

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Eighty-second Session  
May 29, 2023**

The Senate Committee on Finance was called to order by Chair Marilyn Dondero Loop at 8:09 a.m. on Monday, May 29, 2023, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Marilyn Dondero Loop, Chair  
Senator Nicole J. Cannizzaro, Vice Chair  
Senator Dallas Harris  
Senator Dina Neal  
Senator Rochelle T. Nguyen  
Senator Pete Goicoechea  
Senator Heidi Seevers Gansert  
Senator Robin L. Titus

**STAFF MEMBERS PRESENT:**

Wayne Thorley, Senate Fiscal Analyst  
Cathy Crocket, Chief Principal Deputy Fiscal Analyst  
Michelle Friedlander, Committee Secretary

**OTHERS PRESENT:**

Steven Cohen  
Dannene Drummond  
Melissa Amanda  
Jennifer Thomas  
Mike Teglas, DVM, Associate Professor, Department of Agriculture, Veterinary and Rangeland Sciences, University of Nevada, Reno  
Patty Porter, Director, Nevada Office of the Western Interstate Commission for Higher Education, Nevada System of Higher Education  
Danny Thompson, Nevada Veterinary Medical Association

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Alejandro Rodriguez, Nevada System of Higher Education  
Rebecca Goff, The Humane Society of the United States  
Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation  
Kent Ervin, Nevada Faculty Alliance  
Sheila Bray, University of Nevada, Reno  
Kirk Widmar, Chief, Offender Management Division, Nevada Department of Corrections  
Teresa Benitez-Thompson, Chief of Staff, Office of the Attorney General  
Ashley Gaddis

CHAIR DONDERO LOOP:

I will open the meeting of the Senate Committee on Finance with a hearing on Senate Bill (S.B.) 191.

**SENATE BILL 191 (1st Reprint)**: Makes certain changes relating to applied behavior analysis. (BDR 38-545)

SENATOR HEIDI SEEVERS GANSERT (Senatorial District No. 15):

Senate Bill 191 does a couple of things. The first thing is it expands Medicaid coverage to individuals with autism until age 27. Currently, if you have children, you can keep them on your health insurance until they are 27 years old. This bill would expand coverage through the age of 26.

The other thing S.B. 191 does is change a fee. Section 2, subsection 1, line 11 had a typo on the initial license for a behavioral analyst of \$25, and we changed it to \$450.

We created a board in 2017 specifically for behavioral analysts, but because they never had a board, the Aging and Disability Services Division (ADSD) from the Nevada Department of Health and Human Services ran that board, accepted the fees and did all the paperwork.

After the last Legislative Session in 2021, we turned over that authority to this new board that started operating it themselves and quickly discovered that the \$25 fee was incorrect. When you think about the process you go through for an initial license, it is a lot of work. That is why there needed to be a change. It was not caught before because ADSD services were generous enough to cover the activities of the Board until the 2021 Session.

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CHAIR DONDERO LOOP:

I see the "Issuance of an initial license as a behavior analyst or an assistant behavior analyst" for not more than \$25 on page 4 of the bill. What was the change in price on that?

SENATOR SEEVERS GANSERT:

It should say up to \$450. An amendment has already gone through in reprint 1 of the bill.

SENATOR TITUS:

Although I appreciate the sponsors of this bill recognizing that the \$25 fee was not adequate, I voted no in Committee on this not because of the policy but because of that fee. I just renewed my biennial medical license for \$800, which is basically \$400 a year. For these folks, \$450 was an exorbitant fee.

SENATOR SEEVERS GANSERT:

That is a one-time fee for the initial license. They cannot do it for \$25, which is why it was changed. Renewal of the behavior analyst license is \$550 biennially, which is every two years, and renewal for the assistant behavioral analyst is \$425 biennially.

SENATOR TITUS:

Do you know if they can do this all online?

SENATOR SEEVERS GANSERT:

I do not, but I can get that information for you.

CHAIR DONDERO LOOP:

Thank you for this because these children need our support. I will take testimony in support of S.B. 191.

STEVEN COHEN:

Ditto; I am calling in support of S.B. 191.

DANNENE DRUMMOND:

I am calling in support of S.B. 191. In the *Federal Register*, the daily journal of the U.S. government, in Volume 87, Number 88, dated Friday, May 6, 2022, the Department of Health and Human Services states:

We noted that some States have mandated coverage for the diagnosis and treatment for ASD up to a certain age. For example, a State has required coverage for enrollees up to age 18 with certain cost-sharing conditions. Similarly, some States' EHB-benchmark plans that cover applied behavior analysis (ABA therapy) include age limits.

It goes on to say the Centers for Disease Control and Prevention (CDC) estimates that 2.21 percent of adults in the U.S. have Autism Spectrum Disorder (ASD). In conclusion, the Department states that age limits are presumptively discriminatory when applied to the services that are covered as essential health benefits, and there is no clinical basis for the age limitation.

Health plans across the Country are removing the age cap due to this guidance. An Indiana father sued Medicaid when his 23-year-old child no longer received ABA therapy. He won the case because the court concluded that the age restriction unlawfully denies access to medically necessary services for individuals aged 21 and over who have autism. The judge backed her decision by asserting no evidence suggests that ABA therapy does not benefit someone with autism after they turn aged 21. Additionally, we are seeing private health insurance companies in Nevada, such as Health Plan of Nevada, completely remove the age cap for ABA therapy.

Why is this important to me? On January 16, 2023, my son no longer qualified for ABA therapy due to age caps that Medicaid had on services. The day he turned 21 years old, he apparently no longer needed help in remediating the symptoms of his ASD. Autism just disappeared, according to Nevada. Imagine having a stroke and someone saying, "Well, you are over 21, so you do not need treatment to help regain your ability to speak" or "We know you have bipolar disorder, but you are over 21 now, so we will not cover it."

If you cannot see how that is discriminatory, I do not know what else to say. It is utterly absurd. I hope you will consider this when voting on this provision and that you take to heart a world where you or a loved one is denied medical treatment because there is a certain age limit.

MELISSA AMANDA:

I am an ABA provider in strong support of this bill. We need expanded services across a lifespan so people can become contributing and productive members of

their community. Right now, I get more calls for adult services than I do for kids' services because there is such limited access. This would help us provide services and improve the quality of life for families across Nevada. I would appreciate your support for S.B. 191.

JENNIFER THOMAS:

I am an ABA provider servicing rural Nevada. I wanted to speak in support of this bill, and I hope that you will join me. We have a lot of clients who age out of the system when they turn age 19. Unfortunately, in the rural areas, there is not the support these clients need outside of a few limited providers. We are struggling with how to help families once their child turns age 19 because the symptoms of autism do not magically disappear.

