimony authored by Chris A. Pritsos, Director and Associate Dean of Research, Agricultural Experiment Station, College of Agriculture, Biotechnology and Natural Resources at UNR, in an attached document titled "Nevada Agricultural Experiment Station, Sustainable Science for Life, A Statewide Asset," ([Exhibit G](#)), the effects of A.B. 407 (R1) would be devastating. According to [Exhibit G](#), the Nevada Agricultural Experiment Station would lose staff and have to close programs. She wondered whether that was true.

Assemblywoman Diaz said she did not understand why there would be any detriment. The University of California system had different institutions offering Cooperative Extensions. She was optimistic that UNR President Johnson and UNLV President Jessup would step up and work in cooperation. It was her understanding they were having conversations about A.B. 407 (R1) and how to ensure the transition was effective, not a duplication, and not a fight for dollars. Her vision for A.B. 407 (R1) was a collaborative effort.

Assemblywoman Benitez-Thompson was most concerned about an interruption in services. She asked whether the Committee had any assurances that there would not be an interruption in services when the change appeared to be contentious.

Assemblywoman Diaz said it was her hope that those she had conversations with would remain true and honest. The UNR President, Marc Johnson, told her that to make this a seamless transition she had to delay the effective date to January 2018. If there was a need to reassign staff, he told her, this delay would allow for that. The UNLV President Jessup had assured her that any staff who was part of the Cooperative Extension in the south would probably be kept as part of the Cooperative Extension in the south. She did not see any part of A.B. 407 (R1) that would bring animosity, undoing, or a dismantling of the program. The purpose was to build the program and make it better, adding value, adding efficiencies, and adding mobility to ensure the ability to diversify the program in the south. The bill, she said, should allow the south to use those dollars a little faster. She noted again that she still had not received a response as to why there was \$12 million set aside for Clark County.

Senator Hammond said the situation was similar to when the two universities were tasked to cooperate over the split of the medical school facilities. Here was another opportunity for the two institutions of higher learning to look at what was best for their areas, students, and education, and to come together to determine how the universities were going to split. He felt the amendment, with the delay in the effective date to January 2018, was an opportunity for the two university presidents to work to accomplish this.

Assemblyman Edwards said he was glad to learn that programs such as 4-H were not going to be negatively affected because those programs were important in his district. He asked whether Nevada was losing federal dollars under the current system and whether the new proposal would allow Nevada to receive more federal dollars for programs such as hydroponics in Southern Nevada as the state continued to grow.

Assemblywoman Diaz said she knew that as a state, Nevada had left a lot of federal dollars on the table in the past, and she could see no reason why the new proposal would not bring new opportunities to bring some public funding to Nevada.

Chair Carlton opened the meeting for public comment in support of A.B. 407 (R1).

Luis F. Valera, Vice President, Government Affairs and Compliance, UNLV, said that if UNLV thought A.B. 407 (R1) would dismantle the Cooperative Extension program, then he would be there in opposition to A.B. 407 (R1). The intent was to enhance the program, to support the program, to look for new opportunities and partnerships, and to look for additional access to federal funds. The approach of UNLV would be one of partnership and enhancement, not an approach to dismantle the program. He concluded that UNLV was in support of A.B. 407 (R1).

Chair Carlton asked whether UNLV could absorb the cost associated with A.B. 407 (R1) as it applied to UNLV. Mr. Valera replied that UNLV would absorb the cost, and any faculty or staff who worked at the Cooperative Extension who wanted to stay would be asked to stay. The intent was to provide as little disruption to the programs as possible.

Chair Carlton said she did not want to put him on the spot, but A.B. 407 (R1) would result in fiscal consequences for UNLV, but UNLV had confirmed that the transition would not cause any harm. She asked whether there were any efforts that would not be funded because of UNLV absorbing this cost. Mr. Valera said UNLV would absorb those costs and would not look to eliminate or reduce other services in any way.

Chair Carlton asked whether there was a particular funding source that UNLV was considering. Mr. Valera said he was not in a position to answer that question, but he would get an answer.

Assemblywoman Benitez-Thompson asked whether there was action being planned by the Board of Regents regarding appropriations and budgeting authority that would need to be completed. Mr. Valera said he would leave it to Constance Brooks, Vice Chancellor,

Government and Community Affairs, Nevada System of Higher Education, to answer her question.

Assemblywoman Benitez-Thompson asked whether the Committee could have an answer to how the costs would be absorbed by UNLV. Mr. Valera said he could get the specifics later, but the conversations were ongoing, and as recently as Saturday, President Johnson and President Jessup spoke by phone and committed to make the transition as smooth as possible should A.B. 407 (R1) be approved.

Assemblywoman Benitez-Thompson said she had received many questions about the ability to add more institutions into the land-grant status. She also wondered whether legislation was the correct and effective vehicle for naming land-grant institutions. Assemblywoman Diaz said she had researched this and according to the Legal Division, Legislative Counsel Bureau, the only bodies that could designate land-grant status were the Legislature and Congress.

Constance Brooks, Vice Chancellor, Government and Community Affairs, Nevada System of Higher Education, wanted to address the question of whether the Board of Regents had any plans for this change. She said the example of the medical school transition had been used as a parallel to this process; however, there was a stark difference. The Board of Regents was involved from the beginning of the medical school transition. With this piece of legislation, the Board of Regents had not been lobbied or contacted. The proponents of this bill had not reached out to the Board of Regents to make any decisions, so the Board of Regents had not had a chance to vote on this legislation and had no plans underway.

Maureen Schafer, Executive Director, Council for a Better Nevada, was in support of A.B. 407 (R1).

Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce, was in support of A.B. 407 (R1). He said the Las Vegas Metro Chamber of Commerce viewed the institutions of higher education as strategic partners and believed that UNLV had the capacity to provide greater collaboration and enhanced services for the Southern Nevada community.

David Cherry, representing the city of Henderson, was in support of A.B. 407 (R1) and recognized the bill sponsor's vision to give UNLV the opportunity to bolster Cooperative Extension services in Southern Nevada. The bill would be a boost to the services offered by the Cooperative Extension and would help to seed additional economic development efforts in Henderson and around the Southern Nevada region.

Kelly Crompton, representing the city of Las Vegas, stated that she was in support of A.B. 407 (R1).

