MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS

Eighty-first Session
March 31, 2021

The Senate Committee on Government Affairs was called to order by Chair Marilyn Dondero Loop at 3:37 p.m. on Wednesday, March 31, 2021, Online. Exhibit A is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator James Ohrenschall, Vice Chair
Senator Dina Neal
Senator Pete Goicoechea
Senator Ira Hansen

GUEST LEGISLATORS PRESENT:

Senator Dallas Harris, Senatorial District No. 11

STAFF MEMBERS PRESENT:

Alysa Keller, Policy Analyst
Heidi Chlarson, Counsel
Suzanne Efford, Committee Secretary

OTHERS PRESENT:

Ngai Pindell, Professor, William S. Boyd School of Law, University of Nevada, Las Vegas
Emily Paulsen, Executive Director, Nevada Homeless Alliance
Arielle Edwards, City of North Las Vegas
Jim Hoffman, Nevada Attorneys for Criminal Justice
Elizabeth Davenport, American Civil Liberties Union
Asha Clark
Reverend Michael Willoughby, Technical Director, Battle Born Progress
Karla Ramirez, Planned Parenthood Votes Nevada
Tiara Moore, Progressive Leadership Alliance of Nevada
Benjamin Challinor Mendez, Faith in Action Nevada

Leslie Turner, Progressive Leadership Alliance of Nevada; Mass Liberation Project; Las Vegas Freedom Fund
Terry Moore
Susy Vasquez, Executive Director, Nevada State Apartment Association
Gregory Peek, President, ERGS Properties
Christine Hess, Executive Director, Nevada Housing Coalition
LaTiffany Kernal
Kara Jenkins, Administrator, Nevada Equal Rights Commission
D. Wendy Greene, J.D., LL.M., Professor, Thomas R. Kline School of Law, Drexel University
Delilah Clay
Naika Belizaire, Code Switch: Restorative Justice for Girls of Color
Jamie Rodriguez, Washoe County
Sonya Watson, National Bar Association, Las Vegas Chapter
Mary Walker, Carson City; Douglas County; Lyon County; Storey County
Lori Farmer
James Kemp, Nevada Justice Association
Natasha Gaspard
Marie Wakefield
Diane Bailey, CEO, EMERGE: Natural Beauty Industry Alliance
Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association
Alexis Motarex, Associated General Contractors, Nevada Chapter
Berna Rhodes-Ford, Jack and Jill of America, Las Vegas Chapter; Alpha Kappa Alpha Sorority, Inc., Theta Theta Omega Chapter
Joanna Jacob, Clark County
Nedra Cooper
Jessica Eckman, AARP
Courtney Eccles, Director, Illinois Secure Choice
Barry Gold, AARP
Ben Iness
Sequila Angkratok
Gillian Block, Nevada Coalition of Legal Service Providers
Tessyn Opferman, Nevada Women's Lobby
Shane Piccinini, Food Bank of Northern Nevada
Amber Stidham, Henderson Chamber of Commerce
Michael Hillerby, American Council of Life Insurers
Nick Vander Poel, Reno + Sparks Chamber of Commerce
Randi Thompson, National Federation of Independent Business
Hugh Anderson, Vegas Chamber

Greg Clemensen, National Association of Insurance and Financial Advisors

CHAIR DONDERO LOOP:
We will open the hearing on Senate Bill (S.B.) 254.

SENATE BILL 254: Revises provisions relating to discrimination in housing. (BDR 18-38)

SENATOR DINA NEAL (Senatorial District No. 4):
Housing plays a critical role in providing stability for poor families. Even more so, it is a great stabilizer for ex-offenders. Upon release, it is critical for an ex-offender to find a place to live. Having a roof over one's head not only creates stability but a sense of independence. It indicates that the person is ready to move his or her life forward. Not having a place to live is a sign of poverty and can cause stress and depression.

According to the Prison Policy Initiative report, incarcerated people are almost ten times more likely to be homeless than the general public. If someone cannot find an apartment to live in, he or she is more likely to live in places such as hotels or motels or being one step away from homelessness.

I met with a group of women during the Interim who were ex-offenders and could not find a place to live. Because of the compelling story of one of the women, I found myself creating this bill. This woman had been released from prison in 2014 and had not been able to get an apartment in her name, so she got an apartment under her daughter's name. She kept being denied. When she wanted to move to a better place, her mother had to co-sign for her. She has not had an apartment in her name in seven years. When I heard that story, I realized a group of women and men who have been given their freedom do not have a place to live.

Senate Bill 254 encompasses fair-housing policy that aligns with that of the U.S. Department of Housing and Urban Development (HUD). However, the most important piece of the bill is section 33 which deals with allowing someone with a criminal history to be able to rent an apartment without discrimination. This language is important because when I spoke to people in prison, I never said I hope you can find a place to live. I did not realize this was part of their story. When they are released from prison or jail they find themselves without a place to stay.

The State can remedy and play a part in that. If someone has obtained his or her freedom do they not have the right to live like everyone else; to be able to live in an apartment and not have his or her prior history dictate where he or she can live?

NGAI PINDELL (Professor, William S. Boyd School of Law, University of Nevada, Las Vegas):
We have had many conversations in Nevada and in the legislative process this Session about access to affordable housing. There are many statistics I could show you but I chose this one on Slide 2 of my presentation (Exhibit B) to demonstrate the lack of affordable housing for extremely low-income residents. As we might expect, those leaving the prison system would be among people who have the most critical need for housing and will be among those with the lowest incomes. Nevada has only 18 affordable and available homes per 100 renter households. There is a need for affordable housing at this level of income.

Slide 3, Exhibit B, mentions the issue of mass incarceration. This is timely and is an issue that affects individuals of all incomes and classes. Just this past week, I read *Halfway Home: Race, Punishment, and the Afterlife of Mass Incarceration* by Reuben Miller. Reuben Miller is a professor at the University of Chicago. The book shows the social side of people attempting reentry into their communities.

I wanted to highlight his story because he understands the needs. The professor lived in faculty housing and because his brother had a criminal record he could not live with him. His brother spent an extra four to six months in jail while the professor was trying to find adequate housing for him.

As the book indicates, there are 19.6 million people living with a felony record. One-third of these are Black, and one in three Black men have felony records. This gives you a sense of what mass incarceration means to communities of color.

The issues of racial equity and fair chance housing noted on Slide 4, Exhibit B, are about reintegrating into communities and facing barriers of disproportionate inequity because of mass incarceration and racial bias in housing.

To highlight some of that disproportionate effect, even though people of color make up only 37 percent of the U.S. population, they make up 67 percent of

the prison population. That is a community disproportionately affected by the criminal justice system; therefore, after serving their time they face additional barriers upon reentering the community.

This disproportionate impact has also been recognized by HUD. African Americans and Hispanics are convicted and incarcerated disproportionately so they are going to have special challenges in seeking shelter after release from prison. Slides 5 through 8, Exhibit B, contain quotes from the HUD Office of General Counsel regarding fair housing.

Slide 8, Exhibit B, summarizes and encompasses HUD's approach. It recognizes that when individuals are released from prisons and jails, their access to affordable housing is crucial. However, we have barriers to the access of affordable housing that hopefully S.B. 254 will address.

Slide 9, Exhibit B, lists why fair chance housing is good policy. It can increase racial equity, and more importantly, it keeps families together. This is an issue that not only affects ex-offenders but also their siblings, children and spouses.

SENATOR NEAL:
I have a proposed amendment for S.B. 254 (Exhibit C). I will go through the amendment as I go through the bill.

Sections 2 through 31 and sections 40 through 44 have a specific purpose. I am lumping them together because the Nevada Equal Rights Commission (NERC) has been trying to get in compliance and enter into certain agreements with HUD for a long time. To do that, many Nevada laws must be updated. Sections 2 through 31 and sections 40 through 44 will allow a relationship between HUD and NERC to exist. This language will put NERC in compliance with HUD. The NERC will be able to enter into agreements for financial and other support from HUD, such as investigators and in-house counselors, which will be immeasurably helpful. Thirty-five states and the District of Columbia have successfully partnered with HUD to investigate and resolve housing discrimination cases on a state level.

Section 33 is the largest section of the bill. Section 33 seeks to establish that ex-offenders should not be discriminated against because of their criminal backgrounds. However, section 33 does not include offenders with sex-related

crimes. Those offenders are excluded at the request of another Senator and a group of ex-offenders with whom I had discussions.

I had a series of discussions with the Nevada State Apartment Association on this issue to find a middle ground. I stated that I was bringing this bill because I felt strongly about section 33 and the right for individuals to have a home. We discussed how this section came about and why it deals with arrests, background checks and conviction records. I told them that certain individuals had explained to me that they had to apply at two or three apartments and that they were charged double or triple deposits. They could not get an apartment in their own name, so they had to become roommates, or they were couch surfing. They could not find a place to live because of their criminal background. Section 33 explains how ex-offenders should be treated and how criminal backgrounds should be considered.

In addition, section 33, subsection 2, paragraph (c) will be amended, Exhibit C, to provide an exemption that applies to owner-occupied property only if the property has less than five individual units.

There is a clarification in section 33 regarding short-term and weekly rentals. From talking with women who were ex-offenders, I learned that a 1989 Las Vegas ordinance allows law enforcement to run warrant checks when an ex-offender has obtained an apartment or a weekly rental unit. If they find a warrant, even for a traffic ticket, the person can be arrested and will lose his or her housing because of the warrant. When the person is released, he or she will be without a home. I want to put parameters around this behavior. If the warrant is for a serious or violent crime, this bill does not include that.

Even though the Nevada State Apartment Association said it does not do this, I decided to put parameters on that behavior in section 33. However, if the warrant is for a felony or the person is violating apartment rules, he or she can be evicted from the apartment. I am trying to address the initial application for an apartment when someone's criminal background is being used against them and they are denied.

The bill does not apply to a single-family residence where a portion of the house is being rented. Private homeowners can determine who they allow to live in their single-family residences.

When someone is released from jail or prison, his or her funds are limited. He or she cannot buy a home so the next option is to find an apartment to rent or to room with someone. We do not want that person to be homeless or living on the street. We want them to start their new lives. That was the impetus of section 33 and its amendment, Exhibit C.

Additional portions of the amendment address source of income. Paragraph 6 of the amendment, Exhibit C, mentions Assembly Bill (A.B.) 317. That bill addresses source of income, but it has not yet had a hearing. It is important to make sure that source of income is not discriminated against especially for those with housing vouchers.

ASSEMBLY BILL 317: Revises provisions relating to housing. (BDR 10-778)

Senate Bill 254 is an omnibus bill that covers many things, but its main purpose is to open the doorway for ex-offenders to have a place to live and to combat homelessness.