The teen and young adult years are a critical time for anyone, including people with ASD. These students are leaving high school and moving into the adult world, and the supports they had are suddenly dropping off with little or no warning for a lot of these families.

We are asking that you increase the age cap to 27 to better align with commercial insurance mandates and to give support to families in all of Nevada but especially rural Nevada where families do not have a lot of other opportunities or support in their area.

CHAIR DONDERO LOOP:

Seeing no more support testimony for S.B. 191, I will take opposition and neutral testimony. Seeing none, Senator Seevers Gansert, would you confirm the medical service costs in this bill?

WAYNE THORLEY (Senate Fiscal Analyst):

Regarding the fiscal note submitted by the Division of Health Care Financing and Policy on this bill, the estimated cost to implement the extension of ABA therapy services to the age of 27 is \$2.7 million over the upcoming biennium. That is the total amount made up of federal funds, General Fund monies and county funds.

The General Fund portion over the biennium is estimated to be approximately \$788,000 of the \$2.7 million. The rest would come from federal funds and county funds with the vast majority coming from federal funds.

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SENATOR TITUS:

Is there any fee offset with those costs?

CATHY CROCKET (Chief Principal Deputy Fiscal Analyst):

Medicaid does not charge fees, so there would be no fee offset.

SENATOR TITUS:

But the State charges a fee for the licensure that then goes into the General Fund, right?

Ms. CROCKET:

The licensing fee goes into a separate budget account that supports the operating costs of the licensing board.

SENATOR SEEVERS GANSERT:

I would appreciate your support for this bill. It is not that much money, and there are quite a few young adults who could use the services.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 191 and open the hearing on S.B. 225.

**SENATE BILL 225 (1st Reprint)**: Revises provisions governing peace officers.  
(BDR 23-651)

SENATOR DALLAS HARRIS (Senatorial District No. 11):

Committee members should have received a simple amendment ([Exhibit C](#)). There is no fiscal note on the bill. The original fiscal note from the Nevada Department of Public Safety (DPS) indicated there may be a fiscal impact based on rulemaking for the annual wellness exam, but this bill did not establish the requirement to promulgate regulations for the annual wellness exam.

As to the amendment, a small change limits the amount of information the Peace Officers' Standards and Training Commission (POST) can ask for from law enforcement agencies once a peace officer resigns or otherwise separates from employment. There is already a notice provision, so POST will be notified when that happens. The amendment makes a kind of bookend, so whenever the investigation is completed and adjudicated, POST will get that information.

SENATOR NEAL:

The May 3 fiscal note from DPS is not relevant? It says the bill requires the Commission to establish requirements for the annual behavior wellness test, and it is unknown whether this behavioral wellness visit will be a questionnaire part of the annual physical.

SENATOR HARRIS:

Yes, that is correct. The annual wellness exam was established in a previous piece of legislation. You may see that language in blue on this bill because the Legal Division of the Legislative Counsel Bureau decided to move the annual wellness exam from one place to another, but this bill does not create that new obligation.

CHAIR DONDERO LOOP:

Regarding [Exhibit C](#), if someone is being investigated concerning misconduct that is pending and then they quit, what happens?

SENATOR HARRIS:

If a peace officer is under investigation and resigns, the first thing is that POST would be notified of the investigation and subsequent resignation. Once the investigation is completed, POST would be notified of the final results of that investigation.

CHAIR DONDERO LOOP:

There is some follow-through.

I will take testimony in support of [S.B. 225](#). Seeing none, I will take testimony in opposition or neutral of the bill. Seeing none, I will close the hearing on [S.B. 225](#) and open the hearing on [S.B. 342](#).

**[SENATE BILL 342](#)**: Enacts provisions relating to veterinary medicine.  
(BDR 34-1012)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

[Senate Bill 342](#) was heard in the Senate Committee on Education and passed unanimously. The long and short of it is an \$8 million fiscal note to buy 70 slots at Utah State University for veterinary medicine. It says 70 slots, but it is actually 100 slots since it takes 4 years to get through the graduate program, those first 30 slots drop off.

The original proposal from Utah State University (USU) would have created 100 veterinarians, but it cost us more money. When we were in the Senate Committee on Education, I said that because it is a contract, if we make the pool smaller, maybe we can more easily make sure it will work.

The bottom line is that USU is building a veterinary medicine school, and we do not have one in Nevada. I have some experience in what it costs to become a veterinarian because my son is one.

As Ms. Patty Porter can confirm, getting a Western Interstate Commission for Higher Education (WICHE) slot does not mean you get into graduate school. It is limited, hard to get in and expensive. We all know students who have wanted to be veterinarians and ultimately could not afford to get there.

There is a veterinarian shortage in southern Nevada, partially due to the fact that during the COVID-19 pandemic starting in 2020, more people got companion animals, which increased the demand for veterinarians. Nevada is one of the worst states when it comes to the shortage of veterinarians. Most of the food animal veterinarians in Nevada are baby boomers getting ready to retire.

We have some great veterinarians in the State. Dr. Mike Teglas and I started having this conversation with USU earlier this spring because we both sit on the WICHE Veterinary Medicine Advisory Council, which meets annually and represents 13 Western states.

Over the last ten years, since we have been involved in WICHE, USU has been building a new veterinary medicine school. School representatives came to us and asked if we would help USU along with the veterinary school, saying "We will give you 100 student slots guaranteed." The savings is that our Nevada students would go to USU paying in-state tuition, which is much cheaper than out-of-state tuition. Veterinary graduate school is expensive. A veterinarian can come out of school with a quarter of a million dollars in debt.

We have an \$8 million fiscal note in the bill, plus roughly an additional \$80,000 a year to help WICHE offset costs since it will administer the contract. An advisory board will have two veterinarians screen the ten Nevada students per year. This is intended to be Statewide, and I have been assured students can get their prerequisites at the University of Nevada, Las Vegas (UNLV);



University of Nevada, Reno (UNR); or Nevada State University to qualify for the USU veterinary medicine school. Students who enter the WICHE program have to come back and do a year's service in Nevada for every year they participate in the program. Seventy slots for veterinary medicine students times 4 years of school gives us 280 years of a veterinarian working in this State. It should help us with that shortage.

CHAIR DONDERO LOOP:

Why Utah? I ask because we know of other surrounding states with veterinary schools. Can a student use this program to go to one of the other schools?