Ryann Juden, Assistant City Manager, North Las Vegas, said that A.B. 407 (R1) was supported by the city of North Las Vegas. During economic development discussions with

different companies, he noticed that in talking to other states that were competing for those same companies, those states had Cooperative Extension programs with their universities in their geographic area. Those Cooperative Extension programs helped attract economic development companies. He felt A.B. 407 (R1) would help Southern Nevada expand the Cooperative Extension services, as well as augment the programs. He did not feel this was a regional matter, and that by putting northern and southern institutions in the land-grant program, the action reflected the "one Nevada" concept heard frequently throughout the Legislative Building. In addition, he believed that this bill would help institutions access more federal funding.

Chair Carlton asked whether there was anyone else in support of A.B. 407 (R1). Hearing no response, she asked for those in opposition to A.B. 407 (R1).

Kevin R. Carman, Executive Vice President and Provost, Office of the Provost, UNR, said that he was there with colleagues from UNR. He wanted to speak about the fiscal implications of A.B. 407 (R1) and pointed out that statewide programs, such as 4-H, Living With Fire, the Radon Program, and the Master Gardener program, all had statewide experts. It was not clear how those programs would continue to be supported in the future. Another component of the funding that he felt was understandably confusing was the federal funds. The federal funds were allocated by a formula based on rural populations and farms in that state, and currently Nevada received about \$1.2 million from those federal funds. Those funds came to the Cooperative Extension, and A.B. 407 (R1) did not contemplate how those funds would be distributed or redistributed. That, he said, was an important consideration.

Mr. Carman reported that UNR President Johnson was traveling and could not be present, but Mr. Johnson spoke with UNLV President Jessup and told President Jessup that UNR continued to be in opposition to the bill, but if the bill were passed, UNR would work with UNLV through the transition. The medical school had been mentioned many times during this meeting as a parallel type of initiative. Mr. Carman said he served for the last two years on the statewide medical committee involved with the separation of the medical schools. What was learned was that these things might seem simple on the surface, but in fact there were many details that took time, effort, and money to complete. The employees of the Cooperative Extension program were not employees of NSHE, but were employees of UNR. As experienced during the medical school separation, the staff and physicians' separation was a very complicated process. Transitioning employees from one institution to another had taken two years, and there was still work to be done to meet the effective date of July 1, 2017.

Mr. Carman explained that there were questions about the assets at the county Cooperative Extension offices, whether the properties belonged to UNR, and whether the properties would be transferred to UNLV. There were contracts that would have to be renegotiated. There was also the question of tenure. It was not just a matter of transitioning an employee from one institution to another: many of the faculty were tenured faculty members. The transition of tenure was complicated and would take time to sort through. There were

federal grants involved that served the entire state, and it was not clear how those federal grants would be redistributed. There were potential problems with gifts, endowments, and scholarships to support certain programs and how to divide those funds. Inevitably, when a complex organization broke apart, which was what the proposal did, there were going to be disagreements and disputes among well-intentioned people. He suggested there were a number of complexities involved with A.B. 407 (R1) that should be considered.

Chair Carlton stated during this hearing, she had not heard the term breakup; she heard more the term divide, and he might be more cognizant about that. She asked about the \$1.2 million in federal funding and how that was currently divided between the southern Cooperative Extension and the northern Cooperative Extension.

Mr. Carman asked if he could defer that question to Mark Walker, Director, Cooperative Extension, and Chair Carlton said her question could wait until Mr. Walker spoke. She opened the discussion to the Committee.

Assemblywoman Bustamante Adams asked whether UNR ever attempted to improve its service to Clark County. Mr. Carman said that discussion had not taken place; however, UNR had dialogues with UNLV about how to work closer with UNLV and how to partner with the UNLV faculty expertise. Currently, there were a number of collaborations between the two institutions, and UNR was always looking to create more opportunities to improve.

Chair Carlton said the Committee had heard a number of references to \$12 million left on the table, and she wondered who could answer that question. Mr. Carman said that either Mr. Payne or Mr. Walker would answer that question.

William (Bill) Payne, Dean, College of Agriculture, Biotechnology and Natural Resources, UNR, said that he had a number of concerns about A.B. 407 (R1). This bill would disrupt the Cooperative Extension's ability to address critical needs across Nevada. It would damage some of the existing programs. The concerns the proposal generated were based on the premise that Cooperative Extension activities in Clark County could not be effectively designed, delivered, and evaluated by UNR. The Cooperative Extension activities were not designed by UNR, the activities were designed by the Cooperative Extension within Clark County. The staff and faculty who designed those activities had been members of that community for decades. The staff and faculty had dedicated their lives to improving the lives of the citizens in Clark County. The premise that the Cooperative Extension educational programs were somehow ineffective was not accurate, and it did a disservice to those devoted professionals in Clark County.

Mr. Payne said it was unfathomable to think that the proposal would not require additional administrative federal reporting and coordination, and it was unclear where the funding for that would come from. The proposal would likely reduce federal and state funds for the 14 counties not included in the proposed southern area. He said it would reduce the funding for Lincoln and Nye Counties as well. This was the reason there was opposition to A.B. 407 (R1) from Nevada Association of Counties (NACO) and Lincoln County.

The proposal also accorded land-grant status to two other institutions that would have legal implications and endanger the Agricultural Experiment Station. The Agricultural Experiment Station had 1,400 students, 22 percent of whom were from Clark County. The dangerous part of this proposal was that it put at risk tens of thousands of beneficiaries who had the advantage of the wonderful programs developed by the Cooperative Extension in Clark County. The proposal created division and confusion, in his view, when the focus should have been to work more closely together. Mr. Payne summarized by noting that he felt the bill had already caused harm. The bill had demoralized faculty and staff, the bill had caused a great deal of angst among beneficiaries, and the bill had already affected recruitment and retention even for positions in Clark County.

Assemblywoman Swank said she took exception to his statements that she thought were alarmist. She wanted him to explain how this money would no longer be available for counties. She felt that A.B. 407 (R1) proposed a shift in structure, not two distinct programs, and that it would allow a more focused program in the south. It was unclear to her how Nevada would be losing federal dollars. When she was a faculty member at UNLV during the recession when jobs were being cut, she felt that was more of a demoralized situation. Looking at changes as a system grew was a positive thing; Nevada had grown, and UNLV had gotten much larger. This was a good proposal to consider for a healthy system.