CHAIR DONDERO LOOP:
Is it correct that the proposed conceptual amendment, Exhibit C, was prepared by you?

SENATOR NEAL:
Yes, that is correct.

CHAIR DONDERO LOOP:
I know you just did this but will you go over the eviction of a tenant again?

SENATOR NEAL:
Do you mean if they can be evicted after they put in their housing application?

CHAIR DONDERO LOOP:
The proposed amendment, Exhibit C, paragraph 5 states "Provide that landlords of the rentals described in item #1 above may not evict a tenant for a misdemeanor unless the misdemeanor occurred at the rental property."

SENATOR NEAL:
That applies to the initial application. The landlord cannot use a misdemeanor as a denial of the apartment, but if a misdemeanor is committed while the person

is living in the apartment, and it is a violation of apartment rules, the person can be evicted.

CHAIR DONDERO LOOP:
You referred to A.B. 317 in the amendment. Would you tell us what that bill is about?

SENATOR NEAL:
Assembly Bill 317 prohibits discrimination in housing and certain other transactions involving real property on the basis of source of income. It requires a person who refuses to rent a dwelling to a prospective tenant to provide to the prospective tenant a written notice that states the reason for the refusal and it provides a penalty.

There are several types of housing voucher situations. There is the community-based rapid rehousing voucher which provides for temporary rental assistance. This allows the person to stabilize and to have time to find an apartment. A Section 8 subsidy only voucher provides a permanent housing subsidy with no supportive services attached. A temporary housing voucher can provide up to 24 months of rent and could offer supportive services. Transitional housing is for those seeking housing in a particular place and includes supportive services.

Assembly Bill 317 describes the different categories, and it tries to create an equal playing field for individuals who have vouchers as their source of housing money.

I met a young woman who was homeless and pregnant with two children. I was asked to help her find an apartment. She received assistance from Help of Southern Nevada in the form of a voucher and a list of apartments within her income range. She received a series of denials because of a solicitation charge on her record, not because of the voucher. I intervened and convinced an apartment manager to rent her an apartment. The voucher would be applied to her first and second months' rent. That scenario was another impetus for this bill.

I want to ensure that we have a space for these situations and for individuals who face these kinds of barriers. We need to remove the barriers.

SENATOR OHRENSCHALL:
Looking at the amendment, Exhibit C, and the language about warrants, I wonder if someday in the future you might consider expanding to felony warrants. Someone may have a warrant and may not know it, or is innocent and it could just be an accusation.

SENATOR NEAL:
Not this Session.

CHAIR DONDERO LOOP:
Where do you see that, Senator Ohrenschall?

SENATOR OHRENSCHALL:
I am looking at paragraph 4 of Senator Neal's proposed conceptual amendment, Exhibit C.

SENATOR NEAL:
It was supposed to have been in the bill but was a drafting error.

EMILY PAULSEN (Executive Director, Nevada Homeless Alliance):
Overall, we are in support of S.B. 254 because it will remove barriers to housing access that causes housing instability and prolonged episodes of homelessness. Nevada is one of only a few states in the Nation that does not yet have a HUD-qualified, fair-housing assistance program.

Senate Bill 254 will ensure that NERC has the tools and authority needed to ensure that federal and State fair-housing laws are adequately enforced and Nevadans are protected from housing discrimination. It will make source of income a protected class. Under Nevada law, renters who are reliant on housing choice vouchers, rental assistance, disability income or other benefits may be denied housing based on their legal source of income.

Adding source of income as a protected class in the Nevada fair-housing law will protect vulnerable populations from housing instability and homelessness by removing discriminatory barriers to housing. Nineteen states have source of income protections in their state fair-housing laws. Over 100 municipalities across the Nation have passed source of income ordinances.

Identifying landlords who accept vouchers and rental assistance and who do not discriminate based on prior justice involvement has become an extraordinarily burdensome and costly task for homeless service organizations and local governments in southern Nevada.

Many families and households are lingering in homelessness because of these barriers. This bill will help us overcome this hurdle and allow homeless services to direct scarce funding and manpower to providing essential services and spend less time and energy on the challenge of finding cooperative landlords.

Requiring property owners and landlords to move past the practice of automatic denial to voucher holders or individuals with other legal sources of income will introduce them to the benefits of renting to individuals with these stable sources of income. In a recently published study by the Urban Institute, housing vouchers were found to help landlords and tenants weather the pandemic because they guarantee that a portion of the rent will be paid by the housing authority regardless of the tenant's circumstances.

We also support the legislative intent about fair chance housing. Ending record-based exclusions is essential to fair housing. Using conviction records is not a useful way to determine a person's trustworthiness or how good a tenant he or she may be. It only entrenches the structural inequities in the criminal justice system to have unjust and disproportionate effects on Black communities. In fact, in 2016, HUD issued guidelines that, given the racial disparities of the criminal legal system, housing policies that include a blanket ban on people with conviction records violate federal fair-housing laws.

The clarifying amendment on section 33 significantly restricts who the fair chance protections are applied to by restricting it to households in receipt of rental assistance. While this will certainly help our homeless service system rehouse people, it does not protect against the housing instability many Nevadans with a history of justice involvement will face in accessing housing. It does not provide protections for Nevadans with a stable income who do not need rental assistance and just need landlords to stop discriminating against them and looking at their prior justice involvement as a qualification for rent.

Overall, we are in support of the bill for the purpose of advancing NERC's powers to enforce fair housing and for protecting people against source of

income discrimination. Many improvements can be made to the fair chance aspect.

ARIELLE EDWARDS (City of North Las Vegas):
Fair housing is essential to fostering a healthy community that thrives. We know fair housing can significantly reduce the rate of recidivism and aid in healthy thriving communities. The intent of this bill catches the priority of the North Las Vegas Detention Center to promote equity and opportunity through rehabilitation and reintroduction to society. People who have already paid their debts to society should have an opportunity to have a dwelling of their own for themselves and their families. We know these discriminatory practices disproportionally affect Black and Brown communities the most. It is long overdue, but it is time we move on from these racist practices and ensure that housing dignity and respect are paid to all.

We strongly urge the Committee to support S.B. 254.

JIM HOFFMAN (Nevada Attorneys for Criminal Justice):
The Nevada Attorneys for Criminal Justice (NACJ) supports S.B. 254. The issue of housing for formerly incarcerated people is key for preventing recidivism. Think about how this works in practice. People who worked hard and got clean have to move into weekly motels that are ripe for drug sales. People who are convicted of prostitution offenses are pushed back into dependence on their pimps. Formerly homeless people get pushed back onto the streets. The lack of housing is setting people up to fail.

We want to give people the space to turn their lives around. Housing literally provides that space. Lack of access to housing is bad for these people and bad for society as a whole. The NACJ also supports the original bill's ban on any landlord's use of background checks and would welcome this reform being made in a future session. But even with the amendment, this is still a strong reform and NACJ supports it.

ELIZABETH DAVENPORT (American Civil Liberties Union):
The American Civil Liberties Union (ACLU) supports reforms that end structural discrimination. Overrepresentation of people of color in this justice system is the result of discriminatory criminal justice policies that disadvantage people of color and result in negative impacts to life long after incarceration.

Specifically in Nevada, Black people make up only 9 percent of the population, yet account for more than 30 percent of those in prison. These numbers are similar for other people of color. People with arrest and conviction records are routinely blocked from accessing housing because of their records. Housing is a crucial element for successful reentry, providing stability, shelter and building community. We want formerly incarcerated people to succeed and contribute to the community when they reenter.

Eligibility restrictions to housing, especially affordable housing, creates undue hardships that deter the stability and success of formerly incarcerated individuals. Many times this can result in becoming homeless or being separated from families and children.

The ACLU supports removing punitive restrictions to housing accessibility and supports S.B. 254.

ASHA CLARK:
I support S.B. 254. I am one of the individuals who organized the meeting with the young ladies who told their stories to Senator Neal. I was also one of those ladies who shared those obstacles and barriers. Even having full-time employment and meeting three times the income requirements, there were still barriers and obstacles for me to obtain a place of residence. It took me almost two years. I am now in my own place, in my own name. I am not couch surfing anymore. I do not live with anyone. I am not roommating with anyone. That is a good feeling especially after being in and out of the system for over 15 years. My last conviction and incarceration was in 2011.

After that conversation and seeing all points of view, I support this bill because housing is a human right. Housing brings stability, stability brings motivation and the desire to thrive. The desire to thrive brings purpose and determination. When you have stability, you have a fair chance at success. With a fair chance at success, you have unlimited possibilities to continue to thrive and become the person you want to be not who you once were. Stability gives us moral standards, principles and values. At one point, I could not have cared less about moral principles, values and standards. However, my past does not define who I am today and who I am constantly striving to be. All I am asking is to be given a fair chance.

REVEREND MICHAEL WILLOUGHBY (Technical Director, Battle Born Progress):
I support S.B. 254. I am in a unique position because about 25 years ago, I was homeless. I am where I am today because of the grace of good people. We must do anything we can to help people avoid the cycle of exploitation that you heard about because it is nearly impossible to get out of that cycle. People do not choose to be there. We must do what we can when we get the chance. Everyone here has a chance to do something to positively impact the lives of the most vulnerable among us. I was there. I was lucky enough to make it out to be here today to remind you of your duty—your moral imperative to act on behalf of the people who need it.

KARLA RAMIREZ (Planned Parenthood Votes Nevada):
Planned Parenthood Votes Nevada supports S.B. 254 because Nevadans should have access to housing regardless of their criminal history. Using conviction records to determine a person's trustworthiness as a tenant only deepens the structural inequities in the criminal justice system which already negatively and disproportionately impact the Black community.

Senate Bill 254 will impact more than just people with criminal convictions. Nearly half of the children in the United States have parents who have been convicted of a crime. That makes housing discrimination based on criminal records a reproductive justice issue. Not only that, but a lack of access to housing has consequences on a person's health and access to medical services.

Planned Parenthood Votes Nevada urges you to support S.B. 254.

TIARA MOORE (Progressive Leadership Alliance of Nevada):
The Progressive Leadership Alliance of Nevada supports S.B. 254. When I was 20 years old, I was forced into a plea deal if I wanted to return home to my children. I assaulted my children's father after he almost ended my life. I was arrested and charged with aggravated domestic battery which is a non-expungable, Class C felony. This violent felony conviction has followed me for the past 17 years. I am now 37 years old. This happened when I was 20 years old, and I had never been arrested. I had no prior record, but I was forced into a plea deal for defending myself. I have been denied housing, shelter and employment. I was never given a second chance after this happened.