SENATOR GOICOECHEA:

Because USU is building its veterinary medicine school. Nevada had a similar arrangement with the University of California, Davis, back in 1958. Veterinary schools at Colorado State University and Oregon State University, Corvallis, and others in states around us would just as soon charge us more. Utah State University is looking for a little support in bringing up its new program and new school.

I did have the numbers from USU about costs but do not know if the people with me have them. This \$8 million is helping USU establish the program and return those students back to Nevada. I attended USU and appreciate the University and its agriculture background. The real reason for "why Utah" is that in building this school and needing a little help, it is guaranteeing us 100 slots.

At Colorado State University, we cannot get 100 slots. We can get four or five slots, and we would be lucky to get somebody in there, even if it is a WICHE school and somebody is paying the bill.

CHAIR DONDERO LOOP:

What about Washington State University (WSU)? I know several veterinarians in Las Vegas who went there on the WICHE program.

SENATOR GOICOECHEA:

The next WICHE Veterinary Medicine Advisory Council meeting will be in Pullman, home to WSU. As a matter of fact, WSU is engaged with USU in what they call a two-plus-two agreement. That is where USU has utilized part of WSU's veterinary school's expertise for the last several years. When Utah

stands up its own veterinary medicine school, it will move away from that two-plus-two agreement with WSU.

A program similar to WICHE called the Western Undergraduate Exchange (WUE) includes Washington, Idaho and Oregon, but WUE is constantly in flux as these schools try to meet student demands. It is limited. Remember, it is difficult to get into veterinary medicine school. When USU approached us for help with building its veterinary medicine school, we saw the cost was cheaper than what we would have to pay to create our own school of veterinary medicine.

CHAIR DONDERO LOOP:

I was wondering why Utah was not in there to begin with because I know many veterinarians who went that route. I may have shared with you that we have a new veterinarian in the family, having just graduated last weekend from CSU. I was curious about why USU was not already involved with that WICHE program.

SENATOR GOICOECHEA:

Because, like us, USU did not have a vet school.

SENATOR NGUYEN:

I understand that Utah State University is still building its program. The reason people finish out at Washington State University is because the third and fourth year of school at USU is not yet established. Is that correct?

SENATOR GOICOECHEA:

That is my understanding. The two-plus-two program with WSU is because USU does not have all its curriculum and programs ready yet. It is all part of the graduate school and why it is standing up its own veterinary medicine school that will come online in 2025.

SENATOR NGUYEN:

I am assuming USU is not fully accredited at this point.

MIKE TEGLAS, DVM (Associate Professor, Department of Agriculture, Veterinary and Rangeland Sciences, University of Nevada, Reno):

Right now, USU has a two-plus-two program with WSU. With funding from the Utah State Legislature, USU will soon open a standalone veterinary school. Accreditation through the American Veterinary Medical Association (AVMA) will

be provisional, which is the standard for all veterinary schools until the first senior class graduates. At that point, AVMA comes back and grants the institution its full accreditation to be a standalone veterinary school.

SENATOR NGUYEN:

When does USU anticipate having full capacity to educate veterinarians?

DR. TEGLAS:

I understand that provisional accreditation will be granted by the AVMA in 2025, but the full accreditation does not occur until the University actually has a graduating class. A certain percentage of students have to pass the North American Veterinary Licensing Exam for a school to earn that accreditation. If that percentage is reached or surpassed, the school will then have full accreditation and the individuals who graduate become accredited veterinarians who can practice anywhere.

SENATOR NGUYEN:

Are the students who are now going through the two-plus-two program graduating as accredited veterinarians?

DR. TEGLAS:

Yes, through WSU. That is why USU has that agreement. So, Nevada will be going into a similar agreement with USU, much like the WUE program that Washington and Idaho have right now, where any students in Nevada would go through the USU program and then can come back to Nevada to practice. They can go anywhere they want, but provisions in S.B. 342 entice them to come back here.

SENATOR NGUYEN:

I am concerned we are putting a bunch of money into a program when we do not know if it ultimately may have full accreditation for the students we are investing in who plan to come back here and work.

I am not against a provisional education; UNLV was provisionally accredited when I graduated from there. We had more control because it was our own State institution we were funding. Does this two-plus-two provisional process happen regularly in establishing these schools?

DR. TEGLAS:

Every professional school in the Country has to go through a provisional accreditation. You mentioned UNLV, and even the UNR medical school was provisional until it got the full blessing from the overseeing medical board. All the new veterinary schools, most of which have been private, have also started out with provisional accreditation. That senior year point we discussed earlier is where the AVMA grants full accreditation.

It is a bit of a gamble for anybody who joins in because each school does not have full accreditation at the start. Every single school, and I am assuming WSU is in that same boat, works its hardest to guarantee accreditation. Otherwise, the entire program sinks.

SENATOR NGUYEN:

My concern is now we are relying on USU and the Utah Legislature to appropriately fund that veterinary medicine school; in the meantime, we are sending them millions of dollars.

SENATOR GOICOECHEA:

Utah State University is in the two-plus-two agreement and recognizes the commitment by taking our money. Its graduating class has to graduate at 70 percent, which is a fixed number of students who must pass. That is why USU is going to be very particular about who it takes into the system.

We have that Advisory Council through WICHE with a couple of veterinarians on it. We want to make sure we send them good students. That is why it is so tough to get into veterinary school. If you are not good, you are not going to get in.

This is going to be a huge exposure for Utah State University. If we pay them this \$8 million, it is for an accredited school. I do not want to say we would have to come back and sue but, in the end, USU has to perform. I have faith that this is a good program at USU as far as the University coming through and performing. If not, and given the exposure, those students could come back and sue the school.

CHAIR DONDERO LOOP:

Have other states extended this kind of help to another state's program? I do not think the UNLV law school asked for support from other states.

SENATOR GOICOECHEA:

In 1958, the University of California, Davis, partnered in a similar way when setting up its veterinary medicine school and needed some money to do it.

CHAIR DONDERO LOOP:

Am I clear that the \$8 million is to support the program, not necessarily support applicants out of Nevada?

SENATOR GOICOECHEA:

The way I interpret it, the \$8 million buys us 100 seats at the table and 70 guaranteed graduate school slots. That is really all the commitment does.

CHAIR DONDERO LOOP:

What happens if we do not have those 100 seats? Let us say only 20 kids want to become veterinarians. What happens in that case? Where is that money banked?

SENATOR GOICOECHEA:

I am saying 100 slots, but it is 10 slots a year for 10 years. I can probably walk around Carson City and find 10 kids who would go to vet school if they had the opportunity, and we are talking about the whole State. Ms. Porter may have a better idea of how many students have applied to WICHE for the handful of veterinary medicine slots we have up for grabs.