Mr. Payne said federal funds were allocated based on the number of people residing in rural areas including the numbers of farmers and ranchers. The change would affect federal funding intended for rural populations. If it changed the way the state funds were allocated, the change put at risk a number of county positions that were funded proportionately by state funds. That meant a number of the poorer counties would have their Cooperative Extension positions put at risk.

Assemblywoman Swank said she did not follow his answer. If money was allocated to the state for rural counties based on the number of farmers and ranchers, as he just stated, she could not see how the proposal would change those numbers. Assemblywoman Swank said that under A.B. 407 (R1), Nevada would not lose those people who lived in rural areas. Mr. Payne said under this plan, there was no specification for how state or federal funds would be divided.

Assemblywoman Swank said that A.B. 407 (R1) was about maintaining what Nevada had and not about shifting money away from rural counties. This proposal only changed the location of the center used by certain counties. She felt it was unfair to qualify this as a shift of money out of rural communities, and she did not see or hear that intent from the sponsor.

Chair Carlton brought up the question about the \$12 million for Clark County.

Mr. Payne referred to [Exhibit H](#), a document titled "Clark Count Reserve fund History," and said accumulations began in the boom years. It started in 2006 and an average of \$2.6 million was added to the reserve. In 2009, a large payment was made to reduce the



bond debt for a Clark County building, but the average contributions of \$2.5 million continued through 2012. When the current Cooperative Extension Southern Area Director, Eric Killian, started work, the reserve was about \$8.5 million and \$3.7 million was used for the building bond. At the beginning of fiscal year 2012, because of the financial problems, there was a decision to limit Cooperative Extension faculty and staff. Positions were eliminated and faculty was reduced by 75 percent. The total reserve amount, he noted, had not expanded since that time, and there were plans to spend that reserve down. Those plans were being discussed with Clark County Commissioners, and the intent was to keep about \$5.5 million in reserve because this was a soft money machine. In other words, faculty and staff were constantly looking for grants, and sometimes those grants did not come through. In looking at some of the appropriation bills that were being introduced this session, many of the federal programs were facing severe cuts, including 4-H and nutrition programs. The Cooperative Extension needed to have a buffer for those lean years, and that buffer was practiced throughout Nevada.

Chair Carlton wanted Mr. Payne to provide a document to the Committee to gain a better understanding of the University of Nevada Cooperative Extension to include the chronology of the reserves, what programs he was referencing, the buildings he was just talking about, and why he believed \$5.5 million was an appropriate reserve. She added that reserve amount just seemed a bit high. She was certain he had heard the frustration within the Committee over the reserve issue, and having a document that explained the situation would be helpful. Mr. Payne said he would do that.

Assemblyman Sprinkle said that he did not hear an answer to the question. He understood there were things planned for the future, but if part of the money was raised from local jurisdictions, he wondered why that money was not spent when projects were proposed.

Mr. Payne stated that he would provide those documents. The Cooperative Extension went through a consultative process, he said, that included needs assessments on how best to spend money such that it would have a sustainable long-term effect through programs authorized by *Nevada Revised Statutes* (NRS) Chapter 549. That process was something that had been started, and it included the Clark County Board of Commissioners.

Assemblyman Sprinkle stated that he wanted to know the decision points for the determination not to allocate the Clark County funding.

Mr. Payne felt that originally it was a matter of hesitation in the face of financial uncertainties, and since then, it had been a matter of planning through the appropriate process on how best to spend those funds down.

Assemblywoman Benitez-Thompson requested that the document include details on staffing, staffing changes, whether memorandums of understanding (MOUs) would be rewritten, how the MOUs might change, reserve changes, and any consequences for the Public Employees Retirement System (PERS) and Public Employees' Benefits Program (PEBP). The Committee wanted a detailed picture before they enacted legislation.

Assemblyman Hambrick asked whether there were reserves in other counties.

Mark Walker, Interim Director, and Associate Dean of Engagement, University of Nevada Cooperative Extension, said there were reserves in other counties. Washoe County carried a reserve, and reserves were something that the County Commissioners were aware of and approved. Not all counties had the luxury of a reserve, he said. Humboldt County used every penny of its funding. The funding varied according to the county and according to the budget allocation controls, not only from the county funds, but also from the federal and state funds.

Mr. Walker acknowledged the efforts of Assemblywoman Diaz and Senator Hammond, and he felt that they had created a great opportunity for a dialogue. The thing he found troubling was that the dialogue was not mature. He believed that more time was needed to work out important details not only for Clark County but also about how the effects of fiscal allocation would affect programs in other counties.

Mr. Walker wanted to be clear about one thing because he had heard it raised again and again. The Cooperative Extension was different from Google. When a phrase was typed in a search box, there were millions of topics. The difference between the Cooperative Extension and Google was that the Cooperative Extension looked for the kinds of questions that people needed to have answered. Then, the Cooperative Extension consulted with those people and designed programs that fit the local circumstances with the resources it had available. Because the Cooperative Extension was part of a university system, there were resources across the globe to help get those questions answered. The Cooperative Extension developed those answers into locally relevant, locally delivered, and evaluated programs. This was very different from the common perception, which was that UNR was imposing programs on Clark County. Between 2013 and 2016, there were about 30 programs, and UNLV was involved in about 30 percent of those programs. However, he said that it was premature to pass A.B. 407 (R1) without some of the background work that needed to be done. Mr. Walker wanted to address how the cooperative allocated all its funds. He had prepared a simple budget and would like to submit the budget to the Committee for the record.

Assemblyman Sprinkle said that budget would tell the Committee how the funds were currently allocated, but he had heard there was no direction in this bill as to how future allocations would occur. If it were not in the bill, he wondered how the funds would be allocated if the bill was approved. Mr. Walker said he saw nothing in A.B. 407 (R1) that directed him how to allocate funds.

Assemblywoman Bustamante Adams asked for the amount of reserves held for Washoe County. Mr. Walker said that the amount was about \$200,000.

Chair Carlton told Mr. Walker to get the documents requested by the Committee and she reminded him that time was of the essence. The Chair then opened the floor for public comments from Southern Nevada.

