

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

**Eighty-First Session  
May 21, 2021**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:14 a.m. on Friday, May 21, 2021, Online and in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Assemblywoman Daniele Monroe-Moreno, Vice Chair  
Assemblywoman Teresa Benitez-Thompson  
Assemblyman Jason Frierson  
Assemblywoman Michelle Gorelow  
Assemblyman Gregory T. Hafen II  
Assemblywoman Sandra Jauregui  
Assemblyman Glen Leavitt  
Assemblywoman Brittney Miller  
Assemblywoman Sarah Peters  
Assemblyman Tom Roberts  
Assemblywoman Robin L. Titus  
Assemblywoman Jill Tolles  
Assemblyman Howard Watts

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Sarah Coffman, Assembly Fiscal Analyst  
Brody Leiser, Principal Deputy Fiscal Analyst  
Mary O'Hair, Committee Manager  
Kareen Prentice, Committee Secretary

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Betnimra Torres Perez, Committee Assistant

**OTHERS PRESENT:**

Heidi Haartz, Deputy Superintendent for Business and Support Services, Department of Education  
Steve Sisolak, Governor  
Zach Conine, State Treasurer  
Sabra Newby, Vice President of Government and Community Affairs, University of Nevada, Las Vegas  
Will Adler, representing Pyramid Lake Paiute Tribe  
Mary Beth Sewald, President and Chief Executive Officer, Vegas Chamber  
Christi Cabrera, Policy and Advocacy Director, Nevada Conservation League  
Jon Leleu, representing National Association for Industrial and Office Parks Commercial Real Estate Development Association  
Devlin Daneshforouz, Senior Government Relations Advisor, NV Energy  
Rob Benner, Secretary Treasurer, Building and Construction Trades Council of Northern Nevada  
Mindy McKay, Records Bureau Chief, Records, Communications and Compliance Division, Department of Public Safety  
Jhone Ebert, Superintendent of Public Instruction, Department of Education  
Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association  
Natasha Koch, Deputy Chief, Division of Parole and Probation, Northern Command, Department of Public Safety  
Patrick Conmay, Chief, Investigation Division, Department of Public Safety  
Doug Farris, Administrator, Division of Animal Industry, State Department of Agriculture  
Michael Morton, Senior Research Specialist, Nevada Gaming Control Board  
Melanie Young, Executive Director, Department of Taxation  
Joe Bernardy, Acting Deputy Executive Director, Information Technology, Department of Taxation  
Joy Grimmer, Administrative Services Officer 4, Department of Taxation  
Susan Brown, Director, Office of Finance, Office of the Governor  
Matthew Tuma, Administrator, Administrative Services Division, Department of Administration  
Alan Cunningham, Chief Information Officer, Division of Enterprise Information Technology Services, Department of Administration  
Laura E. Freed, Director, Department of Administration  
Mandi Davis, Deputy Administrator, Division of Child and Family Services, Department of Health and Human Services  
Martin Mlecenko, Captain, Deputy Commander, Nevada Highway Patrol, Department of Public Safety  
Denny Gortari, Administrative Services Officer 2, Nevada Highway Patrol, Department of Public Safety  
Anne Carpenter, Colonel, Nevada Highway Patrol, Department of Public Safety

Jessica Hoban, Chief Financial Officer, Office of the Attorney General  
John McCormick, Assistant Court Administrator, Office of Court Administrator,  
Supreme Court  
Heather Pope, representing Compassion and Choices Action Network

**Chair Carlton:**

[Roll was called and Committee protocols were explained.] Today we have a long agenda in front of us. I will provide a lay of the land, so everyone understands why there are so many bills listed on the agenda. We will be meeting in this room and in and out of this room because of meetings on the Assembly floor. To make sure we can use all the time possible for our work, we list as many bills as possible on the agenda. For the state agencies participating via Zoom and involved in the bills we will hear today, please stay in your offices and keep working. Pay attention to the meeting on Zoom. After we hear the first two bills, we will hear the rest of the bills in the order listed on the agenda. You will be able to track our progress and know when your bill is coming up. The first two bills that we will hear this morning are Senate Bill 444 and Senate Bill 430 (1st Reprint). Then we will go back to the top of the agenda and take the bills in order. We will work our way through these bills as efficiently as we possibly can to keep things moving. I will open the hearing on Senate Bill 444.

**Senate Bill 444: Makes a supplemental appropriation to the State Distributive School Account for an unanticipated decrease in revenues for the 2019-2020 and 2020-2021 school years. (BDR S-1054)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 444 makes a supplemental State General Fund appropriation of \$268,433,822 for an unanticipated decrease in revenues for the 2019-2020 and 2020-2021 school years. This act becomes effective upon passage and approval.

**Chair Carlton:**

This is the supplemental appropriation that we see every biennium, and this is how we fund education. Ms. Haartz, would you give us a brief overview on the bill, and we will proceed.

**Heidi Haartz, Deputy Superintendent for Business and Support Services, Department of Education:**

This is a request for a supplemental appropriation to allow the Department of Education to have sufficient funds available to continue making our monthly payments to school districts and charter schools for the remainder of this fiscal year. The revenues that were included in the legislatively approved budget were not earned as anticipated, in large part due to the COVID-19 pandemic. That has resulted in a revenue shortfall within this budget account. We require these additional funds to honor the financial commitment to our school districts and charter schools.

**Chair Carlton:**

Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 444. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the work session on this bill.

**Senate Bill 444: Makes a supplemental appropriation to the State Distributive School Account for an unanticipated decrease in revenues for the 2019-2020 and 2020-2021 school years. (BDR S-1054)**

**Chair Carlton:**

Committee members, are there any questions on the bill? [There were none.] The motion would be to do pass. I will accept a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO DO PASS  
SENATE BILL 444.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED UNANIMOUSLY.

I will open the hearing on Senate Bill 430 (1st Reprint).

**Senate Bill 430 (1st Reprint): Revises provisions governing the Nevada State Infrastructure Bank. (BDR 35-1110)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 430 (1st Reprint) makes various changes concerning the governance of the establishment of the Nevada State Infrastructure Bank. Among other things, the bill expands the Board of Directors of the Bank to include the Director of the Office of Energy, Office of the Governor, and expands the list of projects that may be funded through loans or other financial assistance from the Bank to include projects relating to water, wastewater, renewable energy, recycling and sustainability, digital, social, and economic projects. This bill authorizes the Bank to provide loans and financial assistance to Indian reservations, Indian colonies, and nonprofit entities created for charitable or educational purposes. The bill makes the establishment of the Bank effective July 1, 2021.

With respect to the fiscal impact, the Department of Transportation submitted a fiscal note indicating the legislation had no fiscal impact to the agency. However, the legislation relates to previous budget closing actions taken by the money committees, including the approval of \$75 million in state general obligation bonds to launch the Nevada State Infrastructure Bank

to provide loans and other financial assistance to various units of state and local government for the development, construction, repair, improvement, maintenance, decommissioning, operation, and ownership of certain transportation facilities and utility infrastructure. Initially, the money committees approved the establishment of a new Department of Transportation Statewide Infrastructure Bank budget to support personnel and operation costs of the Bank.

**Chair Carlton:**

I would invite the presenters of the bill to come to the presentation table.

**Steve Sisolak, Governor:**

Broadly speaking, Senate Bill 430 (1st Reprint) is being proposed to launch and expand the Nevada State Infrastructure Bank so we can fast-track much-needed infrastructure projects across the state and create thousands of good-paying jobs. As I highlighted in my State of the State address earlier this year, investing in infrastructure helps to create real jobs for real Nevadans. This proposed legislation, along with the \$75 million appropriation in my recommended budget, will help Nevada create a robust pipeline of critical infrastructure projects allowing us to put hundreds of millions of dollars back into our economy and help get people back to work. Capital projects not only create high-paying construction and development jobs today, but those infrastructure improvements serve as the building blocks for the state's economic expansion for decades to come.

The concept of the Nevada State Infrastructure Bank was approved by the Legislature in 2017, but the Bank has not been funded or initiated. It has yet to move any projects or create a single job. This bill will be the first step to changing that by ensuring that our Nevada State Infrastructure Bank has the necessary tools that can help the state, local governments, and tribal nations get projects off the ground immediately. Launching the Nevada State Infrastructure Bank will play a major role in helping to immediately create pathways for good-paying jobs in Nevada while helping to build projects for communities that desperately need them.

We know that our state needs better roads, better schools, more affordable housing, and more sustainable forms of energy. Senate Bill 430 (1st Reprint) will help in making all of these projects a reality, while improving the quality of life for all Nevadans. At the same time, these changes will allow the state to best maximize federal dollars dedicated to infrastructure projects within President Biden's American Rescue Plan Act of 2021 and the proposed American Jobs Plan. This bill will enable us to fast-track billions of dollars of infrastructure projects that have not been started. The faster we move these projects from the list of things we need to do to the list of things we are doing, the more Nevadans we will put back to work.

This bill has been made possible thanks to the continued support provided by trusted state and community leaders who know that this is an effective and productive way to move our state forward. These leaders include: Zach Conine, State Treasurer; Rob Benner, Secretary Treasurer, Building and Construction Trades Council of Northern Nevada; along with many other leaders from Nevada's labor community: Mary Beth Sewald, President and CEO,

Vegas Chamber; Elizabeth Fielder, President, NAIOP [National Association of Industrial Office Properties] Northern Nevada Chapter; and David Stricklin, President, NAIOP Southern Nevada Chapter.

Overall, the proposed legislation changes, coupled with the funding for the Nevada State Infrastructure Bank, could allow Nevada to launch up to \$200 million in new infrastructure investments by the end of 2021, and \$1 billion in new infrastructure investments over the next five years. This proposal is anticipated to create 16,000 construction jobs by the end of 2021. By 2031, the passage of this bill could create up to 30,000 good-paying jobs for Nevadans.

I would like to conclude by highlighting that we are all aware the state of Nevada has undergone trying times through this COVID-19 pandemic. Senate Bill 430 (1st Reprint) is the first step toward delivering the promise to the people of Nevada to build back a better Nevada. I look forward to working with the Legislature on this investment in our state's economic recovery and future prosperity. I thank the Committee for its consideration of this proposal. I will now turn it over to Zach Conine, State Treasurer, and the other representatives here today to present my Nevada State Infrastructure Bank bill, Senate Bill 430 (1st Reprint), to you.

**Zach Conine, State Treasurer:**

Before I begin, I want to take a moment to thank the Governor and his team for their focus on keeping Nevadans safe over the past year, and his focus going forward on putting everyone back to work. I also want to take just a moment to thank Ms. Coffman and Mr. Leiser for putting together what I think has been an interesting process and something we have not done before. I really appreciate the flexibility.