PATTY PORTER (Director, Nevada Office of the Western Interstate Commission for Higher Education, Nevada System of Higher Education):

This is proposed as one-shot funds. The office of WICHE and the Nevada WICHE Commissioners would have the responsibility of entering into contract negotiations with USU.

I have similar questions regarding the accreditation issue. We would want to be able to say, "Since this is a one-shot appropriation, it has to be spent by 2025." We would want an accounting of all the funding and how USU disperses funds per year for each student. We would also want to know the remaining balance, so we could keep track on our side.

If we do not fill all the slots, I would want to negotiate and say, "Well, let us say that instead of 10, we get 5 students; can we get a credit, so maybe the next year, we could have 15 students entering the program?" Or could we

extend that 10-year commitment that USU makes with Nevada? Those are some examples of things we would have to negotiate in the contract.

Other things I would want in the contract would be for USU to show me its recruitment plan for Nevada students. I also want to see the retention plan, showing how Utah State plans to retain those students while they go through the program. What supports is the school going to offer these students? I want a dedicated person in USU's admissions office who would respond to our students and our WICHE office directly.

I would also want regular reports on the accreditation process itself and how USU is doing. Dr. Teglas can also explain it, but with accreditation, you usually get yearly visits, and you have to submit ongoing reports. If there are issues, the school has to address those issues. We would want to be updated on that process. Lastly, I would want that contract to reflect what the University would do if these students graduated and are still provisionally accredited. As Senator Goicoechea said, the University has to do that with its own students; Utah State has to come up with a plan for that scenario.

I would negotiate those things in the contract. When asked if I had any needs, I said, "I need that program officer position because I would assign this person to be dedicated to this program who would work with Utah State." Right now, I am an agency of one. I intend to fill another accounting tech position, but this would be helpful. The bill only funds that position for two years. I would need that further funded at least for the years this program covers.

CHAIR DONDERO LOOP:

Dr. Teglas, I heard you say we would entice the graduates to come back, and the word enticement almost made my head twitch. Can you clarify what you will do to entice students to work in Nevada?

MS. PORTER:

For all our programs within the Nevada office of WICHE, students have to sign a contract when they get that stipend. In this contract, they also have a promissory note stating that if you do not come back and practice in Nevada or if you drop out of your program, that stipend can convert to a loan with interest. That is part of the contract they sign. I do not know if I would call it enticement; it is more of a reminder. It is something we explain upfront over and over to the applicants. That is the enticement to get them to come back and

work here for as many years as the student was in school earning his or her DVM degree.

SENATOR NGUYEN:

You just listed about 15 things not in statute that would be included in this memorandum of understanding (MOU) with Utah State. I have some concerns about that. You also talked about how this was competitive. If we have these ten slots every year, are we guaranteed that Nevada students are going to be in those slots? If Nevada applicants are not competitive for one year, does USU still have to select those ten Nevada students, or would that be included in the upcoming MOU?

SENATOR GOICOECHEA:

First and foremost, we had this loose conversation with Utah State close to two months ago. At that time, we did not hammer out an MOU because we did not know if we were going to get funded. If you tell me today you want to do this, we can start negotiating in earnest. Technically, we are buying those ten seats, and that is the intent—they will be filled by students who have been Nevada residents for at least a year. We want to place Nevada students in this program; when they do their residency, USU wants to plug some of these students back into Nevada veterinary clinics so they can do their practicums here. By doing that, these students may land in a community and find a home there.

SENATOR SEEVERS GANSERT:

I see you have ten slots per year, and students have to be Nevada residents. They are required to stay in the program and whatever monies put forward to offset out-of-state tuition become loans if they do not finish. If they graduate, they have a five-year obligation to practice in Nevada. Is that correct?

MS. PORTER:

The money offsetting the out-of-state tuition is a stipend, not a loan. However, students are told that, if they do not come back and fulfill their commitment or for some reason something happens, the stipend can convert to a loan with interest.

SENATOR SEEVERS GANSERT:

What is the capacity of this program going to be in Utah? How many slots are there per year? If we are taking 10 slots per year, is the school going to have a capacity of 70 per year or 50 per year?

SENATOR GOICOECHEA:

They were talking about around 100 students per year. I assume it will grow, but we will only have 10 students in each year level, so 40 students total when we are at capacity.

SENATOR SEEVERS GANSERT:

Do you have an idea of the money USU has already put in to start that program? When we started the UNLV medical school, we put in substantial money, something like \$32 million to start it up with continuous funding after that. How long has Utah State had the two-plus-two program, and do we have an idea of the annual funding it provides for that program?

DR. TEGLAS:

I have some cost estimates from the interim dean of the College of Veterinary Medicine at USU—\$75 million for a new veterinary education building where the first-, second- and third-year students will be taught. The fourth year is a distributed teaching model where the seniors go out into the community and work in Nevada and Utah at private veterinary practices. The school has a \$23.4 million annual operating budget that does not include tuition. That was part of the funds initially set up by the Utah Legislature. The total is about \$98 million.

SENATOR SEEVERS GANSERT:

It sounds like USU is making a substantial commitment with \$75 million to build a building and at least \$23 million to operate the first two years if it is a two-plus-two. I imagine that will grow proportionately as it picks up the third year, recognizing that the fourth year is distributed.

DR. TEGLAS:

The \$23.4 million is with the four-year program instead of the two-plus-two.

SENATOR SEEVERS GANSERT:

I am thinking about the cost for Nevada to do something like this. We would have to construct a building and a school, and it would be a significant



investment. When I was looking at this, it seemed like a pretty good deal to be able to have access for Nevada students, especially because they are going to come back and practice in our State.

When we look at nursing in particular, the statistics are generally that 90 percent of nursing students will stay where they go to school. Having the five-year commitment to come back here is really important.

SENATOR DONDERO LOOP:

Have we done this with any other schools? Did we do this with WSU when our students went there? Did we do this with CSU when our students went there? Have we done this with another state recently or through other avenues, giving them financial help slots?

DR. TEGLAS:

It depends on what you consider recent. In the 1980s and early 1990s, we had an agreement with the veterinary school at Ohio State University. The students had support, and then part of the obligation was to come back and work.

SENATOR GOICOECHEA:

This is a WICHE program, and we only have four or five slots available now. Otherwise, you pay out of your own pocket. Even if students qualify for WICHE, it does not necessarily mean they get accepted at CSU or any other WICHE school. I am not saying we want to take lesser students. Clearly, it is going to be up to USU and its admissions commission to decide whether they are going to accept each Nevada student. This bill does not mean we can just roll students in there because they are from Nevada and will automatically be accepted. These will have to be high-end students, or USU will not want them. The University certainly does not want to kill its ability to get accredited. Though still competitive, it is an additional number of slots instead of the four or five available now. We will have 14 slots available if this were to pass.