Aurora Buffington, Faculty Instructor, University of Nevada Cooperative Extension, said that she was from the southern region and that staff from the southern region of the University of Nevada Cooperative Extension was never included in any conversation prior to A.B. 407 (R1). Staff was surprised when the bill was introduced. The Cooperative Extension staff should have been able to converse with the sponsors of the bill, and the fact that they could not was disenchanting to her. In addition, nothing barred her from working with UNLV; she had many colleagues there and was a recent graduate. Ms. Buffington did not see why there was a perception that the Cooperative Extension could not work with UNLV. There was nothing to keep her from working with public and private partnerships; in fact, she was working with the city of Henderson's Planning Department to support its Local Food, Local Places program. The Cooperative Extension just completed a mobile market feasibility study. This supported the city of Henderson's efforts with Cooperative Extension's research capabilities. These things had not been mentioned because Cooperative Extension staff was not consulted.

Regarding duplication of services, she had staff funded by federal funds and the Nevada Department of Agriculture grant funding, and she did not know how these staff members would be administered without personnel at UNLV. She acknowledged that there would be a duplication of services because there had to be support for the administration of grant funding and human resources work, to name a few. Ms. Buffington said with the hot industries of urban and indoor agriculture, the Cooperative Extension was reaching out to partners and working toward developing a robust and healthy urban agricultural program. This program was in its infancy but was needed in Southern Nevada.

Ciara Byrne, Co-Director and Co-Founder, Green Our Planet, said that Green Our Planet ran the largest school garden program in the United States. It was currently in 113 schools and affected 100,000 students and 3,000 teachers. The goal was to approve academic achievement, improve student health, increase community engagement, and connect students to the environment in a meaningful way. Every school that Green Our Planet collaborated with included a farmer, chef, and teacher training. Green Our Planet partnered with the University of Nevada Cooperative Extension in Southern Nevada. Green Our Planet had been in business for four years and currently experienced a demand from teachers and students who were interested in learning more about gardening, urban agriculture, and hydroponics. In response, Green Our Planet organized classes so that Karen Johnson from the Cooperative Extension was able to provide composting classes and invited teachers from the surrounding community. That worked so well that Green Our Planet decided over the next few years to formalize that training and provide many more of these types of classes in schools.

Ms. Byrne said this had created a robust partnership between Green Our Planet and the Cooperative Extension. Green Our Planet's goal was to be the best school garden program in the United States and this was achievable because of the Cooperative Extension partnership.

Ms. Byrne wanted the Committee to understand how innovative this partnership was. The innovative programs were:

1. Partnering all schools Green Our Planet worked with to a master gardener to teach parents, students, and teachers how to grow food.
2. Partnering with the junior master gardener program to train children to be master gardeners.
3. Providing a chef for school programs.
4. Providing a chef for kids programs, which included a nutrition curriculum.
5. Organizing an annual school garden conference.
6. Training teachers.

Ms. Byrne said she was addressing the notion that the Cooperative Extension did not provide good services. She wanted to enumerate some of the services provided for about 100,000 students and 3,000 teachers in Clark County through the Cooperative Extension. She did not feel that dividing the Cooperative Extension would be of any major benefit.

William Zielinski, Club Leader, Boulder City 4-H Club, said the club had about 50 members, and he and his wife had been involved in 4-H for about 15 years. He felt that because the system was working well, there was no reason to divide the state. He suggested that putting UNLV under UNR would help instead of passing a new bill that would cost taxpayers more money. The Boulder City 4-H Club had just returned from an international robotic competition at Legoland, California. The club's robotics team took 66th place out of 3,200 teams. The credit went to the help provided by the University of Nevada Cooperative Extension. The Boulder City 4-H Club was concerned about animal projects, agricultural projects, gardening projects, and hydroponics projects. He felt UNR seemed to have strong programs, and he was in favor of UNLV having its projects, but he did not understand why there was a bill that might divide Nevada into northern and southern regions.

Angela O'Callaghan, Associate Professor, University of Nevada Cooperative Extension, pointed out that she never identified herself as working for the University of Nevada, Reno Cooperative Extension. She was a state specialist, funded with 65 percent Clark County funding and 35 percent state funding. Her programs were horticulture programs throughout Clark County and in other parts of Nevada. She worked with master gardeners and community gardens and farmers' markets, all of which had been so important in getting going. She had continued programs for school gardens, for junior master gardeners, at the prisons, and for pesticide safety, and she worked with landscape professionals for proper management of landscape training and urban agriculture. She started working for the University of Nevada Cooperative Extension 17 years ago, and since that time, there were now over 30 community gardens. The Cooperative Extension was working to develop urban

agriculture on a large scale. However, Clark County was in the heart of the Mojave Desert and water conservation was a priority. It might appear the Cooperative Extension down south was moving very slowly, when in fact it was moving very carefully, so that when work was done in urban agriculture, the program would not find itself out of water.

Ms. O'Callaghan said she was tenured faculty, and frankly, she was concerned because she was told that should A.B. 407 (R1) pass, she would have a month before her position would be terminated. She felt that was disconcerting. She stressed all the Cooperative Extension programs were "needs-based," and the office did not start programs just because it looked like a good idea, rather it started programs based on a needs assessment, and it had to make sure those programs were maintained at a quality level. She felt the Cooperative Extension, Southern Nevada, had been treated disrespectfully in the process. Since she had started, the Cooperative Extension emphasized frugality, and she was able to solicit donations so that she did not have to use her Clark County budget. She closed by saying it now appeared that being enthusiastically frugal was a problem for the Cooperative Extension in Southern Nevada.

Holly Gatzke, Extension Educator, Lincoln County, and Chair of the Policies and Procedures Committee, University of Nevada Cooperative Extension, said that she had submitted a document titled "Fiscal Impacts of AB407 on Current Extension Programs," ([Exhibit I](#)). She opposed A.B. 407 (R1) because it separated the Cooperative Extension into two entities, and that created an extra burden. She wanted to address the fiscal consequences because that seemed to be the concern of the Committee. The effect of making two Cooperative Extensions in one state was something that had not been done in the rest of the country. This created two points where money was filtered, not one. This issue had not been discussed with the Board of Regents, and that created a lot of concern. All of a sudden, there was funding flowing in with no determination where the funding belonged. That vagueness in A.B. 407 (R1) would create worry for different people. For example, in Lincoln County the salaries for the 4-H staff and her were paid by federal and state funds. If those funds did not flow to Lincoln County, that would result in the need to reduce staff. It was her role and the role of other staff to bring in hundreds of thousands of dollars in grant funding for other programs for Lincoln County. The flow of money was important, and that had not been identified in A.B. 407 (R1). The bill created an ambiguous situation that did not exist before. There would be a continued concern for future funding, she said, including questions such as whether funding was approved, how funds would be allocated, what the amount of the funding was, who would be in charge of statewide allocations, who would be responsible for statewide reporting to the federal government, and who would deal with statewide federal audits.