This is a jobs bill. It is one of the largest jobs bills in Nevada's history. Each word and definition contained within the bill is a step forward toward high-paying, family-supporting, middle-class jobs, creating generational growth right here in Nevada. But first let us go back to the bill and the beginning. In 2017, the Legislature came together and worked across the aisle to pass Assembly Bill 399 of the 79th Session unanimously. This bipartisan bill established the framework for the Nevada State Infrastructure Bank to leverage capital from outside Nevada in order to kickstart priority transportation and utility projects. The bill was passed at a time when it looked like the federal government was going to move a large infrastructure package forward, and the state mechanism to centralize and vet priority projects to meet our infrastructure needs was necessary. Unfortunately, as we all know, that infrastructure work never happened, that money never came in, and the Nevada State Infrastructure Bank sat on a shelf unutilized. However, Nevada's infrastructure needs have not gone away. They have gotten worse. We need more now than we did in 2017.

Leading up to the COVID-19 pandemic, our office spent a lot of time looking at ways we could potentially fund the Nevada State Infrastructure Bank using outside sources of capital. We researched best practices from other states and other countries. We talked to leading experts in the field to learn more about what Nevada could be doing to create meaningful

investments in infrastructure. Once the economic effects of the pandemic began to take hold, launching the Nevada State Infrastructure Bank became not just a good idea, but rather an economic necessity to ensure we could invest money directly into communities while creating good-paying jobs in the building and construction trades.

Leading up to the Governor's State of the State Address in January 2021, our office began working collaboratively with numerous other agencies to figure out how we could best improve upon the existing framework of the Nevada State Infrastructure Bank to get projects off the ground quickly and effectively. Through these conversations, we determined that the Bank's focus purely on transportation and utility infrastructure was somewhat limiting when it came to attracting capital to the Bank. As such, we started looking at ways we could expand the Bank's focus to prioritize additional types of infrastructure projects to put more people to work and put much-needed investments into communities that have been traditionally left behind.

Broadly speaking, Senate Bill 430 (1st Reprint) is seeking to ensure that we have the tools we need to start tackling the state's infrastructure needs immediately. If you would like, I could walk through the bill.

**Chair Carlton:**

Let us stop for questions, and then we will do a walk-through. If there are any general high-level questions, we would be happy to open it up to the Committee at this time.

**Assemblywoman Miller:**

My question is about section 16.

**Chair Carlton:**

He has not gone through the sections of the bill yet. Since this is such a new issue for us, if there are any overarching questions, now would be the time. Then we will go through the bill section by section.

**Assemblyman Hafen:**

I will keep this at a high level. Generally speaking, these funds in this Bank will be able to be loaned to local smaller municipalities and smaller counties so they can go out and get matching grant funds, is that correct?

**Treasurer Conine:**

Broadly speaking, the Bank will loan funds to a municipality, city, or county so they can help develop infrastructure projects. In a larger scope, the Bank's use of capital is to leverage other capital. The intention is not simply to just loan out the \$75 million in CIPs [Capital Improvement Projects]. The intention is to attract outside capital. For instance, a project is trying to be built and there is equity involved, federal dollars involved, and all these different sources of funding, but perhaps some of the project needs to be financed. The Nevada State Infrastructure Bank could finance that project at a cheaper cost than simply going out to the public and trying to get a placement from a bank.

**Assemblywoman Benitez-Thompson:**

Talk a little bit about this so I am sure I understand the structure right. Is this meant to be a revolving account, something that will beget itself, or is this meant to be something that legislators would need to replenish or authorize every biennium? If it is supposed to beget itself, could you talk a bit about that? I am trying to distinguish in my mind if we are looking at a loan structure with repayments or whether it is gifting.

**Treasurer Conine:**

I think it is deeply important to understand this. The Nevada State Infrastructure Bank is at its core, a bank. The Bank loans money out, it receives proceeds back for that money, and then it loans out money to another entity. The intention of the Bank is not to have a State General Fund appropriation every biennium. In fact, the reason we are calling the \$75 million seed money is because that money will seed the future growth of the Bank. I think that is important when we start thinking about what the Bank can get done. It is not a grant program or a CIP where we are picking projects, funding the projects, and the money goes away. It is a program where the Nevada State Infrastructure Bank is able to invest and loan money to entities that can pay it back.

**Assemblywoman Benitez-Thompson:**

I know we are going to walk through the bill, and we will start talking about what a qualified borrower is, and what that process is. I think that is important to get on the record. This is something that we are launching, and then we expect legs to grow and the Bank to do well. May I ask what the first couple of years might look like?

**Chair Carlton:**

That would be fine. Let us make sure everyone has a really good understanding of this so that when we do go through each section of the bill, some of those items might be clear.

**Assemblywoman Benitez-Thompson:**

I would like to hear your expectations about what things might look like in year one versus year three versus year five. Anytime you are setting up a loan program and are capitalizing it, you only have so much money that can go out in year one, and then money will come back in, and then more money can go out, right? What would you expect in year one? What would be the realistic expectation for what we see in terms of approved projects in year one versus year three or year five?

**Treasurer Conine:**

Broadly, projects would be determined by the Board. Then the mechanics of how the projects get approved will be a process of the bylaws.

**Assemblywoman Benitez-Thompson:**

We are authorizing \$75 million. How much of that could be used for loaning out in year one versus year three or year five? I realized I was asking an unfair question. How much of that do we need to hold to keep the Bank afloat versus what will be able to go out the door? We are not going to be able to loan all \$75 million in one year, right?



**Treasurer Conine:**

That is right. We are paying for the Executive Director, other staff, and operating costs of the Bank out of the bond interest Redemption Fund as a separate bill. The \$75 million will be able to go completely toward the projects. I think functionally you are right. You do not stand up a bank and immediately loan out \$75 million. I would expect we would probably loan out one-third of it immediately and then more to go later. It will be project dependent. We might get a series of projects based on whatever the rubric is that the Board sets up, but I expect one focused on jobs and economic development. If we fund projects quickly that create the right amount of jobs that are shovel-worthy, then the Bank is the delta between them. Getting access to federal funds when the projects are there means we would move more quickly. If the projects are not there, we will move more slowly.

The central focus of any bank has to be the preservation of capital. I do not want to come back to this body and say we tried, we spent all the money, we did not get any of it paid back, and may I have more. We are not going to do that. We need to make sure that capital is preserved first, and that will speak to how quickly the funds will go out the door. We know there has been more than \$1 billion in capital projects brought to us by municipalities so far. As word of the Bank spreads, we keep getting requests for additional projects and funds. They continue to go on the list, and we will continue to vet them.

**Assemblywoman Benitez-Thompson:**

There have been other programs that have tried something like this. The federal New Markets Tax Credit Program versus the State New Markets Tax Credit Program was something I recall around 2011 or 2013 where we stood it up, we saw some things worked really well, then we saw some things did not work well, and we had to forgive a bunch of loans that could not be paid back. We tried something similar in the solar area as well. We have had some experiences that we can learn from for this. I hear you saying that this is going to be for local and municipal governments. We would think of those as a more stable investment. When we think about how they are going to pay back the loans, we are feeling good about those, right? I guess that would minimize a lot of risk versus if this were out in the public.

**Treasurer Conine:**

Yes, one of the ways you can mitigate risk is by making sure that the borrower is a known entity that is controlled in the same way that we are controlled. The borrower should have open meetings, and the information they are providing should be vetted as part of that public record. Two other programs that we could look at are our Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, which are small, but they have worked for years using federal support and also state dollars occasionally to continue doing projects. They put a project out, they get paid back with sewer fees, they put another project out and get paid back with sewer fees. As exciting as this is for me to talk about from a jobs perspective, we expect we will make boring loans that will be paid back.

**Assemblywoman Benitez-Thompson:**

I feel better about that.

**Chair Carlton:**

With that, I think we will go ahead and have the State Treasurer walk us through the bill sections and then we will go back to questions section by section.

**Treasurer Conine:**

Sections 2 through 7 of the bill are definitional sections, which help to further define the various types of infrastructure projects that are referenced throughout the bill. Section 10 expands the types of infrastructure projects that can be financed by the Nevada State Infrastructure Bank to include transportation facilities, utility infrastructure, water and wastewater infrastructure, recycling infrastructure, digital infrastructure, social infrastructure, and other infrastructure related to economic development. Section 12 expands the definition of a qualified borrower to include local governments, tribal governments, or private entities which are created solely for charitable or educational purposes.

Section 15 expands the Board of Directors to include the Director of the Office of Energy, Office of the Governor. Additionally, section 15 clarifies the Nevada State Infrastructure Bank is to be housed within the Department of Transportation but will operate under the direction of the Board of Directors. Section 16 provides the Board with the flexibility to establish various accounts and subaccounts for the operation of the Bank but ensures that all accounting is done in accordance with applicable federal laws. This is extremely important because of the capital stacking between not just general obligation bonds but funds that are coming in from federal programs. The accounting is deeply important in order to make sure you get the match and avoid audit findings.

Section 18 makes conforming changes to the bill. I want to highlight the existing language in the statute contained in section 18. Here it ensures that the provisions of *Nevada Revised Statutes* (NRS) Chapter 338, which is the public works statutes, apply to any contracts or construction through the Bank. This applies whether or not a portion or the entirety of the project is funded with funds from the Nevada State Infrastructure Bank. This ensures that projects that are undertaken are using Nevada companies, Nevada-based workers, and those workers are paid fairly and equitably.

Section 19 allows any division of the Department of Transportation; the Department of Business and Industry; the Office of Economic Development, Office of the Governor; the State Department of Conservation and Natural Resources; the Office of the State Treasurer; the Office of Energy, Office of the Governor; or any other governmental unit, to the extent that monies are available, to provide technical support and assistance to the Bank.

Section 20 ensures that the bill can become operational beginning on July 1, 2021. This will ensure we can get a pipeline of projects ready in anticipation of funding that has already come in from the American Rescue Plan Act of 2021 and the American Jobs Plan. I am not here referring to the larger bucket of the Coronavirus State and Local Fiscal Recovery Funds, but the 91 other buckets of money, some of which are related to infrastructure but also any forthcoming infrastructure work at the federal level. Basically, we are trying to be ready.

**Chair Carlton:**

We can go back to some of the questions section by section. The section I am really trying to understand is social infrastructure. I am sure that is the one about which individuals are the most curious. I was looking at the definitions. I want to understand exactly how will the Board look at that and how will that be quantified? I know they are going to have to come up with a matrix of how they are going to do all these things. I want to understand the social infrastructure and especially affordable housing, homelessness, and food security. How do those all fit as pieces of this puzzle? Those problems need help, and we need to address those issues in the state. How will the Nevada State Infrastructure Bank work in conjunction with some of those projects? I am not sure if those are the kinds of projects that would be able to leverage the other dollars. How does that all fit together?

**Treasurer Conine:**

Broadly, we wanted to make sure that the Bank had the availability and the possibility of doing any work that might come before it. If a program exists at the federal level, we do not want to find ourselves saying, I wished I had asked for it. More specifically on the social infrastructure fund, there are times when the availability of federal funds requires us to have a facility. I will use federally qualified health centers (FQHCs) as an example of a broad category. We know if we build an FQHC, it exists in the right place, it has the population around it that can support it, that there are federal dollars that support it. But often the cost of originally building it is the holdup. There are also opportunities of health space.

