

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Eightieth Session
February 27, 2019**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:03 p.m. on Wednesday, February 27, 2019, in Room 2149 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 David R. Parks, Chair
Senator Melanie Scheible, Vice Chair
Senator Julia Ratti
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Marilyn Dondero Loop, Senatorial District No. 8
Senator Joseph P. Hardy, Senatorial District No. 12
Senator Pat Spearman, Senatorial District No. 1
Senator Joyce Woodhouse, Senatorial District No. 5

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Policy Analyst
Heidi Chlarson, Committee Counsel
Becky Archer, Committee Secretary

OTHERS PRESENT:

Kimberly Mull
MacKenzie Baysinger, Human Services Network
Marlene Lockard, Nevada Women's Lobby
Susan Meuschke, Nevada Coalition to End Domestic and Sexual Violence

Tony Yarbrough, Veterans of Foreign Wars, Department of Nevada; United Veterans Legislative Council
Lennora Valles, Southern Nevada Women Veterans Coalition
Paula Novack, Southern Nevada Women Veterans Coalition
Amy Garland, Department of Veterans Services
Robert Bilbray, Laughlin Economic Development Corporation
John Fudenberg, Clark County
David Dazlich, Las Vegas Metro Chamber of Commerce
Michael Pelham, Nevada Taxpayers Association
Shani Coleman, City of Las Vegas
Mike Cathcart, City of Henderson
Kathy Clewett, City of Sparks
Tammi Davis, Treasurer, Washoe County
Brian McAnallen, City of North Las Vegas; Porter Group
JoVon Sotak, Office of Grant Procurement, Coordination and Management, Department of Administration
Helen Foley, Nevada Community Foundation
Mark Fiorentino, Nevada Advisory Council on Federal Assistance
Paul Moradkhan, Las Vegas Metro Chamber of Commerce
Kelly Crompton, City of Las Vegas
Miles Dickson, Chief of Staff, Office of the State Treasurer
Sue Meuschke, Nevada Coalition to End Domestic and Sexual Violence
Patti Oya, Department of Education
Connie Lucido, Director, Office of Community Partnerships and Grants, Department of Health and Human Services
Julia Peek, Deputy Director, Programs, Department of Health and Human Services

SENATE BILL 225: Revises provisions relating to veterans. (BDR 37-552)

SENATOR PAT SPEARMAN (Senatorial District No. 1):
I present Senate Bill (S.B.) 225. I am pleased to join Senator Woodhouse at the table today in support of this important legislation to help veterans.

As many of you know, I served in the United States Army Military Police Corps for 30 years. I am a veteran, and this is an issue I care a great deal about.

I will provide some background. The U.S. Department of Veterans Affairs website defines military sexual trauma as sexual assault or repeated, threatening

sexual harassment that occurred while the veteran was in the military. It includes any sexual activity where someone is involved against his or her will. Other experiences that fall into the category of military sexual trauma include: unwanted sexual touching or grabbing; threatening, offensive remarks about a person's body or sexual activities; and/or threatening or unwelcome sexual advances. Both women and men can experience military sexual trauma during their service.

However, most reported cases are abuses toward women in the military. Several people commented on the color of my attire today. I will explain why I wear purple. I wear this color to honor the heroes and heroines who have stepped out of the shadows, not as victims, because their very act of articulating the sexual abuses sets them apart and on the road to victory. They are on the road to victory over the cowards who have tried to silence their voices and end their careers. The Purple Heart was established in 1782 and reestablished in 1932. Those who experience military sexual trauma (MST) were indeed wounded in battle, and some eventually succumbed to the pain of this atrocity and completed suicide.

A recent review of trauma among veterans and military personnel indicates they experience higher rates of trauma exposure, in comparison to the general population, with associated higher rates of posttraumatic stress disorder (PTSD). The most widely studied type of trauma in female veterans is sexual assault, which encompasses childhood sexual assault, civilian adult sexual assault and sexual assault that occurs while serving in the military. Given the recent media attention and increasing prevalence of MST, the article focuses on a review of existing literature—specifically examining MST—in relation to its prevalence and associated consequences. Military sexual trauma is defined by the U.S. Department of Veterans Affairs as sexual harassment that is threatening in character, a physical assault of a sexual nature that occurred while the victim was in the military—regardless of geographic location, gender of the victim or relationship to the perpetrator. Although Veterans Affairs only recently began to deal with this epidemic, the culture of "rape and you better not tell" goes back several decades.

I have a good friend, Carolyn, with whom I went to college. She should have been on the road to retire as a General. As a major and a protocol officer to a 2-star general, in Fort Leonard Wood, Missouri, she was viciously attacked by an O-6 full-bird colonel in his office. As he attempted to disrobe her, he grabbed

her blouse and ripped a few buttons. She ran around the office trying to get away from him, knocking over chairs. People in the outside office heard the commotion; when she ran out, she was clutching her torn blouse and her pants, where he had ripped the buttons off, as she was trying to get to safety. When Carolyn told her story, her words were "City Hall shut down on me." She was eventually run out of the service and not allowed to retire, but the colonel retired with full military benefits.

I also heard from others who have experienced MST. One young lady was gang-raped in Iraq, and nobody believed her while she was there. She came back to the United States still trying to tell her story, and no one believed her. She was eventually medically discharged because the military said she was delusional.

Recently, I spoke to several other women about their experiences. One told me she was on her way to a promotion to E-5 sergeant when her drill sergeant, who was her supervisor, invited her out on a date. She refused his advances several times, and because of this, she was eventually drummed out of the service. I spoke to another woman who experienced MST, has profound PTSD and is undergoing medical treatment that will hopefully realign her psyche.

These are abuses and atrocities that never should have happened. The abuses are far worse than the fratricide, which is defined as friendly-on-friendly fire. Indeed, that is what this is. No one serving their Country should be subjected to these types of atrocities. I will continue to raise my voice for those who have suffered this indecency, because the people who perpetrated these crimes should be hunted down and be made to pay for their crime. The culture of "rape and you better not tell" is over.