CHAIR DONDERO LOOP:

How many Nevada students go to veterinary school through WICHE right now?

MS. PORTER:

If you remember in the 2021 Session, funding was eliminated for the veterinary medicine program. We have four students who have graduated this year and will be coming back to practice in the State. We do not have anyone

else in the pipeline right now. The numbers have always been small because it is so expensive. The stipend alone is around \$30,000. We are just paying the differential.

DR. TEGLAS:

When WICHE was funded each year for those four spots every year, there were roughly 25 to 30 applicants.

SENATOR NEAL:

I like this bill. I am assuming that after this hearing, you will tighten up this MOU so it has some prescriptions. It would be helpful to have a letter from USU saying it supports this idea and will honor an MOU. That would go a long way so this is not a one-sided conversation, and it would also cement its commitment to us.

SENATOR GOICOECHEA:

I apologize for the short notice on this bill's hearing. In the Assembly Committee on Education hearing, we had Utah State online. Because this is Memorial Day, I could not make that happen again.

CHAIR DONDERO LOOP:

It is okay. We are moving fast around here since it is the end of Session. Sometimes, we have to hear bills when we can.

SENATOR GOICOECHEA:

Utah State supports this idea; it reached out to me. It was not my hair-brained idea. We can lock down the MOU again. We never got that far because we did not know if we were going to get it funded.

DR. TEGLAS:

Senator Neal, we do have a letter from the president of USU ([Exhibit D](#)). I would be happy to send it to all of you if you give me contact information.

MS. PORTER:

We remain neutral as an agency. Once this bill passes, I would convene my Commissioners together to engage our legal counsel and start the process. I do not think it will be quick, but we are definitely going to move on it and make sure this is done right.

SENATOR GOICOECHEA:

I have been in contact with Executive Commissioner Fred Lokken from the WICHE Commission, and I thought they actually came out and supported this.

MS. PORTER:

As an agency, we have not had a chance for an official WICHE Commission meeting because we are a public body. We will hopefully have something by the end of this month.

SENATOR GOICOECHEA:

If we can get the money, WICHE will negotiate, sign and execute the contract to protect Nevada. It will not be me.

SENATOR DONDERO LOOP:

One last question for clarification. If four of the ten applications are really awesome and six are either scoring lower on admissions tests or are not as good a fit as the awesome four, do we take the six, or do we say to them, "We are sorry, we can't invest in you at this time." How does that work? Colleges and universities do this all the time. I would not want us to give financial assistance to someone who may not sustain the program.

MS. PORTER:

The way this process works is we handle the stipends and award the funds. Part of the requirement is that applicants must be Nevada residents, but they also have to be accepted to a program. Part of my job as the certifying official for our State is to ensure they meet those two criteria.

In this application, statute says we must have two veterinarians assisting us in the selection of the veterinary medicine students. We probably have to do a rubric application where those veterinarians make recommendations to me and based on that information, we move forward. The WICHE Commissioners have given me the authority to make that final selection. Anybody we accept into WICHE has already been accepted by their program.

CHAIR DONDERO LOOP:

I will take testimony in support of S.B. 342.

DANNY THOMPSON (Nevada Veterinary Medical Association):

We are in full support of this bill.

ALEJANDRO RODRIGUEZ (Nevada System of Higher Education):

We are in strong support of this bill that provides more opportunities for our students.

REBECCA GOFF (The Humane Society of the United States):

I am here today in strong support of S.B. 342 on behalf of our Nevada members and The Humane Society Veterinary Medical Association. Before I had this role, I spent most of my adult life working in veterinary medicine, with the last ten years right here in Nevada. I can tell you firsthand that the biggest crisis facing pets in the State is a lack of access to veterinary care, partially driven by the historic staffing crisis the industry is facing.

There are simply not enough veterinarians to see all the pets in our urban areas; in many of our world communities, there are no vets at all. This problem is compounded by the well-documented mental health crisis that the veterinary community faces, which only got worse during the pandemic. National statistics from the CDC show that one in every six veterinarians has considered suicide. Veterinarians are up to 2.4 times more likely to die by suicide than the general population. Compassion, fatigue and burnout have led many vets I have personally worked with over the years to leave practicing medicine or the industry altogether.

Adding to the mental health crisis is the extreme financial burden of attending vet school. If you are lucky enough to get into and graduate from one of only 32 schools in this Country, the average vet student leaves with about \$200,000 in student debt, not including any debt from undergraduate studies. Since Nevada has no veterinary medicine school, Nevadans are forced to attend out-of-state schools and pay even higher out-of-state tuition.

Veterinarians can often expect to be paying off this debt their entire careers, and this impacts their decision to practice in rural areas or for shelters and nonprofits where salaries may be lower. By expanding tuition assistance to future Nevada veterinarians, S.B. 342 will help address the veterinary crisis, support veterinary professionals and provide better access to veterinary care for Nevada families in need. We urge your strong support of this important legislation, and we thank Senator Goicoechea for bringing this issue forward.

DOUG BUSSELMAN (Executive Vice President, Nevada Farm Bureau Federation):  
I support S.B. 342.

KENT ERVIN (Nevada Faculty Alliance):

Although we are loath to send our students out of state, this is a cost-effective way to build our veterinary medicine access in Nevada. I can testify the queen of our household, a Siberian Forest Cat, has a hard time getting in to see her vet.

SHEILA BRAY (University of Nevada, Reno):

We want to express our support for S.B. 342. We know WICHE has a proven method and record for allowing our students a pathway to veterinary education, but it is not enough at this point. We also know this is a unique situation, so we encourage your support to bring this opportunity forward for our students and for our State.

SENATOR GOICOECHEA:

Because we do have this MOU in place, maybe we amend the bill that says the Interim Finance Committee (IFC) approves the MOU or contract.

CHAIR DONDERO LOOP:

Yes, we will continue the conversation. We all have pets, so we get it. I will close the hearing on S.B. 342 and open the hearing on S.B. 413.

**SENATE BILL 413 (1st Reprint)**: Revises provisions relating to credits to reduce the sentence of an offender. (BDR 16-313)

SENATOR DALLAS HARRIS (Senatorial District No. 11):

There are two fiscal notes on this bill. The first and largest is from the Office of the Attorney General (AG). Proposed Amendment 3704 ([Exhibit E](#)) removes the fiscal note from the AG's Office. The \$336,000 roughly in the first year, \$432,000 in the second year and \$864,000 in the future biennia would be gone if we adopt this proposed amendment.