My children have also been impacted by housing instability. While there should be exemptions to the ban on background checks, S.B. 254 is an important

first step to address housing discrimination in this State. We must do everything we can to provide members of the community, like myself, a second chance and an opportunity to create stability for our families.

BENJAMIN CHALLINOR MENDEZ (Faith in Action Nevada):
Faith in Action Nevada supports S.B. 254. Criminal history should not be used to deny affordable, safe housing. Stable and affordable housing is an important component in reducing recidivism and allowing people to provide for themselves and their families.

Our criminal justice system disproportionately affects Black, Indigenous and people of color. With S.B. 254, we will be able to give those with prior criminal histories a foot forward to reenter society.

I applaud Senator Neal for the proposed amendment which includes language from A.B. 317. That language will protect those who are trying to find housing with housing vouchers, disability income and other government assistance from being discriminated against. It is an important step forward to making sure we are able to house as many people as we can because housing is a right.

LESLIE TURNER (Progressive Leadership Alliance of Nevada; Mass Liberation Project; Las Vegas Freedom Fund):
The intersection between housing and mass incarceration is profound. For instance, we could have emptied the City of Las Vegas Detention Center this past summer during the pandemic where 100 percent of the population was incarcerated for misdemeanors. However, a large majority of those people had nowhere to go except to an overwhelmed parking lot at Cashman Field which was already housing people in chopped boxes on the ground.

We saw this intersection in the prison system when, again during the pandemic, we should have been thoughtfully determining how to decrease the prison population. Instead, over 200 people who had been granted parole were still sitting in the Department of Corrections because they had nowhere to go. Officials ultimately voted to keep them incarcerated because it would have been an added burden to release them without housing. Simultaneously, it is illegal for people without homes to sleep on certain sidewalks thus increasing and decreasing the population in jails and other facilities.

People who serve their sentences and are released, not on parole, often cannot find adequate housing because their backgrounds are used against them. It is a never ending cycle of redlining and of the continued consequences of incarceration.

If you expect people to leave prison to become so-called productive members of society, it is important that they have a roof over their heads. That should be the first thing they do before getting a job and before doing anything else because that lays the foundation for stability.

If we want to eradicate systemic racism and the consequences of systemic racism, we must start looking at housing and create policy and new resources. Every person should have shelter at the very least. As a society we have to start taking steps to get there.

I am in support of this bill because it will help people in my community. I hope that we can expand it sometime in the future. I also support the expansion of NERC and giving it the ability to investigate housing discrimination in Nevada.

TERRY MOORE:
I have submitted written testimony opposing S.B. 254 (Exhibit D).

SUSY VASQUEZ (Executive Director, Nevada State Apartment Association):
The Nevada State Apartment Association (NSAA) opposes S.B.254 but is committed to working with Senator Neal. The NSAA started to work with Senator Neal last year. It participated in a round table discussion and heard firsthand accounts from mostly formerly incarcerated women who struggled to find housing because of their criminal past.

I have been personally impacted by people I love who faced the same situation. Unfortunately, criminal convictions carry consequences, and as an association, NSAA owes a duty to its residents to ensure their safety. That is why our industry's best practices follow HUDs guidance from 2016, which is clear on what direction communities should take to minimize impacts on housing. Such policies result in tenant screening denials of 1.5 percent due to criminal history.

Senate Bill 254 goes too far. An outright ban on criminal background screening means Nevada would join four localities across the Nation that have taken this extreme approach. The Washington State Legislature decided not to ban

screening after hearing startling statistics of the consequences related to Seattle's fair-chance housing ordinance. Evictions for residents committing crimes tripled in two years. Amenities started to disappear because of theft and unsanitary conditions, and armed security now patrols most communities. The people who reside in the 160,000 units under our care deserve to feel safe at home.

The NSAA does not have significant issues with source of income protections. We do, however, have significant concerns with the administrator of the largest voucher program. The NSAA would like your assistance to remedy the barriers they create to housing. We urge you to oppose this entire piece of legislation.

GREGORY PEEK (President, ERGS Properties):
I am opposed to S.B. 254. My family and I have been building apartments since 1959. We house more than 4,000 residents in northern Nevada and are proud to be a long-time part of this community. We share the well-intended goals of this legislation, but section 33 goes too far.

Those who have paid their price to society and are now law-abiding and productive citizens have a place in our communities. As mentioned earlier, there is guidance under the Fair Housing Act. I have provided that guidance to the Committee from HUD titled "Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions" (Exhibit E). The guidance was issued during the Obama Administration on April 4, 2016. The summary is on page 10, Exhibit E.

That is a balanced approach to the issue of criminal convictions. Not allowing landlords to conduct criminal background checks creates a risk by putting violent offenders into our communities. Not all clients are created equal. We must have balance and transparency. Violent crime convictions are not the same as marijuana possession convictions. Armed assault is not the same as solicitation. We must know, and the landlord must have discretion.

Reno's Crime Free Multi-Housing Program was established in 2007. The program tries to address gangs and drug sales in communities. It requires those who participate in the program to run background checks. It provides model application language that requires background checks on people.

The City of Reno recognizes the importance of a landlord's ability to evaluate an applicant's background. We must take a look at whether that background is going to be a risk in our community. If there is no risk, the criminal background does not automatically disqualify a person from living in a community. This is a public safety issue.

CHRISTINE HESS (Executive Director, Nevada Housing Coalition):
The Nevada Housing Coalition (NHC) is neutral on S.B. 254. The NHC is monitoring the bill and wanted to learn more through this first hearing. However, with the addition of source of income protection in Senator Neal's conceptual amendment, we are able to share our strong support for that component.

We must mitigate barriers and support the opportunities for our more vulnerable and working Nevadans to access our already limited supply of affordable housing. The source of income provisions of A.B. 317 added per the conceptual amendment are provisions on which the NHC has worked closely with various stakeholders.

In Nevada, landlords can refuse tenancy to housing applicants simply based upon the applicants' source of income whether that is a housing voucher, social security disability or other public or adjudicated source of income. As mentioned earlier, 19 other states and the District of Columbia have enacted source of income protections. In fact, Clark County passed an emergency ordinance last August, renewed in January, to protect against source of income discrimination.

Sources of income such as vouchers are actually stable and benefit our landlords. Research released this month examined the amount of back rent owed by low-income tenants. It found that 68 percent of low-income tenants with vouchers owe less than $1,000 in back rent, including those who owe none.

This is also a racial and social equity opportunity for Nevada. Seventy-seven percent of Nevada housing choice voucher holders are female, head of households and 39 percent of those have children. Additionally, 69 percent of voucher holders in Nevada represent minority populations. When housing choice voucher holders cannot find landlords who will rent to them, those federal dollars are lost to Nevada.

Rental assistance supports working families. Fifty-one percent of nondisabled working-age Nevada households receiving HUD rental assistance include at least one worker.

We acknowledge concerns with the ability of an intermediary to sometimes do their part in the process efficiently. The NHC pledges to support efficient processes associated with the source of income statute.

Also noted in S.B. 254, NERC is already handling housing issues. We support expanding the capacity of NERC which will benefit Nevadans with housing issues and concerns like source of income discrimination.

LATIFFANY KERNAL:
I am a former incarcerated individual who has been impacted by housing barriers. There are struggles because I have never had an apartment or know how to go about getting one. I have not worked that long and when I did get a job I was able to get on my feet. It was frustrating because I had to go through many hurdles to get approved for an apartment.

I owe more money now than when I was first released from prison. Resources in Nevada are limited, and there are so many hurdles and obstacles to go through to get help from any agency.

Because I was incarcerated for seven years, it was hard to come back to society and keep my mind focused on doing positive things because of all the hurdles. I gave up and went back to criminal activity by falsifying documents to make it appear as if I met the requirements on the rental application. That was my first thought. That was not a good feeling because of all of these situations. If part of the application required a background check, my chances were slim to none. That is discouraging.

The apartment I had was my first one. It was with a woman I thought I was going to marry who I met while I was incarcerated. Things got bad, so I left the apartment that was in my name, and I went back to live with my mother. I let her have the apartment because the lease was up, but she skipped. I am going through these problems because I am trying to do the right thing.

Some of the laws should be more lenient or not there at all when you complete an application for an apartment. Las Vegas has one of the highest rates of homelessness. Many people do not know that.

You should not be judged by what you have done. No one is perfect and everyone has done something they should not have done. What is so different about someone who was incarcerated versus someone who was not incarcerated? We should be given a chance no matter who we are or what we have been through.

KARA JENKINS (Administrator, Nevada Equal Rights Commission):
The NERC is neutral on S.B. 254, but we are encouraged by this bill.

PROFESSOR PINDELL:
I appreciate the concerns raised about safety. The bill contains provisions to evict tenants who commit crimes and lease infractions as tenants. We heard some statistics about the experiences in Seattle and that evictions tripled after enactment of the fair chance housing law. That demonstrates that landlords have the power and ability to evict tenants who have become a problem while giving other tenants a chance. The denial of 1.5 percent of tenants screened is a small number. Many tenants are not precluded from housing because of tenant screening. I might frame it the other way which is: because of such a small number, give these tenants, who have paid their debt to society, a chance to move forward with their lives. We heard from many supporters of the bill. Criminal history is a poor prophecy of future action.

There are others ways to secure safety in apartment buildings and housing rather than looking at criminal history. We talked about evictions and the ability of landlords to evict, hold tenants accountable for lease provision violations and other tools. Landlords would retain those traditional tools to keep their housing units safe.

SENATOR NEAL:
I would like to draw the Committee's attention to section 33, subsection 2, paragraph (a). Federal language was used in these provisions of the bill. It is not in conflict with federal law. Those provisions are 42 USC section 13663 and 24 CFR section 982.553; 42 USC section 13663 contains the standard federal prohibitions.

I gave this bill much thought. Where drug related criminal activity is in federal law, this bill keeps that same provision. Violent criminal activity is a permissive prohibition, but it has been adopted into this bill to make sure that section 33 did not apply to that federal law. If there is any federal prohibition in place, this bill does not remove that prohibition nor does it remove any federal or State prohibition adopted in our statute. However, a carveout on those things is in section 33, subsection 1, paragraphs (a), (b) and (c). Section 33, subsection 2 is everything that does not apply.

I gave much thought to safety and federal prohibitions and the red flags that may come up for someone about having an ex-offender living next door to him or her. If someone has paid his or her debt to society, we have to consider where that person is going to live. If someone cannot live in an apartment, I do not know where else he or she is going to live because he or she does not have the money to buy a house. They have to start somewhere. This if a first step.