During the 2015 Legislative Session, Senator Woodhouse and I presented S.B. No. 268 of the 78th Session to the Senate Committee on Government Affairs then chaired by Senator Goicoechea. That bill was passed to create in the State General Fund the Account to Assist Veterans Who Have Suffered Sexual Trauma. It required the Director and Deputy Director of the Department of Veterans Services to develop plans and programs to assist veterans who have suffered sexual trauma while on active duty or during military training, and it required certain reporting concerning these plans and programs. These provisions were set to expire by limitation in 2017, but we came before this Committee in 2017 then chaired by Senator Parks.

The 2017 Legislature enacted S.B. No. 137 of the 79th Session, which among other provisions, removed the sunset date of June 30, 2017, to continue the requirement to develop plans and programs to assist veterans who have suffered military sexual trauma and to maintain the Account to Assist Veterans Who Have Suffered Sexual Trauma.

Senate Bill 225 does two important things: one, it requires the Director of the Department of Veterans Services to submit, on or before August 1 of each year, a report to the Interim Finance Committee detailing the expenditures made from the Account to Assist Veterans Who Have Suffered Sexual Trauma and two, it amends the existing definition of “victim” for the purposes of the Fund for the Compensation of Victims of Crime to include a veteran who experienced an act of sexual assault while serving on active duty, active duty for training or inactive duty training. This will allow such veterans to obtain compensation from the Fund.

While this is a policy Committee, I want to recognize a fiscal note has been requested. The fiscal note was not available as of the date of drafting these remarks.

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

I am here today to speak on S.B. 225 with my colleague Senator Pat Spearman.

Although I am not a veteran, this is an issue I care a great deal about. I have been fortunate to serve on two Interim Committees related to veterans during my legislative service: first, the Legislative Commission Subcommittee to Study Issues Relating to Senior Citizens and Veterans during the 2007-2008 Interim; and secondly, the Legislative Committee on Senior Citizens, Veterans and Adults With Special Needs during the 2009–2010 and 2015-2016 Interims.

Senator Spearman has reviewed the two provisions in the bill, but I will add some background information.

According to the United States Department of Veterans Affairs’ State Summaries Report for 2017, Nevada’s veteran population is approximately 10.35 percent of the adult population in our State, higher than the national average of 6.6 percent. That estimate means Nevada is home to approximately 222,000 veterans. Hopefully, this is a reflection of the gains we have made to make Nevada the most veteran-friendly state in the United States.

We still have a long way to go to provide our veterans with the services needed, but S.B. 225 will help. Events to provide information and assistance to those suffering from military sexual trauma and provide continuing education for healthcare professionals have been implemented. Training and information programs need to continue and grow.

As Senator Spearman noted, I was proud to request S.B. No. 268 of the 78th Session during the 2015 Session to create the Account to Assist Veterans Who Have Suffered Sexual Trauma and direct the Department of Veterans Services to develop plans and programs to assist veterans who have suffered sexual trauma during their military service. It was a pleasure to return in 2017 to request S.B. No. 137 of the 79th Session to remove the sunset and continue this important work. I am pleased to find myself here, with Senator Spearman, to support the important work that has begun to help all our veterans heal.

While I know this is a policy Committee, I wanted to point out the Office of the State Treasurer advised my staff on Monday that according to the Data Warehouse of Nevada, the Account to Assist Veterans Who Have Suffered Sexual Trauma, budget account 101-2568, does not have any funds. The Fund for the Compensation of Victims of Crime, budget account 101-4895, has \$11,066,993 year-to-date total receipts/funding available.

Money in the Fund for the Compensation of Victims of Crime is disbursed by order of the State Board of Examiners. It is important to note this fund is codified in *Nevada Revised Statutes* (NRS) 217.260, and it already has quarterly reporting requirements to the State Board of Examiners as it has been in place for several decades.

As you will hear from the testimony that follows, victims of MST are “victims” too and merit being recognized as such. I support whatever we can do to help people who have served our Country, and this is a reasonable means to compensate them for the injuries suffered during their public service.

SENATOR KIECKHEFER:

I appreciate you bringing this bill. We are digging ourselves out of a long culture of acceptance that is not acceptable. In looking at the budget Senator Woodhouse referenced, the program description specifically says the way the account is structured, funds are available to victims of crime that occurred when the crime was committed in Nevada. I assume this is the

first expansion of that to crimes committed outside the State. The people receiving compensation would have to be Nevada residents. Is that accurate?

SENATOR WOODHOUSE:

Yes, that is my understanding. We will make sure we reconfirm that.

SENATOR KIECKHEFER:

Is there any way to estimate how many people we might help through this expansion? There are a lot of military personnel in our State with several installations.

SENATOR SPEARMAN:

I do not have an exact number. Part of the reason is many victims have not come forward. I am concerned when we think about military members, we often forget about those who served in the National Guard. Some National Guard members may be eligible. Others may have joined the military in Nevada and classify as being a Nevadan as this is the member's home of record. I do not have an accurate count. I discussed this issue with the Director of the Department of Health and Human Services, trying to figure out how we can help these victims. I also wanted to make sure requesting the use of the Fund for the Compensation of Victims of Crime is in line with the intent.

I am confident that eventually we will know. I spoke to at least 25 women in Clark County alone, who are praying this legislation will pass. Many veterans were drummed out of the military because they made a claim against a superior and, therefore, do not have access to veteran's benefits.

SENATOR KIECKHEFER:

For clarification, the crime itself may have been committed anywhere. We are not limiting the assistance to assaults that occurred inside the State. If the assault occurred while on active duty overseas and the veteran returns to Nevada as a resident, that veteran would be eligible, correct?

I can see the nodding of heads in agreement. I will continue with my next question.

Part of the compensation structure in the program includes lost wages. Do you anticipate someone who is pushed out of the military as a result of reporting

sexual assault would be able to apply for lost wages for an entire military career that was left behind? How do you calculate lost wages?

SENATOR SPEARMAN:

I do not anticipate that. For the most part, these victims want a way to heal. Some will tell their story to me but may never come forward to claim assistance. I do not see this as "I only served 2 years, but had it not been for the assault, I could have served 20 years." Our intent is to provide a way for them to heal.