There is also a fiscal note from the Nevada Department of Corrections (NDOC). A large portion has to do with the coding necessary to change the sentence credit system, which is unavoidable to do this new, good thing with the bill. The NDOC identifies adding one additional position which is part of that fiscal note.

CHAIR DONDERO LOOP:

We need to digest this. Section 10.5 of Proposed Amendment 3704 refers to the NDOC reporting to the IFC concerning progress in programming the

computer systems. They will also be sharing this information with the AG. Can NDOC address how this might happen or if for any reason it cannot complete this in the appointed time?

KIRK WIDMAR (Chief, Offender Management Division, Nevada Department of Corrections):

The Offender Management Division is responsible for the sentence calculation of all the offenders assigned to NDOC. We are working with our vendor on integrating our calculation engine with our fingers crossed, hoping this bill will go all the way through the process related to the coding.

The initial intention of the bill was to meet deadlines by January 2025, so stretching it to July 2025 gives us more time to work with our vendor to make sure the coding is in place, tested and proven effective before we go live, as well as to give us more time for the reports we will share with the IFC and the AG's Office. That is the biggest hurdle when you are working with vendors.

We understand conceptually how the calculation is going to work. Translating that into software is not my expertise, so that is where we work closely with our vendor. Those processes have already started because we are moving our calculation engine into the Nevada Offender Tracking Information System with funding received from previous sessions.

CHAIR DONDERO LOOP:

Senator Harris, would you confirm the actual fiscal impact of this bill?

SENATOR HARRIS:

In fiscal year (FY) 2023-2024, NDOC is asking for \$354,269, \$300,000 of which is for coding. In FY 2024-2025, it is \$74,746, and the future biennia fiscal note is \$149,492. That number represents one additional position to do audits and calculations for sentencing credits. If this Committee chose to grant that position, this is the fiscal impact for the State.

SENATOR DONDERO LOOP:

Does the AG's Office still have a fiscal note?

SENATOR HARRIS:

No, no, no, I will say it as many times as I can. There is no fiscal note from the AG if Proposed Amendment 3704 is adopted.

SENATOR NEAL:

In regard to section 10.5 and information-sharing with the AG, its fiscal note concern was the amount of petitions the Office may need to review. If the information is shared, what will the AG be doing in this scenario?

SENATOR HARRIS:

There are two pieces to this amendment. The first piece is moving the date from January 1, 2025, to July 1, 2025, and this has a pretty large impact on the fiscal note. The information-sharing allows the AG's Office to ensure no influx of additional petitions because the program was not set up and ready to go on time. The AG will have an opportunity to review the project and make sure it proceeds as it should and, through that, provides feedback to NDOC. That potential increase in caseload in its original fiscal note is less likely to happen with the date change.

SENATOR NEAL:

Are you expecting this to have a delayed hit? After 2025, will the AG come back with a fiscal note?

SENATOR HARRIS:

I am hoping the AG will not have to come back. However, this will allow the AG's Office time to assess the impact of this change and if it will increase the workload. In doing so, we will have a bit more information for the next fiscal year. If, for some reason, things go wrong and the AG's Office has increased cases, at least we will collect that data so the AG's Office can report the impact on its workload.

SENATOR NGUYEN:

I love this bill. My mind is blown even if this would create more work. If anything, it seems like it would completely eliminate the majority of what the AG has to deal with in sentencing computations.

SENATOR HARRIS:

That is how we are also reading this piece of legislation, but we wanted to work with the AG's Office and ensure it felt comfortable about how this might impact the Office. We do not want to throw things out of whack, so we have worked together to put this amendment on the bill, and that made the Office more comfortable. The AG's Office is in the room, so I do not want to speak for

them. If the Committee wishes to hear from them, I am sure they would be happy to come up.

SENATOR NGUYEN:

I appreciate you working together; this is a huge shift in the way we do this. The AG's Office deals with a lot of these habeas corpus petitions, and this is a commonsense solution to that issue.

CHAIR DONDERO LOOP:

Would the AG's Office like to tell us if they agree or disagree with that, or would want to wait?

TERESA BENITEZ-THOMPSON (Chief of Staff, Office of the Attorney General):

I want to thank Senator Harris for working with us. We spent a lot of time with our chief who does post-conviction work with the many petitions we get within this world of habeas corpus and the prisoners who file. We also worked with our second assistant attorney general who oversees that position.

We never opposed the bill. The goal was to get an appreciation for the concept and Senator Harris's intent versus the practical implication and the prisoners who will file when they have concerns. We ensured that in that change process we did not inadvertently have a bill with an enactment date before we had a system ready to go live. If you start producing documents and give them to the prisoners on a certain date, or if delays or snafus ensued with the processes, then we could have petitions just from that.

That is the smoothing process we were looking to address, and we are thankful that Senator Harris appreciated that and worked with us on the implementation.

SENATOR SEEVERS GANSERT:

In section 1, subsection 1 of the bill, paragraphs (a) through (d) list exceptions. We have had to revise some of the bills because sometimes we miss things. What about hate crimes against the elderly and crimes against children?

SENATOR HARRIS:

The sentencing credits system does not apply to this group of folks. We are almost copying and pasting to allow this new system to similarly not apply to this group of folks. Does that make sense?



SENATOR SEEVERS GANSERT:

Thank you. Given that perspective, should we be adding crimes against the elderly, exploitation of children, hate crimes and some of the other things we tend to add for exemptions?

SENATOR HARRIS:

I am not opposed to taking another look at whether we have the right exemptions or not. However, the goal of this bill was to simply translate our existing system into a new, more efficient one. This is designed to reflect how sentence credits are already working. We did not want to mess with some of those other policy choices.

SENATOR SEEVERS GANSERT:

You have two dates—before and after July 1, 2025—that give you an opportunity to potentially look forward to things we probably should be excluding.

My other question is regarding the 35 percent of their sentence. At what time? Do they have to be in this program for a minimum of five years or ten years? When do they actually get the credit?

SENATOR HARRIS:

The great thing about this bill is that credits will go away. There will no longer be the idea that you have to earn a credit that may or may not translate to one day or three days or any of the other many confusing things.

When sentenced, you will know the earliest date of eligibility for parole, and that date is determined by 35 percent of your sentence. Currently, we have a projected system, so you are sentenced and then your eligibility-for-parole date is projected. That date can move from month to month, forward and backward, depending upon whether you earn the credits that we assume you may or may not earn.