CHAIR DONDERO LOOP:
I will close the hearing on S.B. 254 and open the hearing on S.B. 327.

SENATE BILL 327: Revises provisions relating to discriminatory practices. (BDR 53-574)

SENATOR NEAL:
Senate Bill 327 is about hair discrimination and promotions.

SENATOR DALLAS HARRIS (Senatorial District No. 11):
During my first special session, my hair was braided. My godmother had braided my hair as she had done many times in my life. When I asked her if she could braid my hair, the first thing she asked me was if I was allowed to have my hair like that. If that does not exemplify why we need this bill, I do not know what does.

There have been many times in my life, my godmother's life, and the strong Black women's lives who raised me when we felt that to be professional and acceptable, we had to straighten our hair. You have to make sure that your appearance complies with what your employer may expect of you or you are not going to get that job. While that is personal to me, these stories persist everywhere. It is probably impossible to calculate how many young African-American women going into professions felt the pressure to straighten

their hair when they went to a job interview. Maybe they felt lucky and bold enough to come in with a natural hair style on day one after they had gotten the job or after they passed their probationary period and felt they could be themselves.

No longer in Nevada. We have to stop that. No longer should anyone feel they need to change the nature of their hair to fit in, to not get kicked out of school or to secure or maintain a job. That is what this bill is about.

SENATOR NEAL:
This bill is important to me because my story is the same as Senator Harris's story. When I came to the Legislature in 2013, I had braids. I was told it was not professional as a second-year Legislator to have braids. I was saddened by the comment. I had braids because it is cold here, and I did not want to wear my wet hair out every day in 25 degree weather. Braids were a protective style that I had worn forever to not feel like I had to wear a wig. My braids looked nice and were not unkempt. I had to share that story because it impacted me. I am a strong person, but I took mental note of it, and when I finally got the opportunity to bring this legislation, I said emphatically yes.

D. WENDY GREENE, J.D., LL.M. (Professor, Thomas R. Kline School of Law, Drexel University):
I am the founder of #Free the Hair Movement. For 13 years, I have published an authoritative body of legal scholarship on the social construction of race and the contemporary operation of racial discrimination not only in the United States but throughout the Americas and the Caribbean, and other spaces around the world.

I am the author of a forthcoming book *#FreetheHair: Locking Black Hair to Civil Rights Movements*. As one of the Nation's leading anti-discrimination law scholars specializing in grooming code discrimination, I serve as the legal expert in civil rights cases challenging race-based natural hair discrimination in workplaces and schools. I am also a legal advisor and code drafter in federal, State and municipal level legislation such as S.B. 327.

I have devoted my career to activating legal reforms like the legislation under consideration today while enhancing public awareness about the harms of unchecked discriminatory grooming policy. For example, policies that denigrate African descendants' natural hairstyles as distracting, extreme, excessive, unkempt and unprofessional or demeaning directives like a Black woman was

subjected to in New York. She was told by her store manager to remove her braids or otherwise lose her job because her braids were too ghetto. Or like an Afro-Latina meteorologist who was told by a news watcher she needed to change her naturally curly hair to something not so, "n" word, "iggery" looking. Informed by these and other racial stereotypes, grooming policies are often enforced to deprive African descendants of employment, education, housing and access to public accommodations. African descendant boys and men are required to cut off their hair to maintain a job opportunity for which they are qualified, receive a high school diploma they have earned and even participate in sporting competitions in which they rightfully advance.

Similarly, when donning natural and protective hairstyles, African descendant women and girls are deprived of employment and educational and extracurricular opportunities. They are also subjected to heightened scrutiny levels resulting in greater levels of discipline in schools and workplaces.

Notably, when it deals with Black women and girls natural hair bans—by natural hairstyles, I mean afros, locks, braids, swizz and Bantu knots—and they are told they cannot wear those types of hairstyles, it means they will have to cut their hair, cover their hair or wear their hair straightened.

Many people do not understand what hair straightening means. Hair straightening is usually achieved through toxic chemicals, extreme heat styling or wigs and weaves, which are expensive and time consuming to maintain. It is common to suffer chemical burns while chemical relaxants are being applied to the hair and scalp which are not only excruciating and painful but also severely damaging. Black women and girls often endure hair breakage, balding and scalp disorders due to chemical relaxers, as well as weaves, wigs and extreme heat being applied. Research shows the central correlations between hair straightening products that Black women and girls commonly use, and their increased rate of developing uterine fibroids, hormone-related infertility and more aggressive forms of breast and uterine cancer.

Therefore, natural hair bans leave African descendant women and girls in a precarious Catch-22. Either don your natural hair at the risk of lawfully being deprived of employment or an educational opportunity or don straight hair at the risk of enduring consequential harm to your physiological, psychological, economic and physical wellbeing. This harmful bind in which many Black women and girls find themselves is unfortunately lawful under federal

jurisprudence due to what I call a hairsplitting legal distinction that federal courts have created.

Shortly after the 1964 Civil Rights Act was enacted, federal courts adopted what is known as the immutability doctrine that limits the scope of legal protection against racial discrimination to discrimination on the basis of immutable racial characteristics, presumably like one's skin complexion. Applying this misguided doctrine, federal courts have repeatedly declared, for now 40 years, that when an employer denies an African descendant a job because she adorned an afro, the employer engages in unlawful race discrimination. However, the moment she twists, locks or braids her afro and suffers adverse treatment on those grounds the employer's discrimination is deemed, magically, lawful. It is no longer about race, and employers are free to discriminate against locks, braids, twists and other types of natural protective hairstyles.

Senate Bill 327 ensures that this unjustifiable gap in federal civil rights protection does not exist in Nevada redressing a pervasive form of racial discrimination that harkens back to the eras of racial slavery in this Country and abroad. For nearly four centuries, like our skin color, African descendants' hairstyles resulting from our curly or "coily" hair texture has served as a marker of our racial identity and, therefore, a vehicle of racial enslavement, segregation and subordination.

Even in the twenty-first century, full enjoyment of one's freedom, personhood and dignity remains connected to the texture of one's hair. Race-based natural hair discrimination is a common barrier to African descendants' employment and educational opportunities domestically and globally. In fact, as this hearing is transpiring today, high school students in London are protesting racial inequities in their high school and specifically demanding changes to school grooming policies that bar Black students from wearing afros and other natural hairstyles. Also, two Black students in Ghana are challenging their potential expulsion from school if they refuse to cut off their locks.

One may say what is the big deal? Just change your hair. Just cut it off. Just as adorning a hijab is often an essential expression of many Muslim women's religious beliefs, for many African descendants, donning natural hairstyles is a critical feature of their racial identity or simply how their hair grows.

This bill ensures clear protection of everyone's personhood by eliminating a common dilemma, being forced to choose between expressing a defining trait of one's racial identity or being deprived of an equal educational opportunity or employment for which one is qualified.

This important legislation does not afford special treatment but rather equal treatment for all who experience racial discrimination on the basis of ancestry, ethnic identity and characteristics associated with racial identity such as one's skin complexion, hair texture, hairstyle, language or accent. Committee members, I urge you to advance S.B. 327 which provides effective statutory protection when these forms of racial discrimination occur in Nevada's workplaces and schools.

DELILAH CLAY:
I attended law school at Northwestern University during the Great Depression from 2009 to 2012. The legal market was hit particularly hard during the downturn. Some law firms collapsed and others laid off large numbers of attorneys. Those layoffs had a disproportionate impact on attorneys of color.

Law students had a lot of angst about getting jobs in that market. I remember being given career advice by practicing attorneys during that time about the importance of looking like you fit in. Wearing straight hair was a part of that advice. That stuck with me.

Upon graduation, I went on to practice at a large law firm in Chicago. About two years into my tenure, I had gotten to a place where I did not want to continue straightening my hair. I had been chemically straightening my hair for many years and it was taking its toll. My hair was prone to breakage; it had started to thin; I developed scalp problems including excessive dandruff and scabs from chemical burns. The only thing stopping me from making that choice was my concern about how natural hair would affect me at work. I was not sure whether I would be subjected to commentary about my hair or the loss of opportunities. I had seen examples of that at other firms, and I was not sure how it would impact me.

I was hiding a defining racial characteristic because I was afraid of discrimination. Psychologically that is damaging. It is a tacit acceptance of the idea that Black hair is inferior. About a year later, I moved back to California to be closer to my family. I decided I was not going to hide any longer. I was

intentional in going to all of my job interviews with braids. I wanted it to be clear how I was going to present myself. But that decision meant I was accepting the risk that it might be harder for me to find employment. I decided authenticity was worth taking the chance.

That is the point of S.B. 327. No one should have to make that choice between expressing their racial identity and missing out on economic opportunities. I have been natural now for five years. I was able to work on similar legislation known as the Creating a Respectful and Open World for Natural Hair Act as it made its way through the California Legislature in 2019. One of the things that stood out for me about that effort was how many people, be it legislative members, staff or industry trade groups, were completely unaware of this issue. They had not made the link between hair and racial discrimination. But upon learning about it, they came to understand the problem. That is true of most companies and businesses. They want to do the right thing.

Companies talk a lot about how to recruit and retain talented employees of color. Workplace policies excluding natural hairstyles is one such barrier. Sometimes you do not know what you do not know. Legislation like S.B. 327 creates an opportunity in our workplaces to have the discussion and establish some bright line rules to avoid inadvertent discriminatory policies. These bills are spurring human resources training and information sharing on best practices. The goal of this legislation is to create a standard that ultimately improves inclusivity.

We should not have to spend time and energy worrying that our hair might limit our options. Because at the end of the day, whether my hair is straight, in braids or in locks has absolutely no bearing on the quality of my work.

I respectfully urge your support of S.B. 327.

NAIKA BELIZAIRE (Code Switch: Restorative Justice for Girls of Color):
I support S.B. 327. I am a student in the Clark County School District.

In the summer before eighth grade I took a big step. After years of listening to society telling me that my curly hair was ugly or feeling as though I was not enough, I decided to throw away all my hair relaxers and go natural. I love my natural curls. It felt only right that I wore an afro on the first day of eighth grade at Hyde Park Middle School. I strutted through the school hallways, proud of my

afro, ready to present it to the world. Unfortunately, not everyone agreed that my hair should be out for the world to see.

My world geography teacher at the time seemed to believe that my hair was a distraction. On the first day of school I decided to sit in the back of the class. Please remember that I was in the back of the class. No one was behind me, and I was known for being a good student. I never talked unnecessarily and always answered questions when the teacher asked.

I was confused when the teacher called me to her desk and told me I was being a distraction. When I asked what she meant, she stated that my hair was being a distraction and disrupting the classroom environment. Again I was confused; what did my hair have to do with this? And while contemplating what I could have done wrong, my teacher handed me a slip that stated I should be dress-coded and suspended for insubordination.