SENATOR WOODHOUSE:

To add to Senator Spearman's reply, the 2 bills passed in 2015 and 2017 opened the door for the Department of Veterans Services to reach out to the veterans' community, particularly to women who have undergone this horrific crime, and the Department has done a tremendous job. Those were the first two steps, and this is the third step in addressing this issue. It will take some work for us to answer these questions because we do not know how many victims there are. We have to take these things one at a time. This is the next logical step to address the needs of these Nevada residents.

CHAIR PARKS:

Relative to page 3, section 2, subsection 2, I ask our legal counsel, Ms. Chlarson, to make a comment relative to that section.

HEIDI CHLARSON (Committee Counsel):

Under law, on page 3, section 2, subsection 2, specifies a person can receive compensation from this fund regardless of whether the person is a resident of the State, a citizen of the United States or is lawfully entitled to reside in the United States. This bill will allow a veteran who is not necessarily a resident of the State to receive compensation as well.

SENATOR SCHEIBLE:

On the other side of the coin, under the Victims of Crime Act, it is not true that this will be the first time people will be eligible to receive compensation for a crime that was committed elsewhere. Any resident of the State can receive compensation through the Nevada Victims of Crime Program if the person is not eligible through the state where the crime occurred. For example, if a person were a victim of sexual trauma or abuse as a child, he or she can still receive

funds through our program in Nevada, even if the crime did not occur in Nevada.

Ms. CHLARSON:

I have to research whether the event needs to occur in the State. Since we are discussing adding the victims of military sexual assault, we need to clarify where the event needed to occur. I will research to see what the law states.

SENATOR SCHEIBLE:

Nevada Revised Statutes 217.102 states the circumstances under which a victim of crime may apply for compensation include:

1. A resident who is a victim of a crime that occurred in a state other than the State of Nevada may apply to the Director for compensation if: (a) The state in which the crime occurred does not have a program for compensating victims of crime for their injuries; or (b) The resident is ineligible to receive compensation under the program of the other state.

KIMBERLY MULL:

I will read my written testimony provided ([Exhibit C](#)). I will add that a year ago, I used the Nevada Victims of Crime Program after I was sexually assaulted in my home in Reno. I used the fund to cover moving expenses, counseling and medical expenses.

I can answer a few of the questions asked. It does not cover lost wages unless the medical absence from work is specifically related to the crime itself. For example, I was unable to recover lost wages for doctor's appointments or time off work the week following the event, as I recovered. It is specific in what it covers.

MACKENZIE BAYSINGER (Human Services Network):

I am here to support S.B. 225. Written testimony has been submitted by Navy Veteran, Shane Whitecloud, who is unable to be here today ([Exhibit D](#)).

I will highlight his strength in sharing his story about sexual assault while serving in the United States military. He is now living with PTSD due to military sexual trauma. He described to me feeling angry, frustrated and hurt, and how he turned to drugs, trying to subdue the pain. He would not disclose to being a

military veteran for a large part of his life in fear someone would find out what happened to him. Now, he is rated 50 percent for a service-connected disability, 20 years after the initial assault took place. Shane went years with no support or social services for his assault. This is a disservice, and we must ensure those sexually assaulted—especially while serving their Country—receive the help needed. We ask for your support.

CHAIR PARKS:

We have Mr. Whitecloud's letter in our records.

MARLENE LOCKARD (Nevada Women's Lobby):

This issue has been pervasive in the military for many years and in recent years has come to light and exposed serious cultural problems within the military. It is a positive step to recognize what some people experience while serving our Country. I commend Senator Spearman and Senator Woodhouse for bringing these issues to light and finding a way to help right so many wrongs.

SUSAN MEUSCHKE (Nevada Coalition to End Domestic and Sexual Violence):

I add my thanks to Senator Spearman and Senator Woodhouse for bringing S.B. 225. As outlined by Senator Spearman, military sexual trauma is a significant issue in our Country. Victims who are not believed, harassed and silenced, have powerful voices and advocates in these two Senators. We add our voice in support of S.B. 225, a bill that ensures survivors have access to victim compensation.

TONY YARBROUGH (Veterans of Foreign Wars, Department of Nevada; United Veterans Legislative Council):

The United Veterans Legislative Council is an organization of all veteran organizations throughout the State, including veterans, active duty military, National Guard, families and advocates. Many of you have veterans in your family or have active duty military experience yourself. As we move forward, please remember veteran families sacrifice a lot to serve our Country by proudly supporting our veterans. We want to do what is right by our service members by supporting S.B. 225. I have worked on this issue with both Senator Woodhouse and Senator Spearman. Trying to identify a person who has gone through MST is a difficult and private situation. Most people are ashamed of the circumstances. The victim has been cast down, if you will. As a result, the victim is not quick to stand up and say "I need help."

The Department of Veterans Services (DVS) deals with all veterans' activities in the State. One important process is an outreach program required to seek out victims of MST and find ways to help them. Difficult as it is, every time we meet, we discuss what we are doing to help MST victims. I understand the director of DVS has discussed this and has an amendment in the works to help solve this.

The people I represent support S.B. 225, and this is the right direction to go.

LENNORA VALLES (Southern Nevada Women Veterans Coalition):

I am a military sexual trauma veteran. The Southern Nevada Women Veterans Coalition supports S.B. 225. I got out of the military in 1999. The repercussions from my MST caused strife in my life. I have been married and divorced four times. I have had bankruptcies and issues with drugs. I will be 50 years old in about 4 years, and I finally am aware of myself and what I need to keep healthy. If I would have had access to funds to help pay for daycare, a car payment or to move when a relationship failed, it would have saved my children a lot of trauma. Please support S.B. 225 as it is important.

PAULA NOVACK (Southern Nevada Women Veterans Coalition):

I am in favor of S.B. 225. I am a transgender Vietnam Era veteran, and I ask for your support of this bill.