You speak to individuals who are housing insecure. I think that is a real opportunity and certainly one that is on our minds these days. Sometimes the facility is the thing that we have trouble funding, not the ongoing costs. There are ongoing programs, and we know because we have talked about this in our grants bill. There is more than \$1 billion of funding that we could pull in if we just got up to the per capita level. Some of that we do not get because we do not have the facilities for it, and we do not have the thing to apply for. In a case like that, the Bank could look at that and say we can invest in this and we can get paid back because of the additional funds that are coming in that will support the structure. Maybe that payback is a little longer or has less interest to outside capital because they are not going to get the return that they would get on an energy project or a water project or something that has a more effective dedicated stream of revenue. But if the project can allow us to fix a long-term systemic problem and open up some of those federal dollars, we want the flexibility to be able to do it. Those are going to be harder problems, and that is a harder project.

We are not going to come out the door doing a series of those projects right away because those projects are going to be riskier on their face than a project that is attached to an existing revenue stream for a water project or an energy project. With any of these, we are going to have to look at how many jobs does it create? How quickly does it create those jobs? As importantly, the Bank must consider what is the likelihood that we get paid back. We are going to have to weigh all of those things together while making sure that we are using those 91 buckets of money coming in from the American Rescue Plan and however many billions

of dollars would show up from the American Jobs Plan and every other source of federal funding we can kick a rock over.

**Assemblywoman Monroe-Moreno:**

Thank you for the explanation of the social infrastructure because that was a question I had. I heard your answer to that question. When you look at the social needs that are listed, affordable housing, homelessness, food insecurity, and education, a lot of those issues are systemic issues in communities of color. If you go to section 15 and look at the makeup of the Board, can you tell us who is on the Board? How many members on the Board come from communities of color to help in addressing some of those social needs?

**Treasurer Conine:**

I think that speaks to a larger issue we have in state government. State government looks like me, and that is not super effective. I do not know that we are going to solve that through the makeup of the Board. The Governor had two appointees. That would be an opportunity to fix some of those problems. I also think that the makeup of the Board itself is not the extent of the people who are going to be part of the conversation. This is hopefully a continuing theme you hear when we talk about how we can best address long-term systemic issues but also how we can best use these resources that are coming in from the federal government. It cannot just be the three or four or ten people in the government who are sitting on the Board. It has to be stakeholders and individuals in the communities who need help. We set this up with the Every Nevadan Recovery Framework. All of the ideas are not going to come from inside the Executive Branch. All the ideas will not come from the Legislative Branch. We know that there are thousands of community members who have problems that can be solved. As we are determining how we are going to spend capital, we are going to be looking to everyone for ideas and then trying to make sure that those ideas and those needs are fixed.

**Assemblywoman Monroe-Moreno:**

I agree with you completely. However, we have seen in this legislative body that the conversation changes by who is actually at the table directing the conversation. As we look at who sits on the Board, those who sit on the Board may bring a different perspective and experience to the Board and help make those connections with the stakeholders in the committee. If the Board does not reflect the diversity of the state that we live in, I would hope that as we move forward in making new appointments to the Board, we make those appointments that reflect the diversity of the state.

**Treasurer Conine:**

I hear you, and I agree with you. I will convey that message to the Governor for his appointees.

**Assemblywoman Miller:**

I have a brief question to follow up on Assemblywoman Monroe-Moreno's question. When it comes to the makeup of the Board, I notice that we have a lot of department heads. There are no persons with any banking, lending, or compliance experience. I am not sure why that

was not considered. There needs to be someone with that experience. Being the director of a department or agency is not the same as having direct actual banking experience and understanding the federal compliance. If you could, briefly respond to that about was there a discussion or why those were not included.

**Treasurer Conine:**

The bill speaks to being able to talk to other departments for assistance. One of the things we have been able to do in standing up the first piece of the Bank is employ a lot of individuals the Office of the State Treasurer uses all the time, including bond counsel, municipal advisors, financial advisors, and individuals who do have experience in the bank services. In your treasury, we do a fair amount of banking. From a compliance perspective, we feel comfortable internally. But as we expand and put the bylaws of the Board together, a lot of that work is going to be around making sure that we have a capable team of individuals so that when a specific loan is in place, we make sure we are in compliance. It is going to be even more important as we are stacking capital from various sources because that compliance expands. If you have federal capital and state capital, that is two compliance pieces of business that have to work together.

**Assemblywoman Miller:**

Will your office be responsible for compliance?

**Treasurer Conine:**

The Board will be able to bring in resources from everywhere. But certainly, our office will play a big role in compliance as well as the Office of the State Controller, and the Division of Financial Institutions, Department of Business and Industry.

**Assemblywoman Miller:**

Under section 16, I am trying to get an idea of what type of consumer banking might occur. Subsection 5, paragraph (e) mentions proceeds from the issuance of bonds or other securities. Oftentimes states and even the federal government have allowed citizens to purchase bonds and such like that, whether it is war bonds or whatever from these municipal types of banks. Is that going to be available for our Nevadans to invest in the state while investing in their own futures? Is there any type of consumer investment available?

**Treasurer Conine:**

We started talking about that a while ago. We have not talked about it recently. It is an interesting idea. When you look at other countries, one of the ways they are financing infrastructure is a broad shared-use investment where people in an area invest in a project that is going to help their area. I do not think that is a phase one piece of the bank because we want to make sure that it works, especially when you are not just bringing in institutional investors or individuals who do this professionally every day. If you were to go out to the retail space, you want to make sure that it is deeply buttoned up and very risk averse. While that may be where the Bank ends up with a product that some treasurer in the future and some Board of Directors in the future are able to offer, we are not going to start there.

**Assemblywoman Titus:**

Having been through this bill from its inception, it seems there has been a change in what this Bank is going to do. I have questions about what you have eliminated from the bill. Looking at section 9, you have taken out some description of highways, highway funds, engineering of roads, and those types of entities or projects. Are we still going to include these projects because conceptually this was originally about funding highway projects and infrastructure projects? This bill seems to blow that up and really expand what is being covered. Can you clarify that our roads are still going to be part of this, and we are not taking money away from the actual infrastructure of the roads and highway projects?

**Treasurer Conine:**

This bill is an expansion. We do not actually remove the ability for the Bank to do anything on this. The struck line was specifically around the types of federal accounts. We wanted to say broadly whatever accounts were necessary in order to be in compliance, which we do at the end of that section as opposed to saying we are going to use this specific account for this specific thing. Functionally, if it is statutory and the federal law changes, then we are hanging out. That is expansion language. From the focus of the Bank, all projects that preserve capital, create jobs, and make a better Nevada are on the table.

**Assemblywoman Titus:**

Initially, Assemblyman Hafen asked regarding the matching funds and could we leverage these funds for that match. Back to that kind of thought, we are now funding this not with federal money, but we are asking for state dollars as the seed money, correct?

**Treasurer Conine:**

Yes.

**Assemblywoman Titus:**

That would enable us to get federal match because I had concerns in the past about whether we could use federal dollars to leverage federal dollars. We are talking about that concept of matching funds and maybe if we provide \$1, we will get \$2 in return. We hear in this Committee if we could fund this with our General Funds, we will get a return of maybe two for one or three for one. Just to be clear, it makes sense. I want to make sure that is what we are doing here, as opposed to funding it with federal dollars and maybe taking money away from federal highway funds. We are using our state dollars to hopefully leverage, and we can use these for match for federal funds now as opposed to the conflict of could we use federal funds to get matching federal funds. Is that where we are going with this?

**Treasurer Conine:**

Yes. We were able to create additional bonding affordability because of two things. We sharpened our pencil, and we got better at the math. You made the hard decisions during the 31st Special Session, which now we are able to restore those cuts that allowed us to keep the highest bond rating the state every had. That lets us borrow more funds and be able to use them for things like this. Your description about proper allocation of capital and having money in different buckets is perfect. We know we cannot use federal dollars from the

ARP [American Rescue Plan Act of 2121] because the guidance states we cannot use federal dollars as the state match for federal dollars. Because we have that restriction, now we have \$75 million in state funds. Other capital will come in, and all capital has some strings attached to it. Bonding dollars for the state can only be used constitutionally for certain purposes, which is good. Private capital that comes in from outside groups that want to invest in Nevada will have strings attached to it, whatever strings they put on it. We will either decide that we want to take it with those strings or not. Federal dollars come in with strings. The more buckets of potential capital that are there at the Bank, the easier it is to build the puzzle piece of the project.

**Assemblywoman Titus:**

These funds have to be projects within the state of Nevada.

**Treasurer Conine:**

Yes.

**Assemblywoman Titus:**

I wondered because of desalination terms. I want to make sure we do not have some water plant sitting off the Pacific Ocean desalinating, and we are going to fund that. I needed clarification.

**Treasurer Conine:**

Our intention is to create Nevada projects using Nevada money that become Nevada jobs.

**Chair Carlton:**

Along those same lines, that is one of the things I was trying to follow, and it is the color of money. I call Nevada money blue. I call federal money green. I am not sure what the county money is because we do not see it that often. We use the Nevada money to pull down the federal money. That all goes into a pot at the county level. The county needs to pay back the state. When the county pays back the state, even though it could possibly be federal dollars that they could be paying back to the state, that federal dollar turns back into a state dollar, or am I overthinking this?

**Treasurer Conine:**

I think those are both true. We are probably overthinking it to some extent because it is deeply complicated. I think this is where Assemblywoman Miller's comment becomes so important. That tracking of funds becomes important because the federal government Office of the Inspector General or Treasury is going to look to make sure we are in compliance. The important work is being sure we are able to track those dollars. The description you made is the Bank would loan funds to a county entity that would build something, and the Bank would get paid back over time. Conceptually from a fungibility of money standpoint, that money is blue state money that goes back in, and then the Bank has the corpus made up of its funds.

**Assemblyman Watts:**

I am interested in some of the expansions, particularly around recycling, sustainability, renewable energy, social infrastructure, water, wastewater projects, and particularly how we can leverage green infrastructure projects through this Bank. I am glad you brought up some of the existing State Revolving Loan Funds. You have done a great job of explaining how we can use this to leverage federal funds, other equity, and some of the local investments. I do know, as we are broadening the scope of this Bank, there are some existing state programs and pots of money. Could you talk a little bit about how you see this interacting and coordinating with some of the existing funding pools that are available, particularly when it comes to water and wastewater but any other areas where we may have some existing pots? How do we combine and collaborate those things so that they are working collectively and not at odds with each other?

**Treasurer Conine:**

It gets to one of the other larger purposes of the Bank, which is coordination and the breakdown of silos not just between agencies of state government but between municipalities and cities. We saw this with ARP funds. There were projects that did not get funded because cities next to each other were proposing the exact same thing and clearly never talked. We can do a better job with that, and hopefully the Bank can help on that front. When we talk about clean water, drinking water, and things that are coming through the State Revolving Loan Funds, those are projects that have specific rules around them. Sometimes the size of the project or the size of the Revolving Fund is not large enough to do the project that they want to do. The project pencils, but it does not have the right amount of capitalization or they are fully committed to other projects. Maybe there is a project that in their rubric is not at the top of their list but in our rubric is because of the number of jobs it creates over the period of time.