I was scared as I walked to the principal's office. When I arrived at the front office I showed the secretary my slip; even she was confused. She asked if I was doing anything with my hair during class, and I told her no. Unfortunately, she told me to sit down and wait for the class to end because I did not deserve to have an infraction on my school record just because a teacher did not like my hair.

The next day I knew I could not ignore the teacher, so I went to class and sat in the back again. But I watched as my teacher grew angry seeing that I had not been suspended. The second the class ended I watched as she marched to the principal's office and minutes later the words "Naika Belizaire, please come to the principal's office" rang throughout the school. When I got to the office, the principal told me that, fortunately, I was not being suspended. Still, from that moment on, I was prohibited from wearing an afro to school because it was too unprofessional. I was heartbroken. The day before I had felt on top of the world, afro out and proud. But at that moment, I felt insignificant all over again.

I did not know I was being discriminated against. I was one of the few Black students in that school. I had never seen any other students get dress-coded for their hair. I did not know I had the right as a human being to wear my hair the way I chose to just like everybody else.

It is sad that I have to be in front of you pushing for the right to wear my hair the way I want in school, at work or anywhere else without getting backlash. This a necessary step. This is why I support this bill. Something as natural as my hair should not be seen as a distraction or unprofessional. I do not want any other young Black child or Black person to feel the way I did—to have their pride stripped from them and be forced to feel insignificant just because their hair is different or have to choose between expressing themselves and having a clean record for school. Everyone's hair is beautiful and should be shown to the world loud and proud. Please consider supporting this bill.

SENATOR NEAL:
There are amendments to the bill. Dr. Greene proposed an amendment to section 1, subsection 9 and subsection 10, and section 2, subsection 7 and subsection 8 in her written statement (Exhibit F).

DR. GREENE:
Is that the one about the definition of race?

SENATOR NEAL:
It is about race and protective hairstyles.

DR. GREENE:
The definition of race should include ancestry, ethnic group identification, ethnic background, and traits associated with race, including but not limited to skin color, hair texture and protective hairstyles, page 2, Exhibit F.

That means the term "skin color" would come later in the definition and the word "historically" would be deleted. Taking out "historically" equalizes the burden for all plaintiffs in discrimination cases and does not put a higher burden on race discrimination plaintiffs. Whenever characteristics associated with the protected classification are discussed, you do not have to demonstrate that the characteristic being regulated is historically associated with the protected classification. We do not want to impose a higher burden on plaintiffs in race discrimination cases. We are trying to remove the higher burden that "historically associated" may unintentionally bring about.

For example, if there is ever a challenge about locks being historically associated with African descendants, then that plaintiff would have to demonstrate the historical association which often means bringing in an expert to be able to

establish the historical association or linkage between locks and African ancestry. No other plaintiffs have that kind of burden. Race discrimination plaintiffs who may not have the resources to have a lawyer would unintentionally have a higher burden placed on them.

I use locks as an example, but it could be other characteristics associated with race. For anyone who may be bringing a case regarding discrimination on the basis of mutable or changeable characteristics associated with race, we would not want to unintentionally impose a higher burden by imposing that historical qualifier.

SENATOR NEAL:
Section 3 of the bill gives jurisdiction of the complaint to NERC.

The amendment (Exhibit G) to section 6, page 7 of the bill deletes the language on line 23 through line 26 which says that NERC must complete its investigation within 13 months after the complaint was filed. The NERC has a six-month window in which it must complete an investigation. The reason the bill said 13 months was because it normally takes NERC a long time, and I thought I was doing them a favor by trying to get it to less than 24 months. But, statutorily NERC has a six-month provision under *Nevada Revised Statute* 233.157.

I worked with the Nevada Association of Counties, Washoe County, Clark County and Jo Walker from the Nevada League of Cities on section 7 which deals with vertical promotions. I know that most of this bill is about hair discrimination, but I wanted to address what is happening regarding glass ceilings. For example, an individual who is a deputy director wants to become the director but is denied the promotion and he or she keeps having to reapply. Section 7 will provide information on how to overcome that hurdle. The word "vertical" will be in front of promotion in section 7, subsection 1.

In section 7, subsection 4 the language "any other form" will be deleted. The original language regarding testing is broad. It is interfering with a department's skills assessments or work performance which is not my intent. The intent was to address vertical promotions.

Section 7, subsection 4, will be amended to exclude agencies with fewer than 200 employees. That will carve out smaller rural counties to give some remedy

to them on third-party testing. I spoke with an employment agency that does testing. The average cost was $10,000 to $17,000. Typically, a county or agency may already be using a third party or moving in that direction but it is a nominal amount. The agency or county could include that cost in their budgets.

Section 26 will be amended to make section 7 effective on October 1. This will allow department and local governments to align their processes with this promotion language.

I bring up promotions because most of the bill deals with protective hairstyles and discrimination in the school environment. I added promotion language because I want to address the glass ceiling. This will ensure that people who want to challenge a denial for promotion can go through an appeal process. They will be able to get reasons for the denial so the next time they apply they can study and be prepared to overcome that barrier.

JAMIE RODRIGUEZ (Washoe County):
Our concerns are specifically with section 7. We support the remainder of the bill. I thank Senator Neal for our conversation which gave us a way to help her reach her intent but make it operational for us. That includes a clearer definition of what a promotion could be. The reason we have concerns about that is because often individuals will move to a different department with a similar position within the County. This may result in higher pay or more opportunities for advancement. Section 7 would require third-party testing for all types of employment. We are concerned that would be a substantial cost for the County.

I appreciate the clarification in section 7, subsection 4 about the testing. Our concern was that it was too vague in terms of what the oral argument could be in one of those provisions. Changing the implementation date for section 7 will allow the County time to develop contracts to hire those third parties for the specific positions to which section 7 would now apply.

SONYA WATSON (National Bar Association, Las Vegas Chapter):
When I learned this bill was on the table, I jumped at the opportunity to lend my support because the issues of Black hair and Black hair care are near and dear to me. Eight years ago, I stopped chemically straightening my hair. I meant to make that change three years earlier, but my mother strongly discouraged me from doing so. I will never forget what she said to me when I told her I had decided to grow out my natural hair. I was in my last year as an undergraduate

student on my way to law school. She said "Sonya, now is not the time to get militant." I thought she was being overly dramatic, but while her word choice was strong and out of context because it was 2010, not 1975, I understood the underlying sentiment. What she meant was:

> Sonya, now is not the time to do anything that might be perceived as radical. Now is the time to fit in. Now is the time to garner acceptance. Now is not the time to do anything that would give anyone any reason to deny you opportunities.

She was afraid that wearing my natural hair might cause people in positions of power to reject me. As you have seen from the presentations today, her fear was not unfounded.

Many Black women and men are mindful of the way they wear their hair because, as evidenced by the need for this bill, their hair is political, but it should not be. Rather, it is my God-given right to wear my God-given hair the way it grows from my head in the styles that allow it to flourish. It should not take a legislative act for me to be allowed to just be me, yet here I am today asking you to support my right to wear my hair the way I need to wear it.

Protective hairstyles are necessary for the health of Black hair. It seems to me that people who do not have afro protective hair are generally permitted to wear their hair in styles that suit them. People with afro protective hair should be able to do the same without fear of rejection or reprisal, which is why the Las Vegas National Bar Association urges you to support S.B. 327. A vote for S.B. 327 is a vote for diversity and inclusion which we can all agree is good and necessary.

MARY WALKER (Carson City; Douglas County; Lyon County; Storey County):
We support S.B. 327 with the amendment to section 7 which excludes rural counties while keeping them in the remainder of the bill which we support.

We appreciate Senator Neal working with us and bringing this bill forward. We support the intent of the bill. It will help level the playing field for employees trying to do better and get ahead.

LORI FARMER:
I am the social action committee chair of the Las Vegas Alumnae Chapter of Delta Sigma Theta Sorority, Inc., the largest Black women's organization in the world—more than 350,000 college-educated women strong.

However, I do not speak on behalf of my sorority today. My point is Black women have always been fighters because we have had to be. I come to you as a private citizen who wears my kinky, curly, natural hair in a protective style. I am a person of color, among many, who for generations has been subjected to the censoring of the Eurocentric view, which elevates all things White as the standards of beauty and excellence, inferring anything else is other and therefore inferior.

I speak as a Black woman who comes from an illustrious lineage of royalty established long before my people were enslaved and brought to this Country. These lessons are not taught enough in our schools and in society. We have had to fight for the right to simply exist; to live and move in the world the way we were created to; to enter spaces as our best selves, not as subdued reflections of Whiteness. With this in mind, I wholeheartedly support S.B. 327 and what it represents—an opportunity for all people of color to proudly express their racial identities without fear of repercussion. I encourage you to do the same.

JAMES KEMP (Nevada Justice Association):
The Nevada Justice Association supports S.B. 327. As an employment attorney, I support the clarifying definition of race for purposes of anti-discrimination statutes and the addition of the protective hairstyle protection and definition.

I have had prospective clients come to me who have been harassed or discriminated against because of their hairstyles which are associated with race and ethnicity. In fact, I have a client now who has a complaint with NERC who had been harassed because of her hairstyle. She made complaints to the employer and was ultimately terminated in retaliation for her protective activity in opposing that discrimination.

There is no legitimate business reason to treat employees or school students differently due to their hairstyles. This will be a welcome, new protection in Nevada law.

Section 3 of the bill adds important requirements informing persons with complaints before NERC regarding procedures and processes of the United States Equal Employment Opportunity Commission, including the substantial review of NERC determinations. It is important for people who have complaints to be made aware of those provisions.

I am glad to hear that section 6 of the bill will be amended. In my experience, the more meritorious a complaint is the longer it takes to complete the investigation.

Sections 7, 8 and 23 of the bill requiring testing to be done by an independent third-party entity in the promotions process for public sector employees is a great idea. I have seen situations in which employees seeking promotions felt the testing process was corrupted in discriminatory ways. Agencies they worked for manipulated the testing process to favor certain employees based on race, cronyism or some other illegitimate basis.

Senate Bill 327 represents an excellent step forward in legal protections for protected classifications, particularly race. The Nevada Justice Association urges the Committee to support S.B. 327.

NATASHA GASPARD:
I am the founder of Mane Moves Media, Inc. I create lifestyle content for women of color with natural hair. I love kinky, "coily," curly textured hair. I started this company in 2009 to dispel the harmful messages Black women have been receiving for decades that our naturally textured, God-given tresses were ugly, unmanageable and unprofessional. I also wanted to help in making the connection to the ways in which racist laws infiltrate every system which has haunted Black people since they were stolen and sold around the world, including America.