We are getting rid of all of that to create some certainty, not just for the folks who are incarcerated but also for victims. They will now have a much better idea of when they might need to show up to a parole hearing. Under this system, we essentially assume you are working your program. If your program says you need to get your graduate equivalent degree and hold a job, anything short of that will move your date forward. For example, let us assume you are

on your best behavior, you will know your eligibility-for-parole date. That gives folks a light at the end of the tunnel and encourages them to work their program so they can stay on that date. Does that make sense?

SENATOR SEEVERS GANSERT:

If they do not meet the requirements of the program, what is the process? Are they removed from the program, or do they lose those credits or the revised term?

SENATOR HARRIS:

Working the program is simply having a plan of things incarcerated people are supposed to do while serving time. There is no program they have to apply to or enter into. However, if they are not meeting those metrics and thus not earning their credits, their release or parole date would move forward. There are carrots or incentives the NDOC can employ if, say, you are supposed to go to work and do not show up. The punishment would be that your date might move ahead. That is how it would work.

SENATOR SEEVERS GANSERT:

Is that to be promulgated in regulations, or what does that look like?

MR. WIDMAR:

We already have statutory good time forfeiture or reinstatement in regulation. Because statutory good time is now converted and represents a percentage, offenders will receive warnings of noncompliance with their case plan. This can escalate to a point of a major violation of failing to meet their case plan. They will then have time added toward their minimum sentence. A 35 percent now becomes a 15-, 30- or 60-day increment already in place related to repeated violations.

We would use that same model both in statute and *Nevada Administrative Code* regulation with offenders who are not complying with going to school, doing community service or doing the things within their case plan. They would then receive disciplinary action that would move that gap between the 35 percent of their minimum term percentage up toward 100 percent. We can never add more time than the judge has already given the inmate. We will take them up to 100 percent of their minimum sentence related to noncompliance before they can go to the Nevada Board of Parole Commissioners.

SENATOR HARRIS:

I want to add that this is just when you are eligible for parole. You will go before the Parole Board, and they will see how well you have been behaving, note any type of discipline you have been subject to, and make a determination about your release situation. This bill does not provide for automatic release at your eligibility date or anything like that. The Parole Board will remain in place to make a proper assessment of whether or not someone is prepared to reenter society.

SENATOR NGUYEN:

I do this in my day job, so I have a lot more knowledge of the system and its problems. From the NDOC perspective and because of the problems we have with our current system, how much of your staff time is dedicated to explaining when someone is coming up for parole to victims and their families along with incarcerated folks and their families? This system is a moving target where you can follow someone month to month, and it can change. How much of your time is dedicated to this?

MR. WIDMAR:

For about 55 years, Nevada has used this credit scheme. Its benchmarks are made with each conviction that puts a group of offenders into a type of credit calculation based on their conviction. We have layer upon layer upon layer. Then bills like S.B. No. 71 of the 77th Session for aggregation are passed that have nothing to do with credits but require the aggregation of all sentences. That complicates the credit calculation.

To say it is a difficult process is a huge understatement, and it is hard to explain that to folks. I have 27 staff assigned to my Division, and 15 of them are solely dedicated to the sentence calculation side of it. They spend hundreds of hours a month, totaling thousands of hours a year, engaging family members, explaining this system to them. This does not include all the caseworkers who are out in the field explaining the sentence credits. It is a difficult process due to that moving target.

Our current practice is that every Legislative Session, the policy committee continues to add more credits onto the system. This has brought us to the brink of great concern in being transparent in what we do. It is an extremely difficult process.

I am neutral, as I am supposed to be in my position, but I am passionately neutral related to this subject because it lands in my lap. Recently, I was subpoenaed into federal court. Although the judge recognized that parole was a State issue and not for her to decide, because she and our staff could not make heads or tails of our credit system, we spent the greater part of a Friday afternoon explaining it to her. We wanted to make sure she understood that we had not invoked harm against an inmate by applying the credits incorrectly. Even though it was a jurisdiction that did not fall to this judge, because of the harm aspect, it did. Her staff could not make heads nor tails of it. As I have emphasized, this is a very difficult process.

I spend time with judges, district attorneys and public defenders all the time. We have those conversations, and I conduct training as much as I possibly can to educate people in our current system. I hope that answers the question.

CHAIR DONDERO LOOP:

The old way seems incredibly subjective; I appreciate that you are a passionately neutral friend as opposed to a foe.

I will take testimony in support of S.B. 413.

ASHLEY GADDIS:

I am in support of this bill. I was formerly incarcerated at Florence McClure Women's Correctional Center in North Las Vegas. There is nothing more defeating than being incarcerated and not knowing when you will be released or not knowing that you could lose many days by just missing work one or two days. Right now, with the lack of work and programming, offenders are not able to maintain their release date.

I appreciate the intent and effort in this bill, and I look forward to its implementation. However, it is a little disappointing that it might not be ready until 2025; from today until then, there will continue to be a loss of days because there are just not enough jobs and programs for offenders to maintain their projected release dates. I am in support of this bill.

SENATOR HARRIS:

Senate Bill 413 addresses a complicated issue, but I hope you heard that we need to do something about the way the sentencing credits are calculated. Before you is an ingenious solution developed by Victoria Gonzalez in

consultation with Mr. Widmar. We have an opportunity now to flip this system into something that makes a bit more sense without rocking the boat.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 413 and open the work session with S.B. 72.

**SENATE BILL 72 (1st Reprint)**: Directs the Joint Interim Standing Committee on Education to conduct certain studies during the 2023-2024 interim. (BDR S-441)

MR. THORLEY:

Senate Bill 72 was presented in this Committee on May 26, 2023, by Senator Roberta Lange. It directs the Joint Interim Standing Committee on Education to conduct five separate studies on topics listed in the bill over the 2023-2024 Interim. Testimony indicated that these five separate studies were more of an agenda or direction for the Interim Committee workload and not necessarily related to hiring outside contractors or appointing additional committees to create subcommittees to do additional work.

There is no fiscal impact as a result of this bill. There was no testimony in support, opposition or neutral and no additional amendments. If the Committee wishes to move this bill, an appropriate action would be to do pass.

SENATOR CANNIZZARO MOVED TO DO PASS AS AMENDED S.B. 72.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND TITUS VOTED NO.)

\* \* \* \* \*

MS. CROCKET:

The next bill for work session is S.B. 246.