The central point is coordination if the Bank is to be successful. All state infrastructure banks that are successful anywhere are deeply focused on communication and coordination, not just with other pools of money but with the federal government, our delegation, and with stakeholders in the communities that we are trying to help with experts within different fields. We must be talking to health experts to make sure that we solve a Federally Qualified Health Centers desert and talking to fresh food financing people to figure out what is the reason why we do not have a grocery store where we want a grocery store. The Bank will need to decide whether that is something that the Bank can invest in and preserve capital. Is that an investment that we can make and get paid back for? All of that comes down to coordination and communication. If there is one thing that we learned over the last year along with everybody in this building and our building and all the buildings, is that we could probably stand to talk a little more and coordinate a little more. We are going to do it.

**Assemblyman Watts:**

I appreciate that. Along those similar lines looking at some of the changes to the qualified borrower in section 12, it is great to see that we have added some of our tribal communities explicitly into this. I see there has also been some change to the definition of private nonprofit entities. We usually think of a certain set of nonprofits, but I know there are a lot



of different designations including cooperatives. Would you speak briefly to that? Would cooperatives be something that would be eligible as qualified borrowers in your opinion?

**Treasurer Conine:**

I believe it is and think it is. Yes.

**Assemblywoman Benitez-Thompson:**

I wanted to go back to a piece we were talking about. I think we were begging the question about section 16 about what reporting and accountability there will be. Although we do not see it in this bill, later in the chapter we do see the requirement for reports to the Legislature. We have not seen those reports because the account has not been doing anything yet. Now that we are investing resources into it, we will be seeing those reports. I imagine that it will be a combination of a report/financial statement something along the lines of what we see with the permanent school fund. We see what is happening with the capital and the investments, where those dollars are going, how those payment schedules are coming back in, and all of that. There will be a document out there to live by so we can go back and reference and see clearly where things are going. Also, we will see what other additional dollars are coming in from those federal dollars. We will have a chance to see it and hopefully read it every year.

**Treasurer Conine:**

Yes.

**Assemblywoman Gorelow:**

You have touched on some of the questions I had. Going back to whole infrastructure, when I think of infrastructure I am thinking of roads, sewage, and some recycling. I wanted to touch base on section 3 where it talks about other infrastructures. Section 3, subsection 1 is related to promoting economic development. Would things like a stadium or casino promote economic development and would those be the kinds of projects? Would you elaborate on that?

**Treasurer Conine:**

That is not what we are thinking there. We are thinking about economic development through traditional infrastructure. If you think about the things that the Bank could invest in, we could perhaps loan money to a community in order to expand electricity into a new manufacturing center or to expand water into a new manufacturing center, or help build a water or sewage treatment plant to help create more affordable housing. That type of build was envisioned as opposed to one large-scale project. Also, from the size of the Bank perspective, it will be a bit before we can create a stadium.

**Assemblywoman Gorelow:**

That was my thought process, but I wanted to make sure.

**Assemblywoman Peters:**

I am excited about having this Bank established and the work that will be done on coordinating projects in the state. That to me is kind of a missing link in how we get work done in this state in addition to the accountability metrics. When we have funded projects, we must make sure there is some kind of accountability for those projects actually going into some kind of tangible effort. We have had conversations about bonds and investments and what does that mean and look like in the state of Nevada. It is a similar question with regard to this. Can you talk about what it is that brings outside investments into a bank like this? What are the metrics that we have established at the state that encourage people to put money toward this kind of a bank structure?

**Treasurer Conine:**

The things that incent outside entities to invest in a bank are the same types of things that incent investments into anything, that is risk-adjusted return. How much am I going to get paid back adjusted for how much risk I am taking. A state infrastructure bank is funded, and that risk by definition goes down because we all have the public entity risk, and no one gets paid more if the bank makes more money. You are removing that desire to chase yield. The risk is relatively low.

Sometimes investors will look at the types of jobs that are created. Some of the groups that we have been talking to that invest in infrastructure banks like this or similar funds like this are union pension funds that are looking to put existing members back to work. They will be interested in a trade that does some sort of work and interested in investing in projects that do that sort of work and will then hire its members.

We are also dealing in an interesting thing that is happening in capital markets right now. The yield rates for treasuries and agencies and the typical fixed income universe are very low right now, and that is one of the reasons we can borrow money at such a low rate. It is also one of the reasons why we cannot invest in a high rate because things are relatively cheap. Any inflationary measures will move that up over time, but it lets us borrow money very cheaply. The other side is there is an investment group. That investment group has to invest in different tranches, they have an equity tranche which is now hyper-heated, and it has grown. If they have limits on how much they can invest in equities, they are probably at those limits. And then they have a fixed income tranche like a bond. Fixed incomes through treasuries are yielding close to nothing. There is capital that is sitting on the sidelines rolling over in money market funds and looking for infrastructure plays. Some of those plays have to be domestic, and we would like to be one of them.

**Assemblywoman Peters:**

Thank you for the response. Maybe during the interim we can sit down and have a multi-hour conversation.

**Treasurer Conine:**

We love talking about bonds.

**Assemblywoman Tolles:**

I am excited about this. I supported it back in 2017, and it is exciting to see it start to grow legs and move forward. Back to section 6, the social infrastructure also includes education. I know one of the gaps we have is lack of capital funding for our schools. That is an ongoing conversation typically at the county level across the state. We do not provide funding for capital for charter schools. Is this an avenue where charter schools could apply for infrastructure capital to help with the school construction?

**Treasurer Conine:**

I had not considered that, but from a broad-stroke perspective, yes. The question will always come down to the bylaws and the decisions of the Board. What is the construction, the project, the investment, what is the loan that has the highest likelihood of getting paid back, creates the most jobs, and other reasons? Depending on how that rubric gets set up, I think any project could be on the table.

**Chair Carlton:**

I believe the charter school authority has a CIP component already. There are options out there currently for those types of things. I would wonder how a charter school would pay it back because their source of income is the state per-pupil funding. If they were paying it back that way, it would be less money going to the students. That would be a deeper conversation. One of the thresholds that has been tough for them to access was the CIP component at the charter school authority. There have been conversations about capital improvements for charter schools in this building for a long time.

**Assemblywoman Tolles:**

This is a higher-level follow-up question. Where would somebody access information if the public wanted to see it once the Bank is developed. Where would that be published? Would it be on the Treasurer's website, or how would we be able to see what the decision-making matrix looks like?

**Treasurer Conine:**

The creation of that decision-making matrix will be the first real work of the Board to determine how we can quantifiably look at projects and make sure we are talking to stakeholders, not just in the communities that we are trying to develop but people who have done this work in other states. There are people who do infrastructure bank work a lot. They have seen what works, what does not work, what has worked domestically, what has worked internationally, and they are going to help the Board come up with the best-of-breed rubric. Then that rubric will be published everywhere; it will be on our website, on the Bank's website, and hopefully we can host it on the Legislature's website. We want people to understand how it works. The point of the Bank is transparency because transparency leads to trust, and trust leads to investment.

**Assemblywoman Tolles:**

Do I understand that the Board will have that website, or the Treasurer will have that website where that transparency exists?

**Treasurer Conine:**

I do not know, but I think the Board will make that decision. I can promise you that the rubric will be public and available.

**Assemblywoman Monroe-Moreno:**

I, too, am excited and have been since the time we started this conversation. We also had a conversation about the green bank that was initiated. What makes this Nevada State Infrastructure Bank different from the green bank? Are they in conflict? As we talk about the jobs that will be created, will there be a report about how many jobs, who received those jobs, and what communities we have impacted with those jobs?

**Treasurer Conine:**

We will release a report with short-term jobs, long-term jobs, comparison to expectation, because we will have to have some idea of what we think is going to happen before we make the investment. Then we will have to know what happens in the end. We will be able to see where we got it right, where we got it wrong, what types of projects we are getting it right with more often, where we overshoot and undershoot, and other matters. All of that needs to be transparent. Again, this is the benefit of trying to go after outside capital. That is required when you are trying to go get outside capital. That is a choice that you make by being in the market. Additionally, it is a choice that we make by using the state's funds. We want to make sure that this is deeply transparent.

Your first question was about the green bank. I do not know a lot about the green bank. If there is someone behind me who does, I would encourage them to sit in that seat. If there is not anyone here, we can follow up on that. I can tell you that the goal of the Nevada State Infrastructure Bank is to work in collaboration with every existing state, municipal, county, and water district funding source that is out there. Where there is conflict or someone is already doing a thing such as a small water project that is already being funded perfectly capably through one of our revolving water funds, great. We do not need to re-create the wheel.

**Chair Carlton:**

Are there any further questions? This bill is not one that we are going to move immediately. I think the Committee needs to be able to digest the information and make sure they are comfortable with it. We also know we have timeframes within which we must work. I wanted to make sure that was on the record.

**Assemblywoman Peters:**

I want to clarify the social infrastructure definition when we talked about it. I want to make sure about this. At the federal level, we are talking about child care or dependent care being included in the new infrastructure and jobs creation through federal funding. I want to make sure that is captured, and those kinds of infrastructure are captured in that definition. You do not have to answer that today. I think it may be in some of the education components and other components. I wanted to make sure that we are clear that if those dollars come down and they are relegated to those efforts, that we can fund those kinds of projects.

**Treasurer Conine:**

We believe we can.

**Assemblywoman Benitez-Thompson:**

I was trying to clarify the definition in section 12 of a qualified borrower. I wanted to get the scope of the universe of the individuals who are going to be playing in this. Who could submit an application and what would those applications and projects look like? How much of this do you imagine is going to be a government unit on its own or private-public partnerships that you see coming from this? I think the language opens up the door. There is nothing in here to exclude public-private partnerships. I was trying to gauge what they might look like when we see these projects hit the street. We have been talking a lot about some projects like sewer, water, projects, which are fun for some but different from some other projects that are out there. We are not going to go out and build high-rise buildings unless it is a low-income high-rise building. Tell me what we might expect as a mix of some of these projects and what they might look like.

**Treasurer Conine:**

I think you will start by seeing direct government units, such as the water or sewer projects. Public-private partnerships require the public or private entity not just to know about the Bank but to see its level of success and see that it is an opportunity to work. If there are projects out there that are P3 [public-private partnerships] types, I think they would come on a little later in the scope. I think a majority of the funding sticks with traditional governmental entity projects. Then the P3 projects could come from that if there is an interest in them. The other question is what capital markets look like at the time and whether or not the P3 is the most effective way for something to get built.

**Assemblywoman Benitez-Thompson:**

There are other types of bonding. We have the private activity bonds if you wanted to do some economic activity or if you wanted to do those types of projects. In the past couple of years, we talked about using that for high-speed rail, but it can only be used for two purposes, economic development or housing, and we have been pushing it toward housing. Then the other thing looks like it might be flushing out on its own and private with federal but not having to take our state's PAB [private activity bond] dollars for it. And in our Office of Economic Development, Office of the Governor, we have got provisions that allow for different kinds of things, which is how we bonded the water line for the effluent from Washoe County out to TRIC [Tahoe-Reno Industrial Center]. I have been one where we stand things up and then you sit back over a decade and watch to see how it plays out. So knowing that we can walk through that door with this language I do not think is inherently offensive. I just like this idea of eyes wide open, what might this look like in year 1, year 3, year 5, year 10, or year 20, and the public purposes that we are serving. I just wanted to make sure we had a full awareness on this Committee of what we are marching toward.