For generations, the horrible legacy of racism has forced Black women to seek out many harmful measures to fit this Eurocentric, straight hair standard to assimilate. That has only added to our physical, emotional and psychological trauma.

I am in full support of S.B. 327. I am proud that Nevada is striving to right the many wrongs that Black women, men and children continue to face in the workplace and schools with the passing of S.B. 327.

It is important to end the discrimination that prefers a certain type of hair and causes those with kinky, "coily" and textured hair to either lose employment or be denied employment and be embarrassed or harassed. Children being sent home from school, suspended or denied graduation or called to the principal's office because of their hair is unacceptable.

This is an important piece of legislation that will help to legally protect people with kinky, "coily," textured hair and our culture-relevant hairstyles by affirming our identity. It will also ensure that we will be free to be ourselves the way we were created to be.

MARIE WAKEFIELD:
I support S.B. 327. Social scientists have long chronicled the impact of an individual's appearance on numerous outcomes including other's judgement of an individual's competence, amicability, intelligence and trustworthiness. These judgements affect hiring decisions, promotions, performance appraisals and other critical outcomes.

Hair like skin color is a social marker. We are not talking about risqué clothing, dress or adding unusual adornments to the body or dress. We are talking about hair, an inherited, generationally endowed, God-given trait. African Americans have been expected to fit into a mold created by a group of people outside of this cultural spectrum. Why do we no longer celebrate the diversity of this Nation? Why have we become a Nation that says you cannot wear your hair that way if you choose to? Can I not wear my identity to honor who I am? How does this hairstyle impact my skill set? How does this hairstyle impact professional protocols?

It is documented that a strong, positive, racial identity can play a positive role in the emotional, mental and psychological well-being of African Americans. Stronger racial identity consistently predicts better psychological functioning and is documented to serve as a protective factor for African Americans enabling them to maintain positive achievements and psychological health by diminishing the effects of discrimination.

In this diverse society, do we ask Muslims to remove their turbans or do we choose to ask anyone of the Jewish faith to change their clothing? But yet, African Americans need to cut or remove their locks. To prove what?

DIANE BAILEY (CEO, EMERGE: Natural Beauty Industry Alliance):
I ditto all the things that everyone else has said. We want to normalize naturally textured afro hair and protective styling. It is our culture. It is our human right to be able to be authentic and unapologetically natural.

I support S.B. 327 and the young ladies and men in our communities to be able to wear their hair natural in the workplace, in school and in public.

MS. DAVENPORT:
The American Civil Liberties Union supports S.B. 327. The ACLU supports reforms that create a more equitable and diverse workforce. As Senator Harris mentioned, natural hairstyles should be normalized and protected from discrimination. I echo the testimony of all of those before me discussing how natural hairstyles are discriminated against and the harm that causes.

I want to note that in 2019, the Ninth Circuit Court of Appeals in *Davis v. Guam*, 932 F.3d 822 (2019) discussed how the current legal understanding of racial categories is shifting. The Ninth Circuit Court of Appeals endorsed that race can be understood as cultural characteristics instead of only a mutable physical characteristic. The Ninth Circuit Court of Appeals cited how the shifting understanding of race-based characteristics should include factors such as hair. Citing Dr. Greene's scholarship, race discrimination may occur through discrimination of cultural characteristics that are not necessarily unique or exclusive to a particular racial group such as natural hairstyles.

Many states and cities have passed similar legislation in protecting natural hairstyles including Maryland, Washington, Colorado, Virginia, New Jersey, New York, California, and cities in Ohio, Alabama and Missouri. We should join these states.

Further, this bill aims to address the historic discrimination that occurs from testing and bias in promotions in the workplace and supports the movement away from underrepresentation in the workplace. We know that workplace promotions have historically been racially and gender biased.

The ACLU supports protections against discriminatory practices and supports S.B. 327.

ERIC SPRATLEY (Executive Director, Nevada Sheriffs' and Chiefs' Association):
The Nevada Sheriffs' and Chiefs' Association (NSCA) only opposes section 7 and section 8 of S.B. 327. The NSCA represents law enforcement leadership for all Nevada law enforcement agencies, both urban and rural.

Regretfully, I missed this bill on my radar. I was just made aware of it and the concerns for some of it by the NSCA membership. I have not had a chance to meet with Senator Neal regarding our concern about third-party testing and the procedures associated with that in sections 7 and 8. However, I am confident we will arrive at a place where we are not in opposition. We do not oppose any other part of the bill.

ALEXIS MOTAREX (Associated General Contractors, Nevada Chapter):
The Associated General Contractors is neutral on S.B. 327. However, we would like to see clarification included to ensure that nothing in this proposal would preempt Occupational Safety and Health Administration regulations or rules to comply with all necessary safety protocols, procedures and personal protective equipment requirements. For example, if a hardhat is required but would not fit properly because of a particular hairstyle, this proposal should not exempt the employee from that safety requirement. We must ensure that safety comes first.

We hope to work with Senator Neal to make sure employees are protected from discrimination while keeping them safe on job sites.

BERNA RHODES-FORD (Jack and Jill of America, Las Vegas Chapter; Alpha Kappa Alpha Sorority, Inc., Theta Theta Omega Chapter):
I support S.B. 327. I am the co-chair of the legislative committee of Jack and Jill of America, Las Vegas Chapter. Jack and Jill of America is a membership organization of mothers with children from ages 2 to 19 dedicated to nurturing future African-American leaders by strengthening our children through leadership development, volunteer service, philanthropic giving and civic duty. We cannot nurture our children if they cannot be their natural selves.

I am also testifying on behalf of Alpha Kappa Alpha Sorority, Inc., Theta Theta Omega Chapter where I serve as president. We are the oldest Greek letter organization established by African-American, college-educated women. Our mission is service to all mankind. We focus on education, women's health and wellness, building strong families and other community concerns.

We cannot support Black families, and we cannot support our community, if we do not stand up to wholesale degradation based on our hair. Both the Las Vegas Chapter of Jack and Jill and the Theta Theta Omega Chapter of Alpha Kappa Alpha Sorority, Inc. support the provisions of S.B. 327 that include hair textures and protective hairstyles to be recognized as forms of race discrimination.

Black women are 80 percent more likely than White women to believe they have to change their hairstyle to fit in at the office. I should not have to change the way my hair grows out of my head to fit into the office or to have the privilege to stay at work. I urge your support of S.B. 327.

MS. JENKINS:
The NERC is neutral on S.B. 327. The NERC is the enforcement agency, but it is encouraged by this bill.

JOANNA JACOB (Clark County):
Clark County is neutral on S.B. 327. I want to recognize Senator Neal's work with local governments. Clark County had concerns with section 7 but supports the rest of the bill. It makes needed changes to the state of the law.

Senator Neal has worked out our larger concerns with section 7. This may impact Clark County, but the County will make it work considering the important policy changes this bill will make.

NEDRA COOPER:
I am speaking as a Black woman who wears natural hair and who has worn natural hair since 1970. I ditto what everyone has said. However, I want to remind you that the motto of Nevada is Battle Born. That means that we take steps forward and not backwards. We deal with discrimination and look at it face on and make changes. We are here before you saying there is no reason that a person should be discriminated against because of the natural style of their hair or its natural texture.

We want to have representation just like everyone else. We are asking not only that you pass this bill but that you keep in mind we want to be represented. I do not want to live my life in fear, in condemnation or in confrontation. I do not want to be confronted because someone thinks my hair is not professional. Just as anyone else, my braids can go into a bun, a ponytail, half up or half down.

It is important to our social, economic, mental and physical well-being that you take a good look at this bill.

DR. GREENE:
I want to address one of the concerns about safety and health regulations. This bill would not undermine regulations or federal mandates regarding health and safety in the workplace. Grooming regulations may be centered on trying to ensure the health and safety of workers as well as third parties.

Similarly, this bill will ensure that employers will engage in an interactive process to determine ways to accommodate employees who may wear longer hair that might infringe upon some of their abilities to do a job effectively without any kind of safety concerns. As long as the employer adheres to the law which is to not enact neutral grooming policies for discriminatory reasons, then the employer can impose neutral grooming policies related to bona fide safety and health regulations.

I want to assure all of you that this bill will not infringe upon those types of mandates under either federal or State law. At the end of the day, this bill will ensure that all employers are in compliance with the law and will remove potentially race-based stereotypes, biases or associations with not only natural hairstyles but other types of characteristics that may be associated with race.

CHAIR DONDERO LOOP:
We will close the hearing on S.B. 327 and open the hearing on S.B. 200.

SENATE BILL 200: Provides for the establishment of a retirement savings program for private sector employees. (BDR 31-219)

SENATOR DALLAS HARRIS (Senatorial District No. 11):
Senate Bill 200 establishes what has been called the "auto-IRA" or by some organizations the "work and save program."

This bill offers an opportunity to those employees whose employers have chosen not to offer the benefit of automatic savings because of the cost or for any other reason. It gives them an opportunity to have a way to save through their paychecks.

It is true that anyone can get an IRA, but to expect people to know the difference between Vanguard, MassMutual, Fidelity, an exchange-traded fund versus a mutual fund is a high burden. We know that most people save through their employers. That is the easiest and best way to save. The truth is about 50 percent of Nevadans do not have the option to save through their employers.

Think about how Nevadans would have been affected if this bill had been in place prior to a catastrophe like the pandemic and they had savings they could tap into. Each person deserves the opportunity to be able to save a little for a rainy day and also invest those funds to make a little money.

If you are able to put some money away in a traditional IRA, you can deduct that from your taxes. If you deduct that from your income, you pay less taxes, and it also calculates into student loan payments. How absurd is it that someone like me, who may make more money than the average Nevadan, has the opportunity to pay less taxes and have a smaller monthly student loan payment. We need to make sure that every Nevadan has the ability to parlay not just the saving benefit but all the other benefits that come with it.

JESSICA ECKMAN (AARP):
Senate Bill 200 creates the Nevada Employee Savings Trust. This State, like many others is facing a retirement crisis. The average social security benefit in Nevada is about $19,000 a year, while on average, older families in Nevada spend $23,000 a year on food, utilities and health care alone. Social security was never intended to be a person's sole source of income in retirement.

The Georgetown University Center for Retirement Initiatives recently conducted a study that found 23 percent of Nevada seniors rely on social security for at least 90 percent of their income. Personal retirement savings is a prerequisite to self-reliance in retirement. We know that employees are 15 times more likely to save merely by having access to a workplace retirement plan. Yet, about 57 percent of Nevada's private sector employees, which is approximately 557,000 individuals, work for an employer who does not offer a retirement plan. This problem is not going to solve itself.