AMY GARLAND (Department of Veterans Services):

I am testifying in the neutral position to state there is no fiscal impact on this bill in regard to the Department of Veterans Services. The Department states this bill would be strengthened by adding language to include a review of the activities to the reporting requirement. This, along with the expenditures from the Account to Assist Veterans Who Have Suffered Sexual Trauma, will provide a more accurate report of the annual impact of the MST's programs and services offered by the Department. These services are being funded from other funding sources since no money is in the account, as Senator Woodhouse pointed out.

SENATOR SPEARMAN:

I will end with a personal story. I was in Panama in 1986 just before we turned the canal back over to the Panamanians. I was there on special assignment working with an infantry division in the operations section. I was an O-3 captain and my senior rater, Colonel Black, was an O-6. My intermediate rater was an

O-5, who was rated by the O-6. Colonel Black called me into his office and as I reported and saluted, he said "Stand at ease, soldier." As I went to parade rest, he put his hands under the desk and began to tell me verbally in great detail what he wanted to do. I said to him "I do not do that, sir. That is not me; I do not do that." He replied—and I remember this as if it happened five minutes ago—"I can do a lot of things to help your career and nobody has to know." The inference was he could do a lot of things to hurt my career.

The following Saturday, Colonel Black came to my hotel room and knocked on the door. Fortunately, I did not answer. I looked outside the door and saw him standing there, and he stayed in front of my hotel room for about two hours. Later in the day, around noon, the housekeeper came and I hid inside the restroom bathtub with the curtain closed. When the housekeeper opened the curtain, I put my finger to my mouth and said "shh" and asked her to close the door. I explained what was happening and asked if she saw anybody outside the room that fit the description of Colonel Black. She replied yes. She came back at 4 p.m. and I asked her if he was still there. She indicated he was downstairs in the lobby. I called the front desk and asked if someone in the lobby met his description. The lady at the desk said yes. I asked where he was sitting. She told me and I told the housekeeper. The housekeeper then said she would be right back. She left to clock out, came back to my room and led me to the service elevator. I went down the service elevator and out the back dock, got into my car and drove to the house of friends—who were stationed with me in Fort Hood—and told them what happened.

A friend asked what I was going to do. At the time, I wanted to serve my Country for 20 years. I was in Panama and unable to get off the island without Colonel Black signing the orders. I could not go to my immediate rater because he is rated by the perpetrator. I chose silence and made it a point for the rest of my career to watch for cowards like him who prey on other service members and made sure I protected them the best I could.

I never told that story to anyone until I was promoted to lieutenant colonel. I was afraid my career would end. This is not just something that happened in 1986. It is something that happened in the 1970s, the 1960s and the 1950s. I have spoken to victims of MST to whom this happened in Vietnam and in Korea. The problem is pervasive; there are those who walk among us and suffer in silence.

Senator Woodhouse and I are trying to bring some comfort and solace to the victims, and I urge your support.

CHAIR PARKS:

We will close the hearing on S.B. 225 and open the hearing on S.B. 172.

SENATE BILL 172: Makes various changes relating to the Consolidated Local Improvements Law. (BDR 22-30)

SENATOR JOSEPH P. HARDY (Senatorial District No. 12):

Senate Bill 172 came about as I represent the township of Laughlin. A special improvement district (SID) termed out and the money was left in the fund. In the words of Jim Maniaci, Laughlin Economic Development Corporation and member of the Laughlin Town Advisory Board:

Because of the current law's short deadline, the Laughlin Economic Development Corporation (LEDC) mounted an all-out multi-phased campaign that resulted in 99% of those due a refund receiving their reimbursements. Therefore, the LEDC fully endorses your bill to become part of the Nevada Revised Statutes.

The refund amounted to about \$2,000 to those who were part of the SID and those who inherited the ownership.

Senate Bill 172 is an economic development-driven bill to protect the integrity of our long-standing public or private special improvement district partnerships for both urban and rural communities within our State. It is over 3 decades since the provisions of NRS 271 have been addressed. Each of our counties and municipalities need our assistance and direction in the formation, administration and timely accounting closure of improvement districts, which range from surface transportation to major full control facilities and recently in Laughlin, our first public waterway improvement and maintenance districts. The provisions in S.B. 172 will provide the long-needed transparency for the private owners. It has been drafted with the assistance of the offices of the Clark County bond counsel, District Attorney, Treasurer and Finance to ensure the existing and future districts will meet the stringent standard for both creditworthiness and accountability.

While we have not attempted to retroactively apply these provisions to past or pending districts, we have received assurances from the County it will make every attempt possible to apply the timelines and disclosures in the bill to any existing and pending improvement districts from this point forward.

In short, this bill is intended to reaffirm our commitment to our private sector to partner with each county and municipality in the planning and development of public infrastructure needs for our communities.

I will point you to the Proposed Amendment 5500 ([Exhibit E](#)) to work from. It has been a work in progress from the time it was instituted. I will answer any questions I am able but will defer any technical questions to Robert Bilbray in Las Vegas who has a better understanding of finances.

CHAIR PARKS:

As a comment, I support what is in this bill. When I worked at the City of Las Vegas, special assessment districts were quite popular; once closed out, I made sure any remaining prorated balance was refunded to the various property owners. I understand the concern for more detail in this legislation.

SENATOR HARDY:

You are going to hear testimony from other municipalities that have the same experiences you had. This will make sure everybody is on the same page.

ROBERT BILBRAY (Laughlin Economic Development Corporation):

The Laughlin Economic Development Corporation is a 501(c)(3) nonprofit development. I support the Proposed Amendment 5500. I worked with the Clark County offices of Public Works, Finance, Treasurer, District Attorney and the bond counsel on this complicated bill. We had to ensure the financial integrity to the bondholders, value of the collateral and timelines for private partnerships –both as to disclosures and to accounting–and also ensure closure of the bonds met a reasonable timeline. I appreciate the County reviewing the entire NRS 271 to ensure we keep the integrity and credibility for this type of funding to our cities and counties.