**Treasurer Conine:**

I completely agree. I think awareness is important. I also think the goal of the Nevada State Infrastructure Bank is to create flexibility so that wherever the opportunities, the jobs, and the

needs are, the Bank can fit that role while making sure that the Bank is fitting a role that does truly serve the public purpose as opposed to the other thing.

**Chair Carlton:**

I am going to ask the last question, and then we will go through the hearing process. What happens if they do not pay you back? What is the provision? How do you handle it if we do this and something happens? No one ever thought that we would have this many solar projects about a decade ago, but we ended up having to write them off. Everyone is well intentioned but what happens when something like that might happen? How is that addressed going forward?

**Treasurer Conine:**

The rules around default of the loan would be set up by the Board within the bylaws and will probably be very specific to whatever the project is. If we are talking about the expansion of a highway, if for some reason that GID [general improvement district] paid for the expansion of a highway and then that GID fails, the highway is still there and the asset still exists. They do not own the asset. The asset is a state asset. We cannot use state dollars to invest in something that is not owned by the state. The state would retain the asset. The funding stream for that asset would need to be replaced depending on what the asset is. That would control how it got replaced. I think the question is really what do you do if there is a loss? I think the goal of a bank is to both mitigate those losses and to make sure that you have a diverse enough portfolio that if some project for some reason does not pay back the loan, that does not threaten the overwhelming stability of the bank.

**Chair Carlton:**

As a governmental entity, would the Legislature have the opportunity to access the Nevada State Infrastructure Bank for any needs it might need in the future?

**Treasurer Conine:**

I had not contemplated that. I do not see why not.

**Chair Carlton:**

You know I love to build buildings.

**Treasurer Conine:**

I do not see why not. Functionally, if the Nevada State Infrastructure Bank is the most effective way to do a project, it would make sense that the Legislature or anyone else would want to use that tool that is most effective. I think we do have some experience in Nevada like the Bryan Building, which was designed and built through the Real Property Corporation. That project was done a little differently because at the time, that was the most effective way to create a project. That is what we are looking for as another tool that can be used to achieve the purposes of the state.

**Chair Carlton:**

I wanted to make sure that everybody was included in the conversation. Usually we do that nice CIP bill and that is the jobs bill of the session. The Governor and the Treasurer stole our thunder this year. This is good and it is building projects and creating good jobs. That is the most important component of it. Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 430 (1st Reprint). At this time, I will open it for testimony in support of the bill.

**Sabra Newby, Vice President of Government and Community Affairs, University of Nevada, Las Vegas:**

As producers of workers and the workforce of the future, we are in favor of this bill and the changes we believe it will make in our state to go forward.

**Will Adler, representing Pyramid Lake Paiute Tribe:**

We would like to briefly thank the bill's sponsors for inclusion of tribal communities in the bill and add our support to Senate Bill 430 (1st Reprint).

**Mary Beth Sewald, President and Chief Executive Officer, Vegas Chamber:**

The Vegas Chamber thanks Governor Sisolak for his support of the Nevada State Infrastructure Bank with Senate Bill 430 (1st Reprint). We support both the policy and fiscal components of this bill. We believe that by investing in the Nevada State Infrastructure Bank and making it a strategic priority of the state, Nevada can better plan and build the infrastructure necessary to help diversify the economy and create jobs. This investment by the state is a crucial step as we work together to rebuild and reinvent Nevada's economy together. We urge this Committee to support this important piece of legislation and pass Senate Bill 430 (1st Reprint).

**Christi Cabrera, Policy and Advocacy Director, Nevada Conservation League:**

Senate Bill 430 (1st Reprint) will allow the Nevada State Infrastructure Bank to be used for water and wastewater infrastructure, renewable energy infrastructure, and recycling and sustainability infrastructure. Nevada produces virtually no fossil fuels but is rich in clean energy potential. Homegrown renewable energy will keep Nevada's money invested in our state to grow our clean energy economy. Senate Bill 430 (1st Reprint) will allow our state to make investments in infrastructure to reduce pollution, address environmental injustice, and prepare for the threat of climate change, all while building back an economy that puts every community back to work. We urge the Committee's support.

**Jon Leleu, representing National Association for Industrial and Office Parks Commercial Real Estate Development Association:**

The NAIOP [National Association for Industrial and Office Parks Commercial Real Estate Development Association] would like to express its strong support for the bill and thank the Treasurer and Governor for bringing it. As an original proponent of the Nevada State Infrastructure Bank bill in 2017, we are extremely excited that the Treasurer has come up with a creative way to get the Nevada State Infrastructure Bank up and running. We look

forward to working with the State Treasurer and the Governor in the upcoming weeks and months on this to get Nevada building again.

**Devlin Daneshforouz, Senior Government Relations Advisor, NV Energy:**

Senate Bill 430 (1st Reprint) plays a pivotal role in Nevada's economic recovery. As outlined by the Governor in his State of the State Address, a well-funded Nevada State Infrastructure Bank will allow Nevada to leverage outside capital to fund important infrastructure projects that will create thousands of good-paying jobs for Nevadans. NV Energy is in the business of building the infrastructure that powers our state's economy. Financing that infrastructure is a different story for us due to the [Unintelligible] we receive from our parent company. But other infrastructure projects sometimes do not go forward due to lack of financing. The well-functioning Nevada State Infrastructure Bank Board can be immensely influential in assisting those areas that need help to break ground. NV Energy supports additional investments in infrastructure projects that will yield the highest return for communities in need of investments. That is why we are here today supporting Senate Bill 430 (1st Reprint).

**Rob Benner, Secretary Treasurer, Building and Construction Trades Council of Northern Nevada:**

We believe this bill will help create good-paying union jobs that are a pathway to the middle class as we recover from the COVID-19 pandemic. It is critical that we invest in our infrastructure and make sure that we are creating good-paying jobs for Nevada's workers. This is a long-term investment in Nevada's future.

**Chair Carlton:**

Is there any further testimony in support of this bill? [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] Are there any closing comments that need to be made?

**Treasurer Conine:**

I want to express our thanks on behalf of the Governor and myself for hearing this bill and talking about jobs.

**Chair Carlton:**

I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 410.

**Senate Bill 410: Makes an appropriation to the Central Repository for Nevada Records of Criminal History within the Records, Communications and Compliance Division of the Department of Public Safety for the modernization program for the Nevada Criminal Justice Information System. (BDR S-1132)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 410 makes a State General Fund appropriation of \$18,643,998 to the Central Repository for Nevada Records of Criminal History within the Records, Communications and Compliance Division, Department of Public Safety for the continuing costs of the



modernization program for the Nevada Criminal Justice Information System. I would note that the Fiscal Analysis Division staff worked in consultation with the agency and the Office of Finance, Office of the Governor, and has identified approximately \$3 million in available reserves that could be applied toward the modernization project, thereby reducing the General Fund appropriation to \$15,643,998. The agency targets a 60-day reserve level. Based on the information provided by the agency, the closing actions of the money committees, and staff's analysis, the budget is projected to have a 144-day operating reserve in fiscal year (FY) 2022 and a 130-day operating reserve in FY 2023. Authorizing the use of \$3 million of reserve funds would still allow the agency to maintain its targeted level of operating reserves.

**Mindy McKay, Records Bureau Chief, Records, Communications and Compliance Division, Department of Public Safety:**

I am here to introduce Senate Bill 410, which provides \$18,643,998 of one-shot appropriations across the 2021-2023 biennium to support the ongoing central repository's Nevada Criminal Justice Information System modernization program that will span over several biennia through FY 2025 for implementation and potentially thereafter for ongoing maintenance. As a reminder, this program will require additional General Fund appropriations for future biennia. For brevity, I will forego explaining this program unless the Committee would like me to provide a brief overview. There are letters of support on NELIS [Nevada Electronic Legislative Information System] attached to this bill for your review [[Exhibit C](#)]. My team and I are happy to answer any questions.

**Chair Carlton:**

Would you address the adjustment from \$18,643,998 to \$15,643,998?

**Mindy McKay:**

What Ms. Coffman alluded to is that yes, we have had discussions with our various budget analysts across the GFO [Governor's Finance Office] and LCB [Legislative Counsel Bureau]. We have determined that we should have \$3 million in our reserves to apply toward the Nevada Criminal Justice Information System modernization effort, therefore reducing this one-shot appropriation from \$18,643,998 to \$15,643,998.

**Chair Carlton:**

We just needed to get that on the record. It is all part of the process. Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 410. At this time, I will open it for testimony in support of the bill.

**Jhone Ebert, Superintendent of Public Instruction, Department of Education:**

I would like to point out in support for the entire Department that we process over 15,000 applications every year that require DPS [Department of Public Safety] to do background checks and fingerprinting. Over the years, we have unfortunately lost teachers who want to come to our state because other states are able to produce an offer quickly and been able to clear these teachers rather quickly. Ms. McKay's team has been phenomenal in supporting us when the bubble happens, which we are right in the middle of trying to recruit

and retain educators who are in this system. I appreciate the work that they do with us each and every day. I wanted to make sure that the Committee was aware that we depend heavily on this team and their work.

**Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association:**

I am here in support of Senate Bill 410. I appreciate the Committee considering this important bill today. Most everyone you hear from this session will tell you that theirs is the most important bill before you. There is truth to that. But each entity that requests support for their bill will admit their entity cannot exist without public safety. This appropriation will fund the very core of public safety in Nevada, not just law enforcement but every single participant who touches the criminal justice system in some way will be affected by your approval of this bill.

**Chair Carlton:**

Is there any further testimony in support of this bill? [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] Are there any closing comments?

**Mindy McKay:**

I just want to thank everybody throughout the last few sessions for their support for this. It has been exciting to see this finally move forward. I appreciate that.

**Chair Carlton:**

I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 411.

**Senate Bill 411: Makes appropriations to the Division of Parole and Probation and the Investigation Division of the Department of Public Safety for the replacement of computer hardware and software. (BDR S-1130)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 411 makes a State General Fund appropriation totaling \$379,541 to the Department of Public Safety for the following: \$313,157 to the Division of Parole and Probation for the replacement of computer hardware and software, and \$66,384 for the Investigation Division for the replacement of computer hardware and software.

**Natasha Koch, Deputy Chief, Division of Parole and Probation, Northern Command, Department of Public Safety:**

Section 1 of Senate Bill 411 addresses 169 replacement computers for a total cost of \$313,157 for the Division of Parole and Probation, Department of Public Safety. This will keep our computers up to date with the EITS [Division of Enterprise Information Technology Services], Department of Administration replacement schedule for computers that are due in the biennium. Chief Conmay of the Investigation Division, Department of Public Safety, will speak regarding section 2.