Ms. Gatzke explained there was \$9.6 million in cooperative grants to Clark County that was tied to faculty employed by UNR. If A.B. 407 (R1) were passed, she asked what would happen to the grants, what would happen to the programs, and what would happen to those people employed by UNR. As shown in [Exhibit I](#), she cited a Lincy Institute proposed

distribution under A.B. 407 (R1) that would cut the extension program budget to \$4.1 million, a reduction of funding of \$1.7 million or a 28 percent decrease. She questioned the 5-year plan to spend down the surplus, because in year 6, all programs would incur a 33 percent reduction because the surplus would be gone.

Chair Carlton asked whether there was testimony in opposition to A.B. 407 (R1) in Carson City.

Kent Ervin, Legislative Liaison, Nevada Faculty Alliance, stated that he was representing faculty at eight NSHE institutions and that he was an affiliate of the American Association of University Professors, which promoted values of shared government and faculty rights. For the statewide organization, there was no position on A.B. 407 (R1) as it applied to reorganization per se, but it had serious concerns about fiscal, personnel, and faculty governance matters. These proposals had not been reviewed by the Faculty Senates required by NSHE code. He stated that faculty contracts were with individual institutions, not with NSHE, so without specification that addressed how the funding would be appropriated in A.B. 407 (R1), UNR faculty would have to be terminated. Like the medical schools, those faculty members would probably be rehired, but the rehiring was not part of the bill. Also not in the bill, he noted, was the direction of funds. There could be a need for terminations in the remaining counties. Mr. Ervin hoped this would be planned and worked out upfront, rather than after the fact.

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation, was opposed to A.B. 407 (R1). His opposition was not based on the intention and desire of Clark County leaders who wanted to have greater local control and direction over Cooperative Extension programs and to receive the full benefits of local funding. The Nevada Farm Bureau Federation understood and supported the importance of local needs receiving appropriate attention through Cooperative Extension programming. The framework from the first draft of the bill provided increased local engagement and was an outstanding concept that the Nevada Farm Bureau Federation supported. Unfortunately, when he looked at the amendment to A.B. 407 (R1), the increased local engagement language was removed. Because of the removal of the increased local engagement language and the unanswered questions about federal funding, the Nevada Farm Bureau Federation urged the Committee and the Nevada Legislature to oppose the proposed division and regionalization of the Cooperative Extensions called for in A.B. 407 (R1). At the very least, a full concept study should be conducted to understand the potential consequences, and there should be a preplanned approach put in place to work through the details ahead of time. Earlier this session, the Nevada Farm Bureau Federation supported Assembly Bill (A.B.) 16, which proposed transparency relating to the Cooperative Extension programs and required annual reporting to the Legislature. This bill also provided direction for enhanced funding to county Cooperative Extension programs that considered the amount of money needed to support those programs. If the Committee were going to approve A.B. 407 (R1), he believed it was essential that Committee members approve A.B. 16 to ensure there would be the necessary resources to supplement the program as the shift took place in the Cooperative Extension.

Chris A. Pritsos, Director, and Associate Dean of Research, Agricultural Experiment Station, UNR, said the land-grant system had a three-fold mission of teaching, research, and outreach. The Agricultural Experiment Station was the research arm of the land-grant system, and as such, was an integral part of the College of Agriculture, Biotechnology and Natural Resources at UNR. The Agricultural Experiment Station supported faculty and research, which addressed important issues for the state and which benefited all Nevadans. The Agricultural Experiment Station received both federal and state funding to support its mission.

Mr. Pritsos said that A.B. 407 (R1), while entirely focused on the Cooperative Extension, could have profound fiscal consequences for the Agricultural Experiment Station. The bill did not recognize those consequences. Assigning land-grant status to both UNLV and DRI would allow those institutions to ask for Agricultural Experiment Station funding. If funds were evenly split among the three institutions, this would be a two-thirds reduction in Agricultural Experiment Station funding at UNR. The College of Agriculture, Biotechnology and Natural Resources faculty at UNR was typically supported by funds from both UNR and the Agricultural Experiment Station. A loss of two-thirds funding would require the Agricultural Experiment Station to eliminate 15 faculty positions, 8 classified staff positions, and 25 graduate student research positions. Loss of these positions would affect the UNR's ability to deliver its academic programs that benefited the entire state. Many programs would most likely be closed. The fiscal reduction would also effectively eliminate the Agricultural Experiment Station's ability to support research, which addressed important state issues. The loss of these funds could result in the eventual closure of Nevada's only College of Agriculture, Biotechnology and Natural Resources and its important programs, such as nutrition, veterinary sciences, and biochemistry and molecular biology. He was disappointed that through the entire process, the sponsors of this bill did not contact the Agricultural Experiment Station to discuss the bill or its consequences.

David K. Shintani, Associate Dean, Academic Affairs, College of Agriculture, Biotechnology and Natural Resources, UNR, was there to voice his opposition to A.B. 407 (R1), and he wanted to reiterate what Mr. Pritsos said. About 22 percent of the college's students came from Clark County high schools. Particular programs included the Veterinary Science program, the Wildlife and Ecology Conservation program, a rangeland program, and a forestry program. Granting land-grant status to the other two institutions would decrease the amount of funding for faculty, and A.B. 407 (R1) would adversely affect its programs.

Neena K. Laxalt, representing the Nevada Cattlemen's Association, said she wanted to apologize to the sponsor because the Nevada Cattlemen's Association had not come forward during the policy committee meeting. Ms. Laxalt said there was a lot of information and misinformation, but the Nevada Cattlemen's Association had time to look at the bill and determine that this legislation was unnecessarily divisive for Nevada. The bill would be detrimental to the rural areas, particularly to the agriculture industry because of the loss of federal funding for UNR's College of Agriculture, Biotechnology and Natural Resources.