I have been a resident of Laughlin for almost 40 years. Thirty-two people lived there when I first moved in. Now, there are over 11,000 residents. Chair Parks is aware of the improvement districts completed in Laughlin. The population in Laughlin would still be 32 if it had not been for the foresight of our

Clark County Commission and this provision. Accelerating infrastructures in our township and throughout other communities goes far beyond streets, curbs and gutters.

We have created SIDs for the first two major regional flood control projects that were successful in opening up use of land. That location is where the 11,000 residents of Laughlin live. Special improvement districts have also created major infrastructure and improvements to water and sewer systems. As Senator Hardy referred, we recently successfully completed the first public waterway dredging and maintenance improvement district along a mile and a half of the Colorado River thanks to the approval in the last Session to use SID funding for waterways.

Going through this bill, and based on what we encountered in Laughlin, we have to understand the multiple obligations: first, to property owners who participate with the municipality and county government; second, to bondholders' needs and third, to the creditworthiness of each of these obligations. Creditworthiness remains at the forefront of my personal position with respect to this funding alternative, and I would never support anything that would degrade the creditworthiness and ability to administer these types of projects.

This project was a learning process for me and the board members in Laughlin, as I am sure it was for the County staff. It is difficult to fully understand the importance of transparency, disclosure and accountability to these private property owners. The private property owners provide a public infrastructure in advance of its need with standard methods of funding for that infrastructure. I foresee more communities, both rural and urban, within Nevada will avail themselves to this type of funding that encourages private partnership with public money. Much more can be accomplished with this method.

The bill focuses on retaining the credibility and bond worthiness of the districts while at the same time understanding smaller districts of 50 and under will require a different level of administrative attention than those over 250 improvement districts or partnerships. Some projects start off with 20 to 30 partnerships and end up with 3,000 by the time it finishes. We have accounted for that scenario by giving additional time to municipalities and counties to meet the administrative timelines.

I worked with Clark County staff for five months on this bill and appreciate the assistance to the community in drafting this piece of legislation and ask for your support as amended. This will allow this community and the State to proceed with accelerating infrastructure development.

SENATOR HARDY:

I am sure a lot of people will be in favor of this.

JOHN FUDENBERG (Clark County):

We support S.B. 172 with Proposed Amendment 5500. I thank Senator Hardy and Mr. Bilbray for working with Clark County on the verbiage in the amendment.

DAVID DAZLICH (Las Vegas Metro Chamber of Commerce):

We support S.B. 172. This is a good measure toward accountability and transparency of the tax dollars many business members pay into the system.

MICHAEL PELHAM (Nevada Taxpayers Association):

I support S.B. 172. I thank Senator Hardy for including the Nevada Taxpayers Association (NTA) in the formation of this bill. The NTA supports the timelines, disclosure reporting requirements and the deadline to close the special improvement districts once the bonds are paid included in this bill.

SHANI COLEMAN (City of Las Vegas):

The City of Las Vegas generally supports this bill; however, there is a friendly amendment to section 7, subsection 3. The City has been plagued with litigation relating to the notification process between a purchaser of a deed and a potential redeemer. We will work with the bill sponsor to add clarifying language to avoid past challenges.

MIKE CATHCART (City of Henderson):

We thank Senator Hardy for meeting with us regarding this bill and Proposed Amendment 5500. The amendment resolves our biggest concern in section 2 involving the reporting requirement to ensure we are not duplicating reporting efforts. The City of Henderson is meeting or exceeding the rest of the standards in the bill. We are neutral on the bill.

KATHY CLEWETT (City of Sparks):

The City of Sparks follows the standards in the bill and appreciates the clarifying language on the reporting aspects of the bill.

TAMMI DAVIS (Treasurer, Washoe County):

I am testifying neutral on this bill. I submitted an amendment ([Exhibit F](#)). While I am prepared to withdraw the amendment, I will provide comments on the concern and how it has been addressed.

In section 3, subsection 1, paragraph (c) of the bill, I was concerned the language required us to move forward with a refund before certificates of sale sold throughout the life of the district were redeemed or the deed demanded. I thank Senator Hardy and Mr. Bilbray for their time spent in working through my concerns with me. I understand the certificates would be resolved before moving forward with the refunds. The clarification removes the concern for me. Therefore, I withdraw my amendment.

In addition, as one who administers these refunds, I am commenting on section 3, subsection 2, paragraph (c) regarding the timelines. I understand 18 months seems like a long time to the property owner and/or to those waiting for their money. From the County's perspective, going back to a 20-year period to reconstruct a project that may have started with a handful of parcels—and now is thousands—takes a lot of staff time and coordination among multiple departments and sometimes outside resources. Many employees with the institutional knowledge involved with a district from the beginning have left the agency after 20 years. While 18 months may seem reasonable and maybe even long, for the larger more complex districts, it could definitely take that long and perhaps longer for Washoe County. I am not asking it be changed, I wanted it on the record that it is a time-consuming process.

I appreciate the work done on this bill. The Proposed Amendment 5500 addressed the rest of my concerns; therefore, I am neutral on this bill.

BRIAN MCANALLEN (City of North Las Vegas):

We are in a neutral position on S.B. 172. We appreciate Senator Hardy bringing forward Proposed Amendment 5500.

SENATOR HARDY:

We recognize there would be problems if we made this retroactive. The intent from the municipalities involved is the process going forward. With the new process, we will have better oversight in keeping track of the people with the investment.

CHAIR PARKS:

We will work on the amendment, close the hearing on S.B. 172 and open the hearing on S.B. 206.

SENATE BILL 206: Revises provisions relating to state financial administration.
(BDR 31-806)

SENATOR MARILYN DONDERO LOOP (Senatorial District No. 8):
I am introducing S.B. 206.

Under law, before accepting certain grants an agency must submit a proposed acceptance to the Interim Finance Committee (IFC) for approval. The Interim Finance Committee has 45 days to make a decision regarding the proposal. If no action is taken in this time, the proposed acceptance is deemed approved.

Today is Day 24 of the 120-day Legislative Session, and we know a lot can happen in 45 days. We need to shorten this time frame and facilitate streamlined cooperation between the Executive and Legislative Branches. We do not want to impede the acceptance of any grants coming to the State.