**Patrick Conmay, Chief, Investigation Division, Department of Public Safety:**

As was mentioned, Senate Bill 411 includes the Investigation Division's request for a one-shot appropriation for computer replacement. We are requesting to replace 22 computers in fiscal year (FY) 2022 and 23 computers in FY 2023 for a total cost of \$66,384 as indicated. The request complies with the EITS replacement schedule as the existing computers we are seeking to replace were purchased between August 2016 and June 2018. I am happy to answer any questions.

**Chair Carlton:**

Committee members, are there any questions at this time?

**Assemblywoman Gorelow:**

I just want to ask for quick clarification because I heard her say \$313,517 versus the bill saying \$313,157.

**Natasha Koch:**

Let me clarify. The amount is \$313,157.

**Chair Carlton:**

That is what we have in the bill, so the bill is correct. Are there any other questions or comments? [There were none.] This is the hearing for Senate Bill 411. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 412.

**Senate Bill 412: Makes an appropriation to the State Department of Agriculture for new laboratory equipment and maintenance contracts related to veterinary medical services. (BDR S-1128)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 412 makes a State General Fund appropriation of \$53,550 to the State Department of Agriculture for new laboratory equipment and maintenance contracts related to veterinary medical services.

**Doug Farris, Administrator, Division of Animal Industry, State Department of Agriculture:**

It is my honor today to present Senate Bill 412, which is an appropriation for new equipment related to veterinary medical services. The implementation of modern molecular microbiology testing equipment at the Elko laboratory will provide an increase in sample volume, as a large amount of the testing in the region is sent out to other state laboratories in Idaho, Utah, and Colorado. The testing equipment is a bench-top automated extraction instrument, which will reduce labor and manual handling of samples and aid in reducing workplace injuries caused from repetitive actions. The estimated annual testing volume for this instrument would be approximately 8,500 tests. The improvement was originally

approved for the fiscal year (FY) 2020 budget as a one-shot appropriation. However, due to the COVID-19 pandemic and budget restrictions, the instrument was eliminated from our budget spend. I am available for any questions.

**Chair Carlton:**

Committee members, are there any questions at this time?

**Assemblywoman Titus:**

I have a question regarding the scope of this particular machine. Will you be able to test for some of the big game chronic wasting diseases and some of those things that we must do if we get our tags filled?

**Doug Farris:**

This piece of equipment's primary function will be for trichomoniasis testing in the Elko area. Between the Sparks and the Elko laboratories, we have testing equipment to assist NDOW [Department of Wildlife] with some testing when they request it.

**Chair Carlton:**

Are there any other questions at this time? [There were none.] This is the hearing for Senate Bill 412. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] Are there any closing comments that need to be made?

**Doug Farris:**

I do not have any closing comments.

**Chair Carlton:**

We know how difficult it is trying to figure out when your bill is going to come up for a hearing in the Legislature late in session. We appreciate all the state agencies' flexibility as we try to get through the process these last several days. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 413.

**Senate Bill 413: Makes an appropriation to the Nevada Gaming Control Board for the continuing costs of replacement of its information system. (BDR S-1127)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 413 appropriates \$5,409,619 to the Nevada Gaming Control Board to fund the continuing costs of the Alpha Migration Project to modernize the Nevada Gaming Control Board's information system over the 2021-2023 biennium.

**Michael Morton, Senior Research Specialist, Nevada Gaming Control Board:**

Senate Bill 413 appropriates approximately \$5.4 million to the Nevada Gaming Control Board (Board) for its Alpha Migration Project, which is an ongoing agencywide transition from the Board's Legacy COBOL [Common Business Oriented Language] system to new

applications developed using current technologies, which will provide enhanced functionality to both internal and external users. It will also provide easier access to licensing casino ownership, tax form information, additional information regarding the Board's enforcement cases, gaming applicant information, and gaming employee information. The Board's information technology manager, Andrew Tucker, who is appearing remotely, and I are prepared to answer any questions the Committee may have on the project itself.

**Chair Carlton:**

Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 413. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 414.

**Senate Bill 414: Makes an appropriation to the Department of Taxation for the continuing costs of the modernization of the Unified Tax System as part of Project MYNT. (BDR S-1119)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 414 makes a State General Fund appropriation of \$2,943,463 to the Department of Taxation for the continuing costs of the modernization of the Unified Tax System as part of Project MYNT [Modernize Your Nevada Tax].

**Melanie Young, Executive Director, Department of Taxation:**

Senate Bill 414 before you today will appropriate one-shot funds for the Department of Taxation's modernization project. The Department has been engaged in this process of memorializing our current state assessment, business benefit analysis, future state processes, and documenting solution strategy, the modernization road map, and the business [Unintelligible]. In fiscal year (FY) 2020, the Department hit the pause button on this project and returned the funding as a result of reduced state revenues. The next phase of the project would have been an RFP [request for proposal] development solution and a solution selection. Replacing our system had become unavoidable. The complexity of our system with decreasing availability of specialized knowledge of old technologies of COBOL, which is a word I know you do not like to hear, is difficult to maintain. This funding of approximately \$2.9 million will allow the Department to add four positions for the management and implementation of the project as well as backfill positions. The Department has moved forward with the solution a [Unintelligible] and this funding will allow us to go through the RFP process. This concludes our presentation, and we are available for questions.

**Chair Carlton:**

Committee members, are there any questions at this time?

**Assemblyman Roberts:**

Just to confirm, are you using some of this funding for positions to manage the project? Could you just highlight the number again?

**Melanie Young:**

This would allow the Department to add four FTE [full-time-equivalent] positions for the management and implementation of the project. These would include an IT [information technology] manager 2 as a project manager, and IT professional 4 as a technical lead, a tax manager as a functional lead and subject matter expert, and an additional organizational change manager. It will also allow the Department to backfill a few of our positions so we can assign our best staff to be a part of this project going forward. It would allow for five backfill subject matter experts.

**Chair Carlton:**

Are there any other questions from any other members?

**Assemblywoman Benitez-Thompson:**

I like the banners. This will allow you the \$2.9 million for the new positions and allow you to start the RFP process. I imagine, as with any type of modernization project, there will be more conversations in other legislative sessions about supporting it and the cost of whatever it is that comes back from the RFP. Do you imagine when you say the cost of the RFP process that pays for just literally getting the RFP out and getting the bid, or do you think that funding will carry through the first couple of years of setting it up, or modernizing it?

**Melanie Young:**

This funding would allow the Department to select a vendor. A large part of the cost to replace the system will come in the next biennium. I do have Joe Bernardy from our IT system who can provide a little more information on that timeline.

**Joe Bernardy, Acting Deputy Executive Director, Information Technology, Department of Taxation:**

The timing for this first biennium includes doing an RFP for the document scanning solution. We will be looking at doing that as the first part to bring our document scanning as the first part of our process as opposed to our last part of our process, which is where it is now. While we are doing that, we will be releasing the RFP for the cost solution in the next biennium. We will look to hire the vendor starting next biennium.

**Chair Carlton:**

Are there any other questions at this time? [There were none.] This is the hearing for Senate Bill 414. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 415 (1st Reprint).

**Senate Bill 415 (1st Reprint): Makes an appropriation to the Department of Taxation for the relocation and consolidation of the two offices in the Las Vegas Valley into one office in southern Nevada. (BDR S-1118)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 415 (1st Reprint) makes a State General Fund appropriation of \$632,854 to the Department of Taxation for the relocation and consolidation of two offices in the Las Vegas Valley into one office in southern Nevada.

**Melanie Young, Executive Director, Department of Taxation:**

Senate Bill 415 (1st Reprint) is a one-shot appropriation of General Funds for the office relocation and consolidation. The bill was amended to \$632,854. This will provide the Department the ability to consolidate two offices. Currently, we are on a month-to-month lease in our Henderson office, and the landlord could give us a 30-day notice to vacate. This office is ideally located in a central location with easy access. However, we are at space capacity, and the office no longer meets our needs. Neither the conference room nor the administrative hearing room has a public entrance. This requires taxpayers to be escorted through the interior office and be supervised by staff at all times. This raises concerns about staff safety and the security and safeguarding of confidential records.

The Department of Taxation's Las Vegas office is located on the first floor of the Grant Sawyer State Office Building, which is also at space capacity. Due to [lack of] space in the small lobby, taxpayers are faced with the lack of privacy when discussing confidential tax matters. Additionally, there is only one conference room, and it is insufficient for staff meetings and must also serve as the cannabis cash count room and administrative hearing room.

Finally, the Department managers and supervisors must travel between the two offices to ensure a supervisory presence and attend meetings and staff training. This is a practice that is disruptive to both supervisors and staff. To alleviate these concerns, the Department seeks to consolidate the offices into one office in the Las Vegas area. Efficiencies can be found by eliminating duplicative costs for security guards, camera coverage, armored car pickups, as well as to avoid additional costs and maintain supervisory coverage between the two offices. Further, the Department hopes to find a location that can be colocated with the Cannabis Compliance Board (CCB), creating additional office efficiencies. The CCB has one board and one advisory commission, and the Department is staff to five boards and commissions. Together, both agencies have a need for administrative hearing rooms and public meeting space. It is our combined goal to find space that will allow a shared reception and public meeting space, thereby creating efficiencies for both agencies. This concludes my testimony for S.B. 415 (R1).

**Chair Carlton:**

Are there any questions?



**Assemblywoman Tolles:**

I appreciate that this is a one-shot to consolidate and create efficiencies, of which I am always in favor. Do you have an estimate of the savings that we will recoup as a result of this investment?

**Melanie Young:**

I am not sure if Joy Grimmer, who is our administrative services officer, has an answer to that question. Overall, savings could be found in the elimination of one security guard, some video camera coverage, and combining space with the Cannabis Compliance Board where we both have meeting rooms. I am not sure if we have the total of all of that together.

**Joy Grimmer, Administrative Services Officer 4, Department of Taxation:**

We are estimating that it will be at least approximately \$70,000 in the security guard savings. Then the rent would also offset that. I do not have an exact amount because we have not found a location yet.

**Chair Carlton:**

Are there other questions from other Committee members? [There were none.] This is the hearing for Senate Bill 415 (1st Reprint). At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill. I believe the Department also has another bill, and I will open the hearing on Senate Bill 423.

**Senate Bill 423: Requires the Department of Taxation to retain a commission as compensation for the costs of collecting taxes on certain centrally assessed property. (BDR 32-1078)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 423 requires the Department of Taxation to retain a commission as compensation for the cost of collecting the tax on centrally assessed property. The Department of Taxation must, before remitting the tax to each county, transmit an amount of the taxes as specified by the Legislature to the State Treasurer for deposit to the credit of the Department. Under this bill, the Department is required to spend such money in accordance with its work program. In terms of fiscal impact, this is a budget implementation bill. There are various fiscal notes that have been identified by various counties and Carson City as well.

**Melanie Young, Executive Director, Department of Taxation:**

When the Department of Taxation was faced with budget reduction measures, our executive team met and looked at alternatives to proposing budget cuts. Our budget is primarily funded with State General Fund dollars. Our largest expenditure is personnel. Senate Bill 423 is one of those measures which proposes a commission to compensate the state for the services of providing the valuation, billing, and collection relationship to the centrally assessed property tax. This service is provided by our Local Government Services Division. This is a budget implementation measure.