The current system's structure could achieve the same goals intended in this bill, and problems could be fixed through internal processes. She did not believe the legislation was necessary.

Sherman Swanson, faculty member, College of Agriculture, Biotechnology and Natural Resources, UNR, said he started as an extension range specialist in 1983, and he still had an extension appointment. He also had an appointment with the Agricultural Experiment Station and a teaching appointment with the college, so his time was split three ways. The reason this was important was because the resources at UNR were scarce, and employees were able to complete their job functions because they wore multiple hats. He noted that in 1990, there was a decision to serve the needs of all Nevadans equally, and since that time, the Cooperative Extension full-time-equivalent (FTE) positions had moved to counties closer to the people. The communities needed a research base, and the ability to have a collective team of people at the university to provide that research base was important. Splitting that team would be divisive, and he was in opposition to A.B. 407 (R1).

Steve Walker, representing Douglas County and Eureka County referred to [Exhibit J](#), written testimony authored by Jake Tibbitts, Eureka County Natural Resources Manager. Mr. Walker said that the testimony opposed A.B. 407 (R1) and was available on Nevada Electronic Legislative Information System (NELIS) for the Committee's consideration.

Ian L. Maw, Vice President, Food, Agriculture, and Natural Resources, Association of Public and Land-Grant Universities (APLU), Washington, D.C., stated that he had a 48-year career in agricultural administration in the land grants of this country. He spent the last 15 years at APLU as its principal spokesman working with deans, extension directors, and research directors across the land-grant system. The APLU was an association composed of 237 major public universities; of those, over 100 were land-grant institutions. The land grants were formed in 1862 by the Morrill Act that established a single land-grant institution in each state. After the Civil War, states that rejoined the union were given the opportunity to have a land-grant institution. Dr. Maw said there was some talk today that the Legislature wanted to make another land-grant institution and that this could happen. That was not the case, he stated. Any land-grant designation could only come through an act of Congress. It was this way in the 1890s when the black colleges and public colleges in the south were given land-grant status by Congress and in 1994 when all 34 of the Native American institutions were given land-grant status. There had been only one institution added since that 1994 legislation, and that was Central State University in Ohio. When Central State University was added, state extension services and experiment station services that were funded through capacity funds from the federal government saw an immediate cut to their budgets because they had to accommodate another institution. The Board on Agriculture Assembly, which included all the deans, vice chancellors, and vice presidents related to college agriculture programs across the United States, passed a motion and resolution that was then passed through its legislative representative to the agricultural

committees of Congress that there shall be no more additional land-grant institutions assigned or passed. That was a reality, and should it be changed, the immediate effect would be a diminishment of the budget for each of the land-grant institutions, including UNR.

Dr. Maw saw multiple difficulties with A.B. 407 (R1). He explained that in every state the Cooperative Extension services were administered from a single point of reference. This was done so that all parts of the state would be able to put forward their needs and so there would be a balance in the services provided across the individual state, no matter how large the state. This structured worked very well. He saw no reason why this structure would not work in Nevada. What he had heard today was an absence of articulation for the needs of various counties to the University of Nevada administration and its Cooperative Extension. He put the onus and responsibility of that matter on the county commissioners and the relationships those county commissioners had with their colleagues and Cooperative Extensions. There were serious consequences if A.B. 407 (R1) were passed. The transactional cost alone of two separate systems was high, and that cost would come at the expense of programs the Cooperative Extension served.

Jeff Fontaine, Executive Director, Nevada Association of Counties (NACO), said that counties were the largest source of revenue for the Cooperative Extension, and all counties participate equally in the program in that all counties must levy a 1-cent property tax to participate in the program. The NACO was opposed to A.B. 407 (R1), but was in full support for UNLV participating in the program and understood the need to leverage the opportunities, the outreach, the expertise, and the ability to respond to the communities in Southern Nevada. He was not going to repeat all the points made by the opposition, but NACO was concerned that this bill could divide the Cooperative Extension into geographic regions and divide limited resources for the program. The NACO understood the intent was not to change how the funding was allocated to the counties, but it was unclear how that funding split would occur. He said NACO felt that the current system structure allowed for collaboration between UNR and UNLV, and because of the concerns about the service levels, he felt that it was better to keep the current system and allow the opportunity for improvements to occur. Mr. Fontaine stated that the Committee had legislative oversight, and he asked the Subcommittee members to consider NACO's bill, A.B. 16.

Chair Carlton asked whether anyone was neutral on A.B. 407 (R1), and hearing no response, she asked Assemblywoman Diaz to summarize.

Assemblywoman Diaz wanted to clarify for the record that UNLV had land-grant status and enjoyed that land-grant status. The Office of the Attorney General and the Legal Division, Legislative Counsel Bureau, had advised her that the Legislature was the institution that made that designation. Much as UC schools were all land-grant status institutions, UNLV was an extension of UNR and therefore, had land-grant status. She said 75 percent of Nevada's population lived in Southern Nevada. She questioned whether the southern region was getting equity and parity, and she questioned whether the funds were being dispersed in a manner that mirrored the population of the state. Currently, there was no transparency for how the Cooperative Extension program worked and there was not a way to show whether

the percent of the population was served the same way as the other 25 percent was served. Assemblywoman Diaz wanted to know that the southern region was getting the same service, and she felt that there were many unanswered questions about the reserves. There were no reserves in the rural counties, there was about \$200,000 in Washoe County, and there was about \$12 million sitting in Clark County. There was more work to be done, but the intent should be to make the program better, especially for Southern Nevada.

Chair Carlton, closed the hearing on A.B. 407 (R1), and opened the hearing on Assembly Bill (A.B.) 434 (1st Reprint).