Senate Bill 206 amends *Nevada Revised Statutes* 353, which addresses "State Financial Administration." The bill requires staff of the Legislative Branch to coordinate with staff of the Executive Branch for certain purposes. Specifically, the Legislative Counsel Bureau's staff to the IFC are required to coordinate with the Governor's staff, to the extent practicable, to: one, standardize the forms used by each agency and the materials requested for each application for proposed acceptance of a gift or grant of property or services; and two, develop application requirements for each proposed acceptance of a gift or grant of property or services that is substantially similar to the application requirements for a federal grant.

The measure authorizes the IFC to grant provisional approval to accept a grant of property or services if the agency has submitted an application for a federal grant and the grant has yet to be awarded.

Finally, S.B. 206 reduces the time the IFC has to consider a proposed acceptance before it is automatically deemed approved from 45 days to 30 days. The bill becomes effective on July 1, 2019.

While this is a policy Committee, I want to recognize a fiscal note has been requested but was not available as of the date of drafting these remarks.

There is a friendly amendment, and I hope all parties will agree on the amendment. I urge your support of this important legislation.

JoVON SOTAK (Office of Grant Procurement, Coordination and Management, Department of Administration):

In this presentation ([Exhibit G](#)), I will share a bit about federal grants, describe how the Nevada Grant Office fits into the mix and share some information about S.B. 206 and the proposed changes to the Executive and Legislative work program and budget authority approval process specific to grants.

Referring to page 2 of the presentation related to federal grants, the U.S. Government has distributed grants totaling \$600 billion in recent years. Both the application process and the *Code of Federal Regulations* that govern grants are incredibly complex. This federal process is something Nevada cannot change.

Understanding the difference between grant types is vital for a state to maximize federal grants. Mandatory grants are, in general, established by law and awarded to any entity meeting the minimum eligibility requirements. These grants make up 85 percent or more of all grant funding and are long-term, long-established funding streams often requiring annual reports for reauthorized funding. Competitive grants, on the other hand, make up 10 percent or less of all available grant funds. Applicants compete for a limited number of awards by submitting a complex proposal meeting specific requirements and timelines, proposing impactful programs or services to meet needs, achieving goals and showing measurable success. Senate Bill 206 most impacts competitive grants.

Based on the ranking data available, Nevada is consistently reported as being at or toward the bottom of all states in terms of federal grant dollars. One such report is the Federal Funds Information for States, which indicates state ranking is not a good measure to assess states' success at maximizing federal funds; however, rankings are a data point alongside multiple reports from the past ten years that all show Nevada could be doing better at identifying, pursuing and competing for federal grant opportunities.

Page 3 of the presentation discusses the Nevada Grant Office. Our office supports the Nevada Advisory Council on Federal Assistance, which was created in 2015 to advise and assist on maximizing federal assistance and bringing together grant stakeholders from State agencies, the Legislature, private business, nonprofit and local government. Each year, the Council prepares an annual report of recommendations for the Governor and Legislature to consider. Since 2016, every report has addressed the repeated concern of the time frame required to approve a work program because of its impact on grants. Senate Bill 206 is an outcome of the 2018 recommendation to find a solution and create alignment between a federal process we cannot change and State processes so Nevada can be more competitive and successful with grant funding.

The Nevada Grant Office does not apply for, implement or manage grants—we do not participate in the process I am describing today—rather we provide a number of grant-related services to State agencies, local agencies, nonprofits and other partners throughout the State. We also collect data, perform surveys, participate in working groups of grant professionals and are a centralized resource.

We increase grant capacity by reducing barriers, and those solutions include providing training, creating grant policies and developing grant resources. Our role is to help the Legislative Body, the Legislative Council Bureau (LCB), the Governor's Finance Office (GFO) and other State agencies find legislative solutions to barriers.

Page 4 of the presentation concerns grant-related proposals. During this Session, you will see several proposals resulting from the Advisory Council's 2018 report. These proposals all seek to reduce barriers that impact grants to allow Nevada to be more competitive.

The 3 proposals are as follows: 1, the budget enhancement for the grant management system originally approved during the 2017 Session, which has not yet been implemented; 2, S.B. 205 which creates a pilot program of matching funds to reduce organizations from passing on a grant opportunity due to a lack of available match funds; and 3, S.B. 206 which proposes a solution to the grant work program approval time frame that hinders an agency's ability to swiftly and successfully implement a grant.

SENATE BILL 205: Requires the Office of Grant Procurement, Coordination and Management of the Department of Administration to create a pilot program to award grants of money to certain governmental and nonprofit organizations. (BDR S-807)

Page 5 of the presentation covers S.B. 206. The intent of this bill is to create alignment between a State process and a federal process that cannot change in order to reduce a grant barrier. Senate Bill 206 amends NRS 353 in four ways: One, section 2, subsection 1 standardizes forms and materials submitted. In a 2018 Advisory Council survey, Nevada grant stakeholders indicated the top State factor that negatively impacts an organization's ability to apply for and manage federal grant funding includes State fiscal requirements. Of proposed State-level solutions to increase the amount of federal grant funding in Nevada, the top choice was to standardize Nevada's grant management policies and forms; two, section 2, subsection 2 creates alignment of the process and requirements. A federal grant application is extensive and includes a well-developed program, budget and robust documentation; three, section 3 gives the IFC authority to grant provisional budget authority approval once a federal grant application has been submitted and prior to award. This proposed solution shortens the timeline to resolve the barrier; and four, section 4, subsection 2, paragraph (c) changes the IFC window of approval from 45 days to 30 days which shortens the timeline to resolve the barrier.

Page 6 of the presentation covers the current process. First, I will give some high-level information about the process and then use a specific example to illustrate the process. A State agency applies for a new federal grant and later learns it was awarded. The award date is usually on or after a grant program period begins—the program period is the specific window of time allotted to execute all the work the grant proposal outlined. Before any of the grant's work can begin, an agency needs budget authority to accept a new federal grant exceeding \$150,000, which requires approval by the IFC. The IFC typically

meets 5 to 6 times per year and agenda items must be submitted 45 days prior to the meeting. To get an item on the agenda, a completed work program must be submitted to the Governor's Finance Office. Once the IFC approves, the award can be accepted, and work can begin. This budget authority acceptance and approval process can take anywhere between 45 and 120 or more days after the federal notice of grant award has been received. This delay has several critical, negative impacts on Nevada grant recipients, subrecipients, grant award programs and Nevadans being served by those grant programs.