The problem is lack of access. Although individuals without access to ways to save for retirement at work could open their own individual retirement accounts, this rarely happens. Only 5 percent of people will open an IRA on their own. These numbers have not changed in decades.

Certain groups of people are disproportionately impacted by the lack of access to retirement plans including women, employees of color and the contingent workforce. The programs laid out in S.B. 200 are necessary to huge and underserved populations. This legislation provides for a public-private approach to retirement savings. Businesses will have access to a simple plug-and-play retirement program for their employees and would only be responsible for giving information packets to their employees and remitting payroll deductions.

Employees would be automatically enrolled in the program with the option to opt-out at any time. Employees would also have control over how much they want to put away and what they want to invest in. How much saved, if at all, is entirely up to the employee. Accounts would be portable so people can take their savings with them if they change jobs.

The program is designed to be self-sustaining over time and will be participant-funded. The State plays the role of aggregating small businesses while the private sector runs investments.

By affording workers access to a simple way to save for retirement, fewer households will need to rely on social services, ultimately saving taxpayer dollars. Research has found that Nevada could save $24 million on public assistance programs between 2018 and 2032, if lower-income retirees saved enough to increase their retirement income by $1,000 more per year. In addition, these programs will grow a new generation of investors who can build their assets and invest in more complex financial service products down the road.

Twelve states have enacted similar programs with many more states engaging on the issue. The momentum is not slowing down. We have seen great progress even during the pandemic including new legislation enactment and increased support for programs.

Oregon Saves was the first program in the Nation of its type to launch in 2017, followed closely by Illinois and California. Between these 3 states alone over $195 million in assets are under management with over 300,000 funded accounts. It is important to note that many of these workers are first-time savers who otherwise would have no access to a payroll deduction retirement savings option. The success seen in already existing programs is a great

example of how these programs can make a difference for people trying to save their own money for retirement and save Nevada taxpayer dollars as well.

We recognize the enormously positive impacts this legislation and program could have on Nevada and its taxpayers. AARP is fully supportive of the passage and implementation of this bill, and we urge you to support S.B. 200.

I have submitted a written copy of my statement (Exhibit H).

COURTNEY ECCLES (Director, Illinois Secure Choice):
Illinois Secure Choice is one of the state-administered auto-IRA programs launched in the last few years. These programs are about creating access for workers to be able to save their own money. We have a twofold goal in Illinois, but I can also speak on behalf of Oregon and California and all of the other states that are moving forward. The focus is to make this as easy as possible for workers to save but also incredibly simple for employers to facilitate.

While there are private sector 401(k) plans and other employer-sponsored plans that we support, there are businesses that are not able to offer their own plans. Perhaps it is due to too much administration, the cost is too high, tight margins or a lot of turnover. For those reasons, state auto-IRA programs offer an alternative. It allows employers to offer this benefit and let their workers save for retirement without having the same level of control and oversight they have with a 401(k) or other employer-sponsored plans.

For Illinois, this program is a truly public-private partnership. I am the director of the Illinois program with one other individual within the treasurer's office who focuses on this. That is it when it comes to state employees. We work directly with a number of different financial service organizations that do the recordkeeping and administration, the client services and all of the reporting. We also partner with a number of private sector investment managers including Blackrock, Charles Schwab and State Street.

The employer's role in the program is focused on three things: they register for the program, add a list of employees through a secure employer portal and remit contributions on behalf of their employees. The program takes on all of the work. The goal is to make this incredibly simple. The easiest way to think about that is in the same way employers send money to an individual's paycheck and remit state, payroll and federal taxes. This is just one additional line item on the

payroll processing they do whenever they run payroll. The rest of the work is handled by the program.

This makes it easy for workers to save. Their money comes out as a part of the payroll process and goes into their own IRA account which they own and control. It is portable, so if they move from job to job, they are not opening a number of different accounts along the way.

Thinking about it from the saver aspect, the key considerations are that this is an automatic enrollment with an opt-out. It is completely voluntary for workers, but we make it as easy as possible. If someone wants to save but does not know much beyond that, the program takes care of it for him or her.

We have defaults in place, which are common among the states, but there are variations. Our savers put 5 percent into a target-date fund appropriate for their age and expected date of retirement. The nice thing about that is they can start saving, they do not have to think about it and their retirement account is working for them as they go through their work lives.

Individual savers can increase or decrease what they contribute and they can choose from a limited number of other fund options. We wanted to make it simple for the employer and for the saver.

Illinois launched its program about 2 1/2 years ago in 2018. Since that time, the program has amassed over 85,000 workers and a little over $55 million. In many cases, these are first-time savers who may not have had access to a savings account, let alone a retirement account before this time.

Senator Harris mentioned Covid-19 and what the pandemic has forced all of us to reckon with, which is why so few people have access to any type of savings vehicle. We saw that in Illinois as well. We have over 6,000 registered employers across Illinois. Nearly half of those work in retail, food and service industries—those hardest hit by the pandemic. Even through all of that, we saw growth in employers and savers every month in 2020. That says to me that even during these times employers want to give their workers that access and workers want the ability to have something to save.

The average savings for most of our workers is about $100 a month. That is about 5 percent of their income. These are lower- to middle-income workers which is a sign that people want to save even if it is a little at a time.

As we think about these programs expanding across the State, there is a commitment among all of us to find solutions that will increase access to saving. At the end of the day, employers and workers in Illinois say it was not as hard as they thought it would be; it was easier. Employers do not have to think about it once they are in, and the workers say they never thought they would have a job where they had access to this type of benefit. The relief and security people feel with having a savings account and something they know they can put away for their future has changed their mindset.

SENATOR HARRIS:
It is important to note two things. The cost to employers for this program is zero. We are asking nothing of the business community except to facilitate their employee's opt-out of the program.

On the point of it being an opt-out, I realize some people need literally every dime they make. That is why this program will be designed to have a very long off ramp for anyone who takes a look at the impact of that paycheck and decides they cannot do it. A mechanism will be in place for people to get their money back, penalty free, if after 60 days or 120 days they decide they cannot handle the savings. This will lead to people having a choice whether to participate in the program.

SENATOR NEAL:
I have a question on section 20, subsection 2, paragraphs (a), (b) and (c) of the bill. What is the expense for the administration of taking on the program of another state? What is the composition of the Board of Trustees of the Nevada Employee Savings Trust? How does that work when dealing with other states? That wording is expansive.

SENATOR HARRIS:
I read this language in the opposite direction. This does not intend for Nevada to bring on other states. It is intended to allow Nevada to join other states that have already established programs. It is better to be able to spread the administrative costs among a large number of participants. It was important to me that there was the ability, if we find it to be beneficial, to possibly tack on

to Illinois's program. State Treasurer Zach Conine has had discussions with treasurers in Colorado and Oregon. This is not intended to suggest Nevada will be taking on another state but to suggest that Nevada may decide it is better to spread administrative costs by joining another state.

BARRY GOLD (AARP):
Fifty-seven percent of Nevada's private sector employees do not have a way to save for retirement. While that is true, that is not the whole story. We have done a lot of research about Nevada's specific numbers. Eighty percent of employees in small businesses with less than 100 employees have no way to save for retirement. The fact is people do not save on their own for retirement. Less than 10 percent of people on their own, not through their jobs, save for retirement.

When they are getting ready to retire, the average person has about $25,000 or less saved which does not work. If people can save through payroll deductions, that amount increases as much as 15 times. People need to save for retirement.

AARP did extensive research on small businesses. We found that lower-income people have less access to payroll savings plans and the plans differ by race and ethnicity. Fifty-one percent of Caucasians have a way to save for retirement. However, 64 percent of Hispanic workers and 63 percent of African-American workers lack access to an employer-provided retirement plan. Having the ability to save for retirement through payroll deductions changes many factors.

I submitted the 2018 AARP Survey of Small Business Owners in Nevada (Exhibit I) supporting S.B. 200. Seventy-six percent of these businesses said they did not offer any plan for employees to save for retirement. The reasons are simple and easy to understand: too costly, too time-consuming and too complicated. However, these same small business owners, 72 percent, agree that the State should do more to encourage residents to save. Over 50 percent of them expressed concern that their employees would not have enough money saved for retirement. Seventy-nine percent agree that Nevada lawmakers should support a State retirement savings program and 72 percent support legislation that would establish a managed, ready-to-go Nevada retirement savings option. Eighty percent of the small business owners surveyed agreed that being able to offer retirement savings programs through payroll deduction would help small businesses stay competitive and attract and retain employees.

Why do we need to do this? We are talking about people not saving and the need to find ways for them to save. AARP has 345,000 members across the State. Many of them support this, but many of them are already retired. However, the idea is we need to make sure that all people, when they retire, have the means instead of needs.

BEN INESS:
I have submitted my written statement (Exhibit J) in support of S.B. 200.

MR. CHALLINOR:
Faith in Action Nevada supports S.B. 200.

My father has reached retirement age, but because none of his jobs provided an employer-based retirement program, he is still working a full-time job and receiving social security benefits. My mother, although she has not reached retirement age, will most likely have to do the same.

Communities of color are disproportionately affected by not having employer-based retirement programs. This bill will increase those opportunities to make sure they are able to have a better retirement.

SEQUILA ANGKRATOK:
I support S.B. 200 because I want to see myself, my fellow students and other young people in the community, including my daughter, have an opportunity to accrue the savings they will need in the later stages of our lives no matter what type of job they maintain.

From a social work perspective, I have concerns about those who are impacted most by jobs without benefits, like automatic IRA savings. I am concerned about access, particularly for those intersectional low-income women, persons of color and other historically disproportionately impacted communities.

Many Nevadans cannot think about and invest in their futures when they are struggling to make ends meet. Many, especially those in low income situations, are not financially educated about or have resources to invest individually in IRAs when retirement plans through their jobs are not offered.

I have family members who have not had the opportunity to accrue significant retirement. I feel the burden to find a way to support them in the upcoming

years. This impacts not only individuals, but whole families and communities. All Nevadans deserve the right to plan for a stable tomorrow. Please support public retirement availability through S.B. 200.

GILLIAN BLOCK (Nevada Coalition of Legal Service Providers):
The Nevada Coalition of Legal Service Providers represent low-income Nevadans to bridge the gap of unmet legal needs in the State. Nevada has a persistently large population of people living at or below the federal poverty level. Employer-sponsored retirement plans can help low wage employees save money and build wealth which creates financial stability and may help people remain housed, avoid predatory lending and close the access-to-justice gap.