**Assembly Bill 434 (1st Reprint): Makes appropriations for incentives for employing teachers at Title I and underperforming schools. (BDR S-1033)**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that Assembly Bill (A.B.) 434 (R1) made appropriations for incentives for the employment of teachers at Title I and underperforming schools. The fiscal note related to this bill was \$2.5 million from the State General Fund to the Department of Education to provide incentives for the hiring of new teachers at Title I schools or schools that were designated as underperforming. She said that A.B. 434 (R1) also appropriated an additional \$2.5 million from the State General Fund to the Department of Education to provide incentives for teachers currently employed by a public school in Nevada who transfer to a Title 1 school or a school designated as underperforming, pursuant to the statewide system of accountability for public schools. Accordingly, this bill contained appropriations of \$5 million that were not included in The Executive Budget.

Assemblyman Jason Frierson, Assembly District No. 8, said the intention of A.B. 434 (R1) was to recognize that Nevada's children would benefit from new teachers who chose to teach in struggling schools, but in addition, experienced teachers willing to transfer to a struggling school would be provided with the same incentive. An experienced teacher, he acknowledged, could use his or her experience in those struggling classrooms. He felt that the current structure in place was a disincentive for experienced teachers who might want to work in struggling schools.

Assemblyman Frierson stated that during the 78th Legislative Session (2105), \$10 million was designated for incentives for new teachers to teach in struggling schools. The recommendation in the current budget proposed to reduce that funding by 75 percent. It was his understanding that the program had been working well and could have used more funding. Assemblyman Frierson wanted the amount of money appropriated for incentives to be used not only for new teachers, but also for experienced teachers. The proposed funding cut of 75 percent left only a small portion to continue the incentives, and he believed there was merit to the continued support for incentives. Assemblyman Frierson stated that he did not want to see the Committee cut the incentives by 75 percent, and then in four years say the incentives did not work, when in reality, the incentives did not work because the Legislature stopped funding incentives. He quoted the adage, "You do not get fruit on a tree, unless you water the tree." Incentives were working, and Assemblyman Frierson proposed that the

Committee replenish the funding so incentives could not only continue to pay new teachers who chose to work in struggling schools, but to expand incentives to include experienced teachers who transferred to struggling schools.

Chair Carlton opened the meeting for questions from Subcommittee members, and hearing no questions, she opened the floor to public comment.

Chris Daly, Deputy Executive Director of Government Relations, Nevada State Education Association, said he supported A.B. 434 (R1). Given the severity of the teacher shortage across Nevada, the challenges for teaching in Title 1 schools, and the correlation between students' test scores and socioeconomic status as it applied to teacher evaluations, teacher incentives for these schools were necessary to avoid the trap of long-term substitutes filling too many positions. The new teacher incentives, coupled with incentives for more experienced teachers, would bring the most qualified teachers to the schools that needed them the most. The Nevada State Education Association preferred the original version of the legislation that would have made existing teachers at Title 1 schools eligible for these incentives, he concluded.

Mary Pierczynski, representing the Nevada Association of School Superintendents and Nevada Association of School Administrators, was in full support of A.B. 434 (R1).

Paige Ritzman, representing the Nevada Association of School Boards, said that A.B. 434 (R1) would help to get teachers into struggling schools and help students succeed. She supported this bill.

Brad Keating, Legislative Representative, Community and Government Relations, Clark County School District, was in support of A.B. 434 (R1).

Ed Gonzalez, representing the Clark County Education Association, was in support of A.B. 434 (R1).

Chair Carlton asked whether there was anyone neutral on A.B. 434 (R1).

Dena Durish, Deputy Superintendent, Division of Educator Effectiveness and Family Engagement, Department of Education, said she was in a neutral position in regard to A.B. 434 (R1). She referenced teacher incentives from Senate Bill 511 of the 78th Session (2015), and said there were some questions whether these funds were subject to collective bargaining. She supported the concept of A.B. 434 (R1), but would like to work with the sponsors and cosponsors to resolve some matters. There were concerns such as where some districts had different transfer requirements, whether there was a maximum or minimum amount of incentive per teacher, and what could keep that teacher from transferring out after his or her first year, as well as other questions. She appreciated the amendment that included the Board of Education's ability to adopt regulations, but she needed more direction as it proceeded to ensure the outcome was effective and balanced in the distribution of funds.

Chair Carlton asked whether her concerns had been put on the record during the policy hearings. Ms. Durish replied that her concerns were not provided for the record. Chair Carlton suggested that she reach out to Assemblyman Frierson or appropriate staff with her concerns, knowing that the concerns would require the bill to be heard at another committee hearing. The Chair advised Ms. Durish that it was difficult to bring issues up this late in the process.

Hearing no further public comment, Chair Carlton closed the hearing on A.B. 434 (R1) and opened the hearing on Assembly Bill 436 (1st Reprint). She explained that Assembly Bill 266 (1st Reprint), Senate Bill 3, and Senate Bill 503 (1st Reprint) would be moved to the next day's agenda.

**Assembly Bill 436 (1st Reprint): Revises provisions governing small business loans.  
(BDR 18-1079)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that Assembly Bill (A.B.) 436 (1st Reprint) required the Office of Economic Development, Office of the Governor, the Office of the Secretary of State, and the Regional Business Development Advisory Council for Clark County to provide information to certain businesses in the state regarding public and private programs for financing small businesses. The bill additionally required the Office of the Secretary of State to inquire at the time of an application or the renewal of a state business license whether the business was woman-owned, minority-owned, or veteran-owned. If that business indicated it was women-owned, minority-owned, or veteran-owned, information would be provided to that business regarding how to become certified as a disadvantaged business enterprise.

Ms. Jones noted that the Office of the Secretary of State submitted a fiscal note for \$125,479 in fiscal year (FY) 2018 and \$63,668 in FY 2019 for the addition of one administrative assistant position to monitor, collect, track, and deliver paper documents, troubleshoot system outages, and develop reports.

Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1, said this was a straightforward bill that originated when she was working with small businesses in her community. A number of those small-business owners expressed their difficulty in finding financing and ways to help small businesses grow. Nevada had done an excellent job of providing resources, but the opportunities were not always communicated to small-business owners. She believed that the best time to provide information about available resources was when a person applied for a state business license. This information would be provided to everyone applying for a state business license.

Assemblywoman Monroe-Moreno said it was brought to her attention during policy hearings that the data for women-owned businesses, minority-owned businesses, or veteran-owned businesses was not always captured. She said that if A.B. 436 (R1) was approved, when businesses applied for a license, businesses would be given an opportunity to declare whether they were women-owned, minority-owned, or veteran-owned. Then the Office of the

Secretary of State would provide information to the small business regarding available resources that were available. This process would occur every year at renewal as well. The Office of Economic Development, Office of the Governor, had testified that this bill would be helpful in getting information out to those small businesses.