The Department looked at this service that is provided for and on behalf of local governments and is funded with 100 percent General Funds currently. The amount was calculated by determining the number of positions and the amount of time those positions are associated with providing this service to determine the commission to reimburse the Department for these costs, which is estimated to be \$135,922 in fiscal year (FY) 2022 and \$137,928 in FY 2023. I can stop here for questions or I can turn the time over to Jeff Mitchell to talk a little about centrally assessed properties and how that works.

**Chair Carlton:**

I do not believe that is necessary at this time. I do not see any questions from the Committee members. In essence, the Department has been performing this function with General Funds. We are going to ask the individuals we are performing the function for to pay for the services that are being rendered to them. Is that correct?

**Melanie Young:**

That is correct. We would be offsetting the actual cost of performing a portion of the services that we provide on behalf of local governments, and the commission would come off the top of the taxes that are collected that are ultimately ending up at the local government level.

**Chair Carlton:**

I think it is good that we have a clear record on exactly what the purpose and the consequences are. Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 423. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 418.

**Senate Bill 418: Makes an appropriation to the Budget Division of the Office of Finance in the Office of the Governor for the continuation of the Nevada Executive Budget System upgrade project. (BDR S-1059)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 418 makes a State General Fund appropriation of \$422,000 to the Budget Division, Office of Finance, Office of the Governor for the continuation of the Nevada Executive Budget System upgrades project.

**Susan Brown, Director, Office of Finance, Office of the Governor:**

Senate Bill 418 provides a one-time appropriation in the amount of \$422,000 for the continuation of the Nevada Executive Budget System upgrades project. This project was started in the current biennium and work on this upgrade is continuing. This funding will allow for the continuation of the modernization of the interface as well as completing system architecture upgrades. I would be happy to take any questions.

**Chair Carlton:**

Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 418. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 425.

**Senate Bill 425: Makes a supplemental appropriation to the Division of Internal Audits of the Office of Finance in the Office of the Governor for an unanticipated shortfall related to payroll. (BDR S-1053)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 425 makes a supplemental appropriation of \$76,807 to the Division of Internal Audits, Office of Finance, Office of the Governor for an unanticipated shortfall related to payroll.

**Susan Brown, Director, Office of Finance, Office of the Governor:**

Senate Bill 425 requests a supplemental appropriation of \$76,807 to the Division of Internal Audits, Office of Finance, Office of the Governor for an unanticipated shortfall related to payroll. During the process for the 31st Special Session budget reviews, additional funds were reduced from this category in error. This has caused the shortfall for the Division of Internal Audits in the payroll category. This will ensure that payroll costs are covered through the end of this fiscal year.

**Chair Carlton:**

Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 425. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 426.

**Senate Bill 426: Makes an appropriation to the Office of Finance in the Office of the Governor as a loan for the replacement of the content management and portal platform. (BDR S-1115)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 426 makes a State General Fund appropriation of \$1,784,500 to serve as a loan to the Division of Enterprise Information Technology Services (EITS), Department of Administration, for the replacement of the content management and portal platform. The bill requires that the Division provide an annual installment of 25 percent of the cost of the replacement of the platform beginning July 1, 2023.

**Matthew Tuma, Administrator, Administrative Services Division, Department of Administration:**

Laura E. Freed, Director, Department of Administration, is on the Zoom call as well. The summary for this bill is correct. It is a General Fund one-shot loan to EITS for the replacement of the content management system. This is a budget implementation bill. This project was initially approved by the Legislature in the 80th Session. Funding for this project was reverted during the 31st Special Session in budget reductions. We are here asking for the same project. It is still an essential infrastructure need for the Department and the Division. I will turn it over to Mr. Cunningham for some high-level comments as well and then we will be open for questions.

**Alan Cunningham, Chief Information Officer, Division of Enterprise Information Technology Services, Department of Administration:**

The needs of our citizens are served by multiple agencies within the state. The citizens are clamoring for the consumer services in a digital format. Our agency partners need modern tools to satisfy those digital citizen needs. Our current Ektron content management system had been in use for many years. It was actually supposed to be at the end of its life in 2014. Staff has managed to keep it working but [Unintelligible] cost. Agencies will find that the capabilities of the old system did not meet the needs of our citizens. Some of our agencies' customers were forced to contract outside of EITS for those capabilities that our system could not provide. Currently, there are over 60 different agency websites that are hosted outside of the state content management system. This raises several issues, including ADA [Americans with Disabilities Act] compliance, which the state is responsible for, [Unintelligible] for these sites. We feel that the upgrade to the system will really help us assist with not only ADA compliance but offering the services to our agency partners that they can then offer to their citizens.

**Chair Carlton:**

Ms. Freed, did you have any comments?

**Laura E. Freed, Director, Department of Administration:**

I cannot say it better than my colleagues have already.

**Chair Carlton:**

Committee members, are there any questions at this time?

**Assemblywoman Tolles:**

I appreciate this will help us keep in ADA compliance. I was wondering whether it will also help with cybersecurity.

**Alan Cunningham:**

It will help in a manner for cybersecurity. It will make sure that all the sites are up to the latest versions of dot-net, which we had issues with before with the original Ektron system. That will make a difference. The main thing we are looking at is functionality and safe functionality for our citizens and our agency partners. The functionality is superior in the

new product that we are looking at. The original Ektron system was supposed to be at its end of life in 2014 but was designed in late 1998. It will make a difference to our cybersecurity portion moving forward, yes.

**Chair Carlton:**

Committee members, are there any other questions at this time? [There were none.] This is the hearing for Senate Bill 426. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 427.

**Senate Bill 427: Makes appropriations to the Division of Child and Family Services of the Department of Health and Human Services for deferred maintenance projects at certain facilities. (BDR S-1123)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 427 makes a State General Fund appropriation totaling \$766,561 to the Division of Child and Family Services, Department of Health and Human Services, for deferred maintenance projects at Summit View Youth Center, Caliente Youth Center, Nevada Youth Training Center, and the Southern Nevada Child and Adolescent Services Campus.

**Mandi Davis, Deputy Administrator, Division of Child and Family Services, Department of Health and Human Services:**

This bill would provide a one-time appropriation of \$766,561 for deferred maintenance projects and replacement equipment at our agency-owned buildings. The Summit View Youth Center is located in Las Vegas. The Caliente Youth Center is located in Caliente, Lincoln County. The Nevada Youth Training Center is located in Elko. The Southern Nevada Child and Adolescent Services Campus is located on Charleston Boulevard in Las Vegas. I have details on all of the projects that these would support if the Committee would like. Otherwise I would be happy to take any questions.

**Chair Carlton:**

I do not need to know what tiles and what windows and what things that you need to do. Knowing whom these facilities serve, I am sure there is some maintenance that needs to be involved in keeping the facilities up to par. Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 427. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on Senate Bill 428 (1st Reprint).

**Senate Bill 428 (1st Reprint): Makes appropriations to the Nevada Highway Patrol Division of the Department of Public Safety for the replacement of vehicles and motorcycles and certain equipment. (BDR S-1129)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 428 (1st Reprint) makes State Highway Fund appropriations totaling \$12,904,978 to the Nevada Highway Patrol Division, Department of Public Safety, for the replacement of fleet vehicles and associated special equipment, the replacement of fleet motorcycles and associated special equipment, oral fluid mobile analyzers and cartridges to be used for drug-related offenses, replacement of mobile data computer tablets, equipment items for the Division's multidisciplinary investigations and reconstruction teams, replacement of printers and associated mobile adapters, and the replacement of various computer hardware and software.

**Martin Mleczo, Captain, Deputy Commander, Nevada Highway Patrol, Department of Public Safety:**

It is our pleasure to be here this morning to introduce Senate Bill 428 (1st Reprint). I would like to introduce each section individually, and then if there are any questions, we can address them at the end. Section 1 funds the replacement of fleet vehicles and associated special equipment. Section 2 funds the replacement of fleet motorcycles and associated special equipment. Section 3 funds the procurement of oral fluid mobile analyzers and cartridges to be used for drug-related offenses. Section 4 funds the replacement of mobile data computer tablets. Section 5 funds the equipment for the Division's multidisciplinary investigation and reconstruction teams. Section 6 funds the replacement of printers and associated mobile adapters. Section 7 funds the replacement of computer hardware and software. We would now like to open it for any questions.

**Chair Carlton:**

Committee members, are there any questions at this time?

**Assemblyman Roberts:**

What is the mileage at which you replace these cars and what is the mileage on your motorcycles?

**Denny Gortari, Administrative Services Officer 2, Nevada Highway Patrol, Department of Public Safety:**

The mileage when we turn in the vehicles is consistent with the *Nevada Administrative Code* [State Administrative Manual]. For our utility vehicles as well as our pickup trucks, the mileage turn-in amount is 125,000 miles. For our sedans, the mileage is 105,000 and our motorcycles is 60,000 miles.

**Assemblyman Roberts:**

How many vehicles are we talking about for this replacement?

**Denny Gortari:**

We are replacing 159 patrol vehicles, which consist of 140 police interceptor utilities and 19 pickup trucks. For section 2, subsection 1, the enhancement request funds the replacement of seven police motorcycles in northern and southern Nevada.

**Chair Carlton:**

How long does it take us to put that mileage on a vehicle? I imagine a patrol car in the rural counties is probably different than a patrol car in the south. This seems like a lot of vehicles all at one time. What are the timeframes usually like on this?

**Denny Gortari:**

In the rural counties, you will see that our average mileage for a lot of the vehicles is as much as 2,200 miles a month. In the urban counties, it might be just about 2,000 miles. Overall, for the whole fleet, the average mileage is about 2,000 miles per month per unit. Then we rotate the vehicles around, and from the rural counties we might rotate the vehicles to an urban county to try to do an even type of depreciation in terms of miles.

**Chair Carlton:**

I remember the conversation with individuals from the Division of Parole and Probation, Department of Public Safety, years ago about switching out cars to make sure the mileage ended up at the right place for the right car at the right time, so you could get the best use out of all the cars.

**Assemblywoman Titus:**

Just to piggyback on the two prior lines of questions, I would assume these are staggered. Not all your fleet goes out at the same time, and this is just a portion of all the vehicles that you have.

**Denny Gortari:**

That is correct. Roughly, if you make this metric and the rotations that I was talking about earlier, we really work against a scale of five years. If we rotate the vehicles around, it is good for everybody to get them out to auction because the residual value at the auction would be good. We are talking about replacing 20 percent of the fleet every year. This request is consistent with that methodology of utilization. We try to keep our requests consistent and evened out.

**Assemblywoman Titus:**

When you replace these vehicles, it is about two things: the safety for the officers driving these vehicles so they have a vehicle they can depend on, and you still have some small residual value. There is a two-tiered reason for replacing these vehicles.