Here is a specific example to provide some context into why this timeline issue is a barrier. The U.S. Department of Health and Human Services announced a preschool development planning grant opportunity in August. Planning grants are typically shorter period grants that qualify an applicant for a later, much larger grant opportunity. Our office assisted with the grant proposal development, and the application due date was November 6. This is what you see on the timeline as Day 1.

The applicant agency was notified of the grant award on December 31, 2018, 56 days later. The grant project period begins January 1, but before any work begins, the agency needs to get executive and legislative approval to accept the award. The agency needs to prepare a work program, get all the final grant documents in order and get all the required division and departmental approvals before submitting the work program to GFO.

At Day 85, the agency submits the work program to GFO. The GFO works with the agency, and there is a lot of communication and due diligence. The grant is placed on the IFC agenda for April 4, in 5 weeks. Should this grant receive approval at that time, the process will have taken 150 days from the grant application deadline. The work for this 1-year grant will not start until April 4, 94 days—or 1-quarter—into the designated project period to accomplish a full year's worth of work.

Page 7 of the presentation covers the proposed process. Based on anticipated forthcoming amendments, this proposed process is a work in progress. A lot of the details will require all State agencies, LCB, GFO and the Grant Office to work together to find solutions to the barriers being highlighted today.

By implementing a provisional process to receive Executive and Legislative approval that starts on Day 1, 2 processes can work concurrently. Had the applicant agency been able to submit a provisional work program request on the federal application due date of November 6, it would have potentially made the agenda for the December 15 IFC meeting, in part because of S.B. 206 changing the 45-day requirement to 30 days. The result is work on this 1-year grant could have started on January 1, the first day of the grant, instead of potentially Day 94.

HELEN FOLEY (Nevada Community Foundation):

The Nevada Community Foundation is one of the largest charitable foundations in the State. We serve to connect philanthropic donors with nonprofit organizations that improve the quality of life and create opportunities for all Nevadans.

Since 2015, the Nevada Community Foundation has actively supported legislation as well as capacity-building and coordination events in southern Nevada focused on improving Nevada's federal grant capacity and competitiveness. We thank Senator Dondero Loop and S.B. 206 along with many of the cosponsors. The Nevada Grant Office has been doing a wonderful job, but it does not apply for grants; it help agencies create the grants. You heard the issues and problems with delays.

Nothing is insurmountable in this bill, but there is an opportunity to get the Governor's Finance Office, LCB, the Grant Office and other interested parties to participate.

Senator Parks has been at the grant process for quite a while. Senator Goicoechea, during the last Interim, and Senator Kieckhefer have all worked on grant issues.

Nevada is forty-ninth in the Country in obtaining grants. We are sending money to Washington, D.C., and not getting it back like many other states. Other states are getting Nevada's money because we are doing something wrong.

It has been estimated by The Pew Charitable Trusts if we moved one position, from forty-ninth to forty-eighth in the Country, we would yield an estimated \$258 million to use for Nevada projects. This is quite impressive. Now, if we

had a concerted effort and moved into the top ten, it would be amazing what we could do.

One downfall seen in section 7 of S.B. No. 545 of the 79th Session—the Authorized Expenditures Act—is it becomes a disincentive for agencies to apply for grant money because if grant money is received, it reduces the general funds in the overall budget for that agency.

A series of bills, this being the first of many, will be seen by the Legislative Body during the course of this Session. We pledge to work with all interested parties, GFO, Grant Office, LCB and Senator Dondero Loop to find a remedy that works for everyone. It is an area needing to be challenged and accomplished this Session.

CHAIR PARKS:

The fact that more than \$250 million in grant money is lost by the State is incentive enough to improve this system.

MARK FIORENTINO (Nevada Advisory Council on Federal Assistance):

I am speaking on behalf of John Ritter, Chair, Nevada Advisory Council on Federal Assistance. He could not testify in person today. The Council is a panel authorized by legislation from 2015, made up of a number of stakeholders whose job was to figure out why Nevada is forty-ninth in obtaining grants and how the State can improve. Mr. Ritter has been the chair since the Council's inception. On Mr. Ritter's behalf, I support this legislation.

This bill is a good example of simple changes to be made in the process to make Nevada and our constituencies more competitive in the grant process.

We support this bill and will work with the bill sponsors and the Senate Government Affairs Committee to see it through.

CHAIR PARKS:

I express my support and appreciation for the work Mr. Ritter has done chairing the Council.

PAUL MORADKHAN (Las Vegas Metro Chamber of Commerce):

The Las Vegas Metro Chamber of Commerce supports this bill. The Chamber has been engaged in this issue for many years. Sections 2 and 3 of the bill will

allow the State to be more competitive and maximize efforts to capture additional dollars from the federal government. This is great public policy.

KELLY CROMPTON (City of Las Vegas):

We helped to staff the Southern Nevada Forum from which this priority emerged a couple of years ago. We support this legislation because we are one of the entities competing for these grants with State agencies and municipalities across the State. These changes will help us be competitive in getting federal dollars into the State.

MILES DICKSON (Chief of Staff, Office of the State Treasurer):

The Office of the State Treasurer supports this bill and the several others eluded to during this hearing. The State Treasurer's Office generally thinks more cash coming into the State is a great idea, certainly in the form of federal grant funding we are missing out on.

On a personal note, I have watched this issue and engaged it for many years. It is heartening and exciting to see Nevada moving forward since congressionally directed spending, otherwise known as earmarking, was reformed in the late 2000s.