Assemblywoman Monroe-Moreno said that in the original version of the bill, she had asked for the information to be written and in electronic form. In discussions with the Office of the Secretary of State, she found that 80 percent of Nevada business owners applied for a license directly through the business portal on the Office of the Secretary of State's website. If the scope was limited to having the business status electronically, that would alleviate the fiscal note that was attached to the bill. In short, the Committee had a proposed amendment ([Exhibit K](#)) to A.B. 436 (R1), dated May 16, 2017, that removed the language for the written requirement. Businesses could easily get access through the Office of the Secretary of State's portal and work with the Office of Economic Development. In Southern Nevada, she noted, there was the Regional Business Development Advisory Council for Clark County that would also be required to provide information on available resources.

Chair Carlton asked for any questions from Subcommittee members, and there were no questions. The Chair told the members that they had the amendment, and she wondered whether the amendment would negate the fiscal note or whether the cost would be lowered.

Chair Carlton asked whether there was anyone in support of A.B. 436 (R1).

Paul Moradkhan, Las Vegas Metro Chamber of Commerce, stated that he was in support of A.B. 436 (R1) and appreciated the efforts to help small business members find more information about the programs available to them.

Connor Cain, representing the Nevada Bankers Association, stated that he was in support of A.B. 436 (R1). The Nevada Bankers Association believed that by providing information concerning public and private programs to help finance small businesses that might not otherwise have access to information, A.B. 436 (R1) had the potential to drive economic growth and job creation. He referred to a letter ([Exhibit L](#)) dated May 6, 2017, that supported his testimony.

Seeing no one else in support of A.B. 436 (R1), Chair Carlton asked for anyone in opposition to or neutral on A.B. 436 (R1).

Scott Anderson, Chief Deputy, Office of the Secretary of State, said he had worked with Assemblywoman Monroe-Moreno, and initially the Office of the Secretary of State had a significant fiscal note attached to A.B. 436 (R1), but with the amendment, that fiscal note went away. He believed the Office of the Secretary of State would be able to provide the information to women-owned, minority-owned, and veteran-owned businesses as designed by Assemblywoman Monroe-Moreno. Concerning the other 20 percent of businesses that

did not file electronically, the Office of the Secretary of State was making that information available on its website and would make note of the website on notices to those businesses, so they would know where to get that information.

Chair Carlton asked for any questions from the Committee, and seeing no questions, she closed the hearing on A.B. 436 (R1). She again said that Senate Bill 3, Senate Bill 503 (1st Reprint), and Assembly Bill 266 (1st Reprint) would be placed on the agenda for May 25, 2017. The Chair said she had a bill draft request (BDR) that needed to be introduced.

Chair Carlton referenced BDR 16-1230 and stated that it authorized the Division of Parole and Probation of the Department of Public Safety to provide money for transitional housing for indigent prisoners released on parole under certain circumstances. She requested a motion.

**BDR 16-1230** – Revises provisions related to funding for transitional housing for indigent inmates. (Later introduced as [Assembly Bill 514](#).)

ASSEMBLYMAN SPRINKLE MOVED FOR THE COMMITTEE  
INTRODUCTION OF BILL DRAFT REQUEST 16-1230.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE  
MOTION.

THE MOTION PASSED. (Assemblyman Anderson was not present for the  
vote.)



Chair Carlton opened the meeting for public comment, and hearing no response, she adjourned the meeting at 10:41 a.m.

RESPECTFULLY SUBMITTED:

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Michelle Hamilton  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

DATE: \_\_\_\_\_

## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a letter dated May 5, 2017, from Len Jessup, Ph.D., President, University of Nevada, Las Vegas, in response to a fiscal note submitted by the Nevada System of Higher Education, and presented by Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit D](#) is a copy of an email dated May 22, 2017, in support of Assembly Bill 407 (1st Reprint) from the Council for a Better Nevada, referenced by Senator Scott T. Hammond, Senate District 18.

[Exhibit E](#) is proposed amendment 4516 to Assembly Bill 407 (1st Reprint), dated May 11, 2017, presented by Assemblywoman Olivia Diaz, Assembly District No. 11.

[Exhibit F](#) is a letter dated May 25, 2017, titled "AB407 – Cooperative Extension Program," authored by Len Jessup, Ph.D., President, University of Nevada, Las Vegas, to Chair Maggie Carlton, referred to by Assemblywoman Diaz, Assembly District No. 11.

[Exhibit G](#) is material submitted by Chris A. Pritsos, Director, and Associate Dean of Research, Agricultural Experiment Station, Nevada System of Higher Education (NSHE), referenced by Assemblywoman Benitez-Thompson, which consisted of the following:

1. Testimony authored by Chris A. Pritsos, Director, and Associate Dean of Research, Agricultural Experiment Station, Nevada System of Higher Education (NSHE), in opposition to Assembly Bill 407 (1st Reprint).
2. A document titled, "Nevada Agricultural Experiment Station, Sustainable Science for Life, A STATEWIDE ASSET."

[Exhibit H](#) is a document titled "Clark Count Reserve fund History," submitted by Mark Walker, Interim Director, and Associate Dean of Engagement, University of Nevada Cooperative Extension, referred to by William (Bill) Payne, Dean, University of Nevada Cooperative Extension.

[Exhibit I](#) is a document titled "Fiscal Impacts of AB407 on Current Extension Programs," authored and presented by Holly Gatzke, Extension Educator, Lincoln County, and Chair, Policies and Procedures Committee, University of Nevada Cooperative Extension.

[Exhibit J](#) is written testimony authored by Jake Tibbitts, Manager, Natural Resources, Eureka County, presented by Steve Walker, representing Douglas County and Eureka County.

[Exhibit K](#) is proposed amendment 4722 to Assembly Bill 436 (1st Reprint), dated May 16, 2017, presented by Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1.

[Exhibit L](#) is a letter dated May 6, 2017, authored by Phyllis Gurgevich, President and CEO, Nevada Bankers Association, and presented by Connor Cain representing the Nevada Bankers Association, in support of Assembly Bill 436 (1st Reprint).