**Denny Gortari:**

Yes. There are two parts to it. You know the resale part has been very strong. I think I had a little note here that used car prices have surged 21 percent since April 2020, including a 10 percent increase since April 2021. A lot of people are returning to driving to work, and

the cost of the new vehicles is so high. We are seeing some very good residual values for our vehicles. In anticipation of that question, I just took an example from the excess property unit, and our sedans are selling for a range between \$4,700 and \$7,000. Of course, this depends on the number of bidders at the auction, and it also depends on the condition of the vehicle. I was looking at our sedans getting residuals on the way out and their mileage is 105,000 miles. Our pickups have been getting between \$7,900 and as much as almost \$12,000. These units have exceeded the allowed mileage, and our utilities get about \$6,000 to \$7,000 and our motorcycles along the same lines at \$6,000 to \$7,000. This was just a sampling I took of our last couple of auctions.

**Assemblywoman Titus:**

I have heard that you cannot get new vehicles, and the parts are difficult. Are you going to have any difficulty getting these vehicles?

**Denny Gortari:**

Our main manufacturer, which is Ford, has been outstanding. When we started out, it was issues because they changed the model year in 2020 to a completely new internal dimension and that sort of thing. We started off a little slow in 2020, but our last couple of orders came in on time. I am not going to say that is not going to be an issue going forward. I hope not, and it relates to the fact that there is a global chip shortage. These cars are computerized these days. With that in mind, I am keeping my fingers crossed. I cannot say it is absolutely not going to be an issue, but so far, we have been pretty fortunate.

**Chair Carlton:**

One of the reasons the cars go for such a high rate is they know where they came from, they know the maintenance that is involved, and how well we take care of those cars because officer safety is a priority. We want to make sure if they are out there in the middle of nowhere at night on a scene, that cars are there for them because that is their lifeline back. I hear talk that people go to the auctions just to get these cars and these trucks. Are there any other questions? [There were none.] This is the hearing for Senate Bill 428 (1st Reprint). At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] Are there any closing comments?

**Anne Carpenter, Colonel, Nevada Highway Patrol, Department of Public Safety:**

I want to thank you for your continued support for the Department of Public Safety and the Nevada Highway Patrol.

**Chair Carlton:**

Congratulations on being the first woman to sit in that seat. I am proud that I have known you for over 20 years. Good job. We appreciate it. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 429.

**Senate Bill 429: Makes a supplemental appropriation to the Office of the Attorney General for a projected shortfall related to extradition costs. (BDR S-1146)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 429 makes a State General Fund supplemental appropriation of \$350,254 to the Office of the Attorney General, for the Office of Extradition Coordinator budget for a projected shortfall related to extradition costs.

**Jessica Hoban, Chief Financial Officer, Office of the Attorney General:**

The reason why we are asking for this supplemental appropriation for the Office of Extradition Coordinator, Office of the Attorney General budget, is related to a shortfall that is primarily a result of two particular circumstances. The first one is the cost for transports of persons who are being extradited back to Nevada to face trial for outstanding warrants. The COVID-19 pandemic and the associated travel restrictions that were a result of mitigating COVID-19 spread made it impossible for us to do ground transports, which is what we had been doing in the past. Once those restrictions were put into place, we were left with only being able to conduct these transports via airlines or airfare.

Although some states are reducing some of their travel restrictions at the moment, one of the items that is required to transport someone who is in custody to come back to Nevada for trial is that they must make periodic stops at other prisons or jail institutions. In order to mitigate the spread of COVID-19 in those jail or prison facilities, those periodic stops have also been and continue to be shut down to people who are not part of their regular population. We are still having to conduct these transports via air rather than the ground.

Additionally, or a secondary circumstance also related to the COVID-19 travel restrictions, was fiscal year (FY) 2020 also had a shortfall due to the costs associated with the airfare as compared to ground transport. Section 33 of Assembly Bill 543 of the 80th Session authorized the transfer of State General Funds from FY 2021 to FY 2020 to cover shortfalls. In FY 2021, we did transfer \$160,266 from the current FY 2021 appropriation. This also initiated a shortfall at the beginning of FY 2021. The amount we are requesting today covers the shortfall, which was transferred to the previous fiscal year, and the amount covers the additional costs for the air transport for FY 2021. I am happy to answer any questions that you may have.

**Chair Carlton:**

That was an excellent explanation of the challenges that were faced in order to keep the criminal justice system running. We appreciate the explanation. Committee members, are there any questions at this time?

**Assemblyman Roberts:**

Are we doing these transports in house or are you using a contract company?



**Jessica Hogan:**

We did have a contractor conducting these transports through January when their contract ended. We are trying to get another RFP [request for proposal] out and get a replacement contractor. In the meantime, we still are doing the air transports, but we are using our staff of the Office of the Attorney General. The extraditions that we pay for are not limited to the Office of the Attorney General's requests for extraditions. We actually cover the costs statewide. There are other jurisdictions, primarily counties and also some law enforcement agencies, that do conduct their own transports. The statutes required us to reimburse them for those costs.

I can speak to what we are doing at the Office of the Attorney General. The previous vendor that we had under contract was used by most all of the other local jurisdictions. Once that contract ended, we did not have the same service available for everyone. The local jurisdictions are following their own procurement process now until we can get something available statewide again.

**Chair Carlton:**

Are there any other questions at this time? [There were none.] This is the hearing for Senate Bill 429. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on the next bill, Senate Bill 431. I believe we may only be able to do one or two more bills in order to give members time to get things done between now and the scheduled Assembly floor meeting.

**Senate Bill 431: Makes appropriations to and authorizes expenditures of money by the Nevada Supreme Court for the replacement of computer hardware and software. (BDR S-1136)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 431 makes State General Fund appropriations totaling \$231,109 for the Nevada Supreme Court for the Judicial Programs and Services Division budget for the replacement of computer hardware and software, for the Court of Appeals budget for the replacement of computer hardware and software, for the Supreme Court budget for the replacement of computer hardware and software, and for the Supreme Court Law Library budget for the replacement of computer hardware and software. In addition, the bill authorizes the expenditure of \$93,610 not appropriated from the State General Fund or the State Highway Fund for the 2021-2023 biennium for the Judicial Branch for the replacement of computer hardware and software for the Administrative Office of the Courts, for the replacement of computer hardware and software for the Uniform System of Judicial Records, for the replacement of computer hardware and software for the Judicial Education budget, and for the replacement of computer hardware and software for the Specialty Court budget.

**John McCormick, Assistant Court Administrator, Office of Court Administrator, Supreme Court:**

As Fiscal Analysis Division staff so eloquently indicated, this is to replace computer hardware and software at the Court. Replacing this equipment will allow us to replace our existing equipment and transition that existing equipment into being a disaster recovery backup. It will provide double utility for this equipment.

**Chair Carlton:**

I am assuming the \$93,610 that is not General Fund or Highway Fund is generated from assessment fees.

**John McCormick:**

Yes, those are administrative assessment accounts.

**Chair Carlton:**

I wanted to make sure we had a complete record. Committee members, are there any questions at this time? [There were none.] This is the hearing for Senate Bill 431. At this time, I will open it for testimony in support of the bill. [There was none.] Is there any testimony in opposition to the bill? [There was none.] Is there any testimony in neutral on the bill? [There was none.] I do not believe that there are any closing comments that need to be made. I will close the hearing on this bill and open the hearing on Senate Bill 432. This will be the last bill we will hear before we go to public comment so members have time to be on the Assembly floor. We will be recessing today. If we can come back in later, we will, but this time in session there is no guarantee.

**Senate Bill 432: Makes appropriations to and authorizes expenditures by the Office of the Military for maintenance projects at certain facilities and the replacement of computer hardware and software, certain equipment and shop tools. (BDR S-1124)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 432 makes a State General Fund appropriation of \$530,024 to the Office of the Military and authorizes \$741,824 not appropriated from the General Fund or the State Highway Fund for maintenance projects at certain Nevada Army and National Guard facilities. The bill also appropriates General Funds of \$39,750 to the Office of the Military for the replacement of computer hardware and software. The bill makes a General Fund appropriation of \$43,180 to the Office of the Military and authorizes \$84,872 not appropriated from the General Fund or the Highway Fund for the replacement of certain equipment and shop tools.

**Chair Carlton:**

Is there anyone from the Office of the Military? [There was no one.] Ms. Brown, are you able to pinch hit for this bill?

**Susan Brown, Director, Office of Finance, Office of the Governor:**

Yes, I guess I am.

**Chair Carlton:**

We can pull this one back and get to it this evening. I do not want to put you in an awkward position. We can pull this one back, and we will not open the hearing on Senate Bill 432. We will bring it back to the Committee and make sure that individuals are aware of what is going on. This does happen sometimes. Typically, we would not do public comment now, but we are going into recess and do not know what the rest of the day looks like. However, we have individuals here for public comment; I will be happy to go ahead and open it for public comment at this time. If we do come back in tonight, it could be 10 p.m., and I do not want individuals to have to wait around. Our bill business for today is complete, and I will open public comment.

**Heather Pope, representing Compassion and Choices Action Network:**

I am representing the many terminally ill Nevada residents who do not have the capacity to be here today. We request that Assembly Bill 351 be afforded a hearing, as it was pulled from the agenda just hours before it was to be heard. The lack of movement has consequences. Our terminally ill family, friends, and neighbors are limited to suffering through their final days or abandoning everything and leaving Nevada specifically because they cannot access the care they need here. We know that based on recent polling, 73 percent of Nevadans—regardless of their party, religion, gender, or age—want qualified patients to have this option. Hannah, right here in this photo to the right of Governor Sisolak, is a 46-year-old mother and grandmother. She is living with multiple myeloma. Hannah is deeply driven by her faith and wants to experience her inevitable death peacefully surrounded by her loved ones and their prayers. Hannah is vibrant and desperately wishes to live. The fact is that her terminal illness is killing her. The question that remains is whether or not Hannah and her family must endure the trauma of a bad death. It is challenging to find the words to accurately convey the urgency of this legislation. Please release or vote on Assembly Bill 351.

**Chair Carlton:**

Is there any other public comment to come before the Committee at this time? [There was none.] We will be in recess until call of the Chair. This meeting is in recess [at 10:59 a.m.].

**Chair Carlton:**

Due to time constraints, today's meeting of the Assembly Committee on Ways and Means is adjourned from the Assembly floor [at 4:54 p.m.].

The following four bills were agendized but not heard:

**Senate Bill 433: Makes appropriations to the Division of Public and Behavioral Health of the Department of Health and Human Services for maintenance and repairs and the replacement of certain equipment at certain facilities operated by the Division that provide mental health services. (BDR S-1121)**

**Senate Bill 434**: Makes an appropriation to the Office of Finance in the Office of the Governor for the construction of a medical school at the University of Nevada, Las Vegas. (BDR S-1064)

**Senate Bill 435**: Makes appropriations to the Office of Finance in the Office of the Governor for the costs associated with the replacement of the Advantage Financial and Human Resources System with the Enterprise Resource Planning System and furnishings for the operations center for the System. (BDR S-1052)

**Senate Bill 436**: Repeals the prospective expiration of a provision revising the distribution of certain money collected from certain administrative assessments. (BDR S-1138)

RESPECTFULLY SUBMITTED:

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Kareen Prentice  
Recording Secretary

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Janice Wright  
Transcribing 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 packet of letters submitted by Mindy McKay, Records Bureau Chief, Records, Communications and Compliance Division, Department of Public Safety, in support of Senate Bill 410.