Many states across the Country, including Arizona and Illinois, have made all-out efforts to reform their state processes and partner with local governments and nonprofits to make it a priority to return federal grant funding to the state taxpayers. It is exciting to see Nevada making progress. In 2011, Chair Parks helped champion the creation of the Grants Office. In 2015, Senator Kieckhefer supported the legislation that created the Nevada Advisory Council of Federal Assistance that Senator Goicoechea sat on in 2016 and Senator Parks sat on this last Session. This bill includes the recommendations many grant professionals in the State know to be true whether for process issues or match-funding issues.

I also acknowledge Senator Woodhouse and Senator Parks for their sponsored bill, S.B. 190, which supports the implementation of the Nevada 2020 Census Commission. The census will be the single most important mechanism in driving the 85 percent share Ms. Sotak mentioned in the formula-based aid. We have to get it right if in the next decade we want the chance of getting our fair share.

SENATE BILL 190: Creates the Nevada 2020 Census Commission. (BDR S-727)

I also acknowledge the Governor's Office and Governor Steve Sisolak for including it in his recommended budget.

SUE MEUSCHKE (Nevada Coalition to End Domestic and Sexual Violence):

As a subrecipient of some of these grants that come through the State, I am well aware of what happens when one of those hoops do not get jumped through and the delays it causes in getting the funds out to the folks needing it. I support this bill and look forward to other legislation to streamline the process and make sure the funding is going out to the folks who need it.

BRIAN MCANALLEN (City of North Las Vegas; Porter Group):

The City of North Las Vegas supports this legislation and thanks you for the years you dedicated putting in to place the measures to help Nevada move up and acquire more federal dollars. There is nothing more significant than that.

On behalf of the Porter Group, our job in Washington, D.C., in former Congressman Jon C. Porter's firm, is to leverage every opportunity we have to bring federal dollars back to Nevada on behalf of our clients. Any streamlining of the ability to get those dollars out and into the community faster is important.

PATTI OYA (Department of Education):

I take the neutral stance but want to add comments. The Department of Education was the recipient of the Preschool Development Grant used in the example in Ms. Sotak's presentation. To clarify, the planning grant was awarded to 47 states as a 1-year planning grant. We are excited that at the end of the year, we will be able to apply for an implementation grant. These grants are for our early childhood systems to enable us to develop and support families with young children. The opportunity for the implementation grant is going to be offered to approximately ten states. Therefore, the success of our work in the planning grant is important, making the timeliness issue critically important.

CHAIR PARKS:

Page 6 of the presentation covering the process of the Preschool Development Grant adequately depicts the length of time it takes to process an application.

CONNIE LUCIDO (Director, Office of Community Partnerships and Grants, Department of Health and Human Services):

I am testifying in neutral on this bill. Previous to my current position, I worked in the Grants Office. I worked with the Advisory Council that made this particular

recommendation. Over the last five years, I witnessed this type of scenario happen many times. I was happy to see Ms. Sotak's presentation included the planning grants, which the bulk of my comments are related to.

Most often, our planning grants encompass 12-month periods. The budget authority process reduces the performance period down to 8 or 9 months from the intended 12-month period. Due to the lengthy budget authority process, most often, agencies do not apply for grants, as noted in the presentation. Thus, the State is losing out on the implementation grants.

JULIA PEEK (Deputy Director, Programs, Department of Health and Human Services):

I have been working on grants for the last 13 years with the Department of Health and Human Services since the first day I started with the State Health Division. I am providing an example I took to the IFC in October. On June 25, 2018, the Centers for Disease Control and Prevention (CDC) notified the Department that funding for the opioid crisis was available. It was an emergency grant that had to be spent in 12 months. The CDC told the Department it could submit a budget of \$2.5 million and later the CDC awarded the Department over \$2.6 million. The Department had been working with the State Grant Office and all others involved in the grant process to find a test case to see how fast one could get a potential provisional approval from the IFC, so this was a good example.

In July before I submitted the grant, I asked for this to be the test case, but that did not come to fruition. I submitted the grant request July 31, 2018, to the CDC and waited. I had hoped to get on the August 16 IFC calendar, but that did not happen. The grant was scheduled to start on Saturday, September 1, 2018, and I received the Notice of Award from the CDC on that day. Unfortunately, the Department missed the agency deadline to IFC because, as noted earlier, there are several deadlines for the internal review process. At the agency level, that is over two months prior. Without the Notice of Award, an agency cannot begin the internal review process.

The Department received approval to submit the request to the October IFC, scheduled October 24, 2018. We worked on the grant with only internal staff in those two months as we are not allowed to hire a contractor or start putting out the subawards in that period of time. Ironically, I was called to testify before the IFC to answer a question related to this grant. The question was how the

Department was going to implement this project in ten months. The reply was the Department was going to do its best in a shortened performance period.

At the end of the day, we have the same goal. The Department wants to bring more federal money as well as private money into the State. We want to be good stewards of the money and if the process is streamlined, it will greatly help our ability to implement and spend those funds.

CHAIR PARKS:

Will an amendment be forthcoming?

SENATOR DONDERO LOOP:

Yes.

CHAIR PARKS:

We will close the hearing on S.B. 206.

Remainder of page intentionally left blank; signature page to follow.

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CHAIR PARKS:

We will close the hearing on S.B. 206. The Senate Committee on Government Affairs is adjourned at 2:43 p.m.

RESPECTFULLY SUBMITTED:

Becky Archer,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

| EXHIBIT SUMMARY | | | | |
|------------------------|---------------------------------|---|---|---|
| Bill | Exhibit / # of pages | | Witness / Entity | Description |
| | A | 1 | | Agenda |
| | B | 7 | | Attendance Roster |
| S.B. 225 | C | 1 | Kimberly Mull | Testimony in Support |
| S.B. 225 | D | 2 | MacKenzie Baysinger | Testimony in Support from Shane Whitecloud |
| S.B. 172 | E | 8 | Senator Joseph P. Hardy | Proposed Amendment 5500 |
| S.B. 172 | F | 1 | Tammi Davis / Washoe County | Proposed Amendment |
| S.B. 206 | G | 8 | JoVon Sotak / Office of Grant Procurement, Coordination and Management | Presentation |