TESSYN OPFERMAN (Nevada Women's Lobby):
I echo what everyone before me has said to ensure that our seniors have some sort of retirement plan and an opportunity to save so they can retire as they age.

SHANE PICCININI (Food Bank of Northern Nevada):
I echo every comment before me. This is exactly the kind of tool needed by the clients we serve. Many of them are in jobs that do not have any form of an employer-sponsored savings plan.

AMBER STIDHAM (Henderson Chamber of Commerce):
The Henderson Chamber of Commerce is opposed to S.B. 200. The Chamber appreciates the desire to address the issue that many Nevadans and Americans are not saving enough for a secure retirement. This has a real financial impact on the State in increased social assistance spending which puts a strain on the State budget.

Given the range of possible approaches the Legislature could take in addressing this issue, the Chamber would like to provide some comments. Employer-based independent retirement programs are already widely in existence. The Chamber recognizes that employers with 10 to 15 or more employees tend to provide some sort of retirement program, many with employer matching programs. For the most part, that is because they have the staff and financial resources to provide such programs.

The Chamber recognizes that it is possible this bill is geared to reach out to those employees who may work for smaller organizations or are lower-income

earners. In the case of very small businesses, often the choice of providing a plan like this is challenging due to the lack of financial literacy of the employer or the added burden of administering a plan.

When there is an employer plan in place, especially in the case of lower-income earners, nonparticipation is often due to a lack of financial resources, not a lack of alternatives to save. To that end, there are many institutions providing retirement savings programs designed specifically for individual savers.

The Chamber would instead prefer an approach that involves the State working with the existing diverse and Statewide private sector retirement systems as facilitators and educators to encourage participation without requiring businesses to adopt retirement plans and to encourage employees to save for their own retirement.

The Chamber believes that the Legislature has a unique opportunity to help bridge these gaps. The Legislature can help working Nevadans while supporting private-sector businesses by using the resources available to bring together employers, financial service providers and employees.

MICHAEL HILLERBY (American Council of Life Insurers):
The primary mission of the American Council of Life Insurers (ACLI) and its 280 member companies is helping people achieve financial and retirement security. The ACLI has submitted a letter (Exhibit K) opposing S.B. 200.

The ACLI believes there are better options for Nevada workers and employers than the plan outlined in S.B. 200. Those options would allow employers to provide matching contributions and help workers save even more for retirement.

Thanks to the passage of the federal Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, the fully Employee Retirement Income Security Act of 1974 (ERISA) compliant plans, with all the accompanying protections and tax advantages for workers and employers, are widely available.

State-run plans have proven to be more expensive and slower to achieve their goals than projected. Senator Neal asked an important question about potentially partnering with states whose programs are millions of dollars over their budgets and state general funds.

I thank Barry Gold and ARRP for submitting the poll. While it was done prior to the SECURE Act, it asked the right questions. Employers would like to find access to simple plans. Those simple inexpensive plans are now widely available. They provide better benefits and do not require employers to deal with complicated ERISA and tax laws.

Thanks to groups like the Vegas Chamber, many more options are available that are easy for both employees and employers to navigate.

NICK VANDER POEL (Reno + Sparks Chamber of Commerce):
The Reno + Sparks Chamber of Commerce understands that Senator Harris would like to see every employer mandate that employees save money in a retirement account with an opt-out provision if they elect not to put aside money. This is well intentioned but it puts government squarely in the business of running a business, competing for employees and their talents and making efforts to retain them.

This bill will severely hamper the work of financial advisors, banking institutions and discourage potential clients from seeking professional advice regarding their money. This bill would require all businesses to initiate or upgrade their business software to include an auto enrollment feature that would have to track minimum, maximum and even external IRA contributions. This is not a feature included in most business software. Even with 401(k) plans, systems cannot track contributions made through a prior employer. As a result of this bill, all Nevada businesses, while making efforts to recover from the pandemic, would be forced to purchase or invest in software and maintain records included in the opt-out or the acknowledgement forms that a majority of young employees might wish to complete.

The Reno + Sparks Chamber of Commerce already has an association 401(k) plan available to over 90,000 employees working for its 2,000 plus members. The Chamber respectfully urges that resources for saving money and increase education regarding the value of retirement savings be practiced rather than create another agency, even though we understand it is contracted to oversee the financial preferences of Nevada citizens.

RANDI THOMPSON (National Federation of Independent Business):
The National Federation of Independent Business (NFIB) is the only Statewide organization primarily serving small business. The NFIB appreciates the intent of

S.B. 200, and we appreciate working with Mr. Gold for the past five years to figure out how we can encourage, especially low-wage earners, to save for retirement. Not only representing small business Statewide, I am personally a small business owner and, as Mr. Vander Poel said, only 20 percent of small employers use a payroll service. Most of us use QuickBooks. This would be creating a challenge for small businesses to manage a payroll system and add in this element.

As a small business owner myself, you have to understand the turnover in small business is incredibly high. My husband and I have owned a prenatal imaging studio for about a year and a half and we have already turned over our five-person staff twice. This is not uncommon.

A better option for small business is to help their employees open a self-directed IRA. That is what we have done for our employees. After 2019, and the change in ERISA, the Vegas Chamber and the Reno + Sparks Chamber of Commerce and other areas are offering small businesses these kinds of options.

As Mr. Gold has polled his members, I have too. Our results are staggering. Fifty-five percent of our small business owners say they cannot, will not and do not want to be part of a State run retirement service.

The NFIB is opposed to S.B. 200.

SENATOR HARRIS:
It is important for the Committee to hear the facts about a few points brought up in opposition testimony.

MS. ECCLES:
I am happy to address some of the opposition comments. I appreciate the concerns coming from different business organizations and community groups. We work closely with a number of the associations in Illinois, including the state chamber of commerce, local chambers of commerce, retail merchant associations and a number of others.

Regarding the responsibilities of employers, Illinois does not expect any of its employers to take on the responsibility of tracking employee participation or monitoring employee contributions. All of that work is handled by the program. We work directly with our financial services partner, a private sector firm that

already offers retirement programs to a number of employers. It is the firm itself that is tracking contributions for workers. They set a note within their software, so if anyone hits the maximum contribution amount for an IRA, the contribution is turned off. It is not something that employers have to track.

In addition, employers log into their portal in the program that tracks who is opting in and who is opting out. On any day, if someone is running payroll, he or she will see a list of individual employees who are in the program and current. The amount of their contribution is entered and submitted through the portal. Obviously, it is more complicated than that. Different employers use different payroll systems, but I want to make sure it is noted that the expectation should never be on the employer to handle and track those features.

Illinois's program, and the servicer that manages Oregon's and California's programs, are aware that employers use a host of different payroll providers. Because QuickBooks and a number of other programs are used by smaller employers, the work and the coordination with payroll providers, as well as entities that offer payroll software, is progressing in this area.

The important thing is we cannot help people save if the program is too complicated for the employer. The focus on limiting that role takes place already in Illinois, and I assume it would be the same for Nevada.

When looking at state budgets and end money, we are not over any amount that was budgeted in Illinois. These programs, similar to 529 qualified tuition plans, will be self-sustaining. They are new right now. We received some startup money from Illinois. That is a loan that we will pay back. The fees for the program are fees on savers, not on employers. Those fees will ultimately sustain the program over time. Illinois is not underwater or at an unexpected amount for administrative costs.

SENATOR HARRIS:
If an employer already has a plan in place, nothing changes with this bill. Nothing prevents employers from choosing another option if they feel it is better suited for them and for their employees.

MS. ECKMAN:
While AARP was supportive of the SECURE Act at the federal level, it is not nearly enough on its own to close that savings gap. We see it as a complement

to state efforts in this area. Senate Bill 200 is not only an important but a critical step in helping workers save their own money for retirement.

AARP polling shows that small businesses are eager to have access to this kind of program. That agrees with what we have seen in other states and with small businesses that we have worked with closely.

CHAIR DONDERO LOOP:
We will close the hearing on S.B. 200.

HUGH ANDERSON (Vegas Chamber):
We agree that more Nevadans need to save for retirement. However, the Chamber is opposed to S.B. 200 because the private sector already offers retirement savings programs. Groups like the Vegas Chamber are now allowed, by federal guidelines, to offer 401(k) programs to employers and their employees.

Other chambers of commerce across the State are able to offer similar services to their members. If the private sector is providing this service, then government should not offer the same service. We are also concerned that the program would be built on the premise of being an opt-out and not an opt-in for employees. Employees should use retirement programs made available to them by their employers, and if one is not offered, there are numerous private sector options for them to choose from.

Recent reports indicate the average person does not have $400 saved for an emergency. An individual needs to correct that shortfall before putting funds in retirement vehicles that are subject to taxes and penalties should the money be needed in the event of an emergency. The default option for employees to participate in a retirement savings plan should be opt-in.

The best way to increase Nevadan's participation in 401(k)s and other retirement savings programs is expansion of financial literacy education programs and stronger job and career security. The Chamber encourages the State to invest in education resources and programs.

GREG CLEMENSEN (National Association of Insurance and Financial Advisors):
I want to reiterate everything my colleagues have said in opposition to S.B. 200. The administration of these private plans is a potentially expensive

proposition. This money might be better used to educate the public in saving for their retirement and to use the resources already available in the private sector through our members and banks and the provisions of the SECURE Act.

CHAIR DONDERO LOOP:
Having no further business to come before the Senate Committee on Government Affairs, we are adjourned at 7:12 p.m.

RESPECTFULLY SUBMITTED:

_____
Suzanne Efford,
Committee Secretary

APPROVED BY:

_____
Senator Marilyn Dondero Loop, Chair

DATE:_____

EXHIBIT SUMMARY				
Bill	**Exhibit Letter**	**Begins on Page**	**Witness / Entity**	**Description**
	A	1		Agenda
S.B. 254	B	2	Ngai Pindell / William S. Boyd School of Law, University of Nevada, Las Vegas	Presentation
S.B. 254	C	1	Senator Dina Neal	Proposed Conceptual Amendment
S.B. 254	D	1	Terry Moore	Written Opposition Statement
S.B. 254	E	1	Gregory Peek / ERGS Properties	HUD Criminal Background Guidance
S.B. 327	F	1	D. Wendy Greene / Thomas R. Kline School of Law / Drexel University	Written Statement
S.B. 327	G	1	Senator Dina Neal	NERC Proposed Conceptual Amendment
S.B. 200	H	1	Jessica Eckman / AARP	Written Statement
S.B. 200	I	1	Barry Gold / AARP	Small Business Owners Survey
S.B. 200	J	1	Ben Iness	Written Statement
S.B. 200	K	1	Michael Hillerby / American Council of Life Insurers	Letter of Opposition