**SENATE BILL 246 (1st Reprint)**: Revises provisions relating to governmental administration. (BDR S-1028)

This bill was heard in Committee on May 23, 2023, and presented by Senator Dina Neal. The bill revises the city charters of the City of Las Vegas and the City of North Las Vegas to require each city to establish a workforce development program. This program should coordinate with all applicable agencies that provide workforce development services to reduce the rate of unemployment in all areas with a high rate of poverty. In addition, the bill requires the cities to include information about the program on websites, at public buildings and in utility bills for city-owned or city-operated public utilities.

Additionally, the bill makes a General Fund appropriation of \$5 million to the Southern Nevada Enterprise Community Board for the purposes of carrying out the Southern Nevada Enterprise Community Improvement Project. Senator Neal provided a conceptual amendment ([Exhibit F](#)) that would amend section 3.2, subsection 1, paragraph (b) to specify that the Charter Committee should meet quarterly.

The amendment would also delete section 4, which would eliminate the \$5 million General Fund appropriation, thus eliminating the State fiscal impact of the bill. The City of Las Vegas and the City of North Las Vegas did submit fiscal notes.

There was no comment in support, while the City of North Las Vegas and the Nevada League of Cities and Municipalities provided testimony in opposition to the bill. There was no commentary in neutral. If the Committee wishes to act on the bill, the motion would be to amend and do pass with Senator Neal's conceptual amendment.

SENATOR NEAL:

The City of North Las Vegas had a fiscal note to have staff for the workforce piece. The City website says it works with a variety of federal, State and local partners for the workforce. It also works with workforce development; the Nevada Department of Employment, Training and Rehabilitation; and the College of Southern Nevada, Division of Workforce & Economic Development. The City also does a customized training program.

The only codification in this bill is ensuring that we prioritize poor communities and give equal treatment to all groups that participate in the program. Regarding the opposition to the bill related to the Charter Committee, I reviewed the prior hearings on S.B. 184.

**SENATE BILL 184 (1st Reprint)**: Revises the Charter of the City of North Las Vegas. (BDR S-5)

I did not take any of Senator Spearman's language from that bill, but I allowed the Charter Committee to meet and give it some protection to meet. I looked at the opposition from the mayors' group letter basically stating that they wanted to run it through the Charter Committee, as this bill does.

I also read through the opposition letter from Las Vegas City Councilman Cedric Crear, who said he wanted to run it through the Charter Committee. I read the newspaper article where Governor Joe Lombardo said he would veto S.B. 184 because he wanted it to run through the Charter Committee.

The only language I adopted from S.B. 184 was to allow the Charter Committee to meet. None of the other language is in here. It just establishes that the Charter Committee can meet. If there are concerns or issues related to them meeting, the Charter Committee can seek or tell the Joint Interim Standing Committee on Government Affairs about those issues. It also enables the Charter Committee to bring a violation for any abuse of power limiting its ability. In S.B. 246, I also require that the City Clerk follow the law.

I want all this on the record because the opposition was that I am somehow doing something outside of what was stated. Provisions in this bill are protecting the Charter Committee, allowing them to meet and allowing the citizens of those cities to decide what issues they would like to bring forward to the Legislature.

SENATOR CANNIZZARO MOVED TO AMEND AND DO PASS AS AMENDED, S.B. 246 ALLOWING THE CHARTER COMMITTEE TO MEET AND BRING A VIOLATION FOR ANY ABUSE OF POWER LIMITING ITS ABILITY.

SENATOR NGUYEN SECONDED THE MOTION.

SENATOR GOICOECHEA:

I did not see the conceptual amendment, Exhibit F. I am wondering if section 3.4, subsection 4 is deleted where it says the City Council and City Manager "shall not threaten, coerce or harass or conspire to threaten, coerce or harass the City Clerk to violate any provision of law."

SENATOR NEAL:

No, I did not delete that. The reason I did not delete the abuse of power provision is because it is super important. Right after I had this hearing, I was attacked in the newspaper, and that abuse of power is a real thing related to this particular jurisdiction. I feel strongly because they are openly attacking me, and I have only done policy to serve the citizens of North Las Vegas. This particular provision has to protect regular citizens who do not sit in my position as a Senator. If they attack me, what do they do to a regular person who just has an address?

THE MOTION CARRIED. (SENATORS GOICOECHEA AND TITUS VOTED NO.)

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CHAIR DONDERO LOOP:

We will continue in work session with S.B. 450.

**SENATE BILL 450**: Establishes a program for the relocation of persons residing in the Windsor Park neighborhood of the City of North Las Vegas. (BDR S-794)

MR. THORLEY:

This bill was heard in Committee on May 12, 2023, and presented by Senator Neal. It establishes a program for the relocation of persons residing in the Windsor Park neighborhood in the City of North Las Vegas. A conceptual amendment ([Exhibit G](#)) was submitted by Senator Neal. I will just touch on the parts of that amendment with a fiscal impact on the State.

On page 2 of the conceptual amendment, [Exhibit G](#), number 9 amends section 11 of the bill to remove \$10 million and replace it with \$12 million. This would require the City of North Las Vegas to pay back \$12 million out of its monthly Consolidated Tax Distribution (CTX) by the Nevada Department of Taxation to the State for the relocation of Windsor Park residents. The payment would be made over a period of four years to the Department until paid off. That works out to \$250,000 per month for 48 months which the City of North Las Vegas would be required to pay. During that time, it would not receive the monthly CTX from the Nevada Department of Taxation.



Number 10 on the conceptual amendment, [Exhibit G](#), amends section 11 of the bill to add a new section adding \$25 million in American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds to fund the provisions of this bill. The total cost would be \$25 million in ARPA funds, and \$12 million from the City of North Las Vegas paid through withholding from its CTX.

SENATOR TITUS:

I am sympathetic to the whole situation, and it is truly a disaster. Some of the Windsor Park houses have been sold and I am concerned about those folks potentially cashing in on a pretty good deal from the U.S. Government. Conceptual amendment number 5 says those folks would not be entitled to this money. It says "original residents" only, so how would this work for those that have been sold in the last year or two?

SENATOR NEAL:

The original bill said the Housing Division of the Nevada Department of Business and Industry would have to arrange special financing. Section 9, subsection 5, paragraph (a) outlines what is basically a swap. The folks with a mortgage who were duped into purchasing these homes would continue paying that mortgage. The Housing Division would pay off that existing mortgage and reissue a mortgage to the homeowners and have them continue to pay the amount that is in their original mortgage, but it would be a different set up. That is the provision in the original bill.

The piece in section 9, subsection 5 addresses the relocation, which includes providing proof you are a legitimate resident who lives in your house. I added this because, since this bill came out, I received a call from a realtor who claimed to own a lot not in his or her name. The realtor asked if there would be any sales of the lots, so this person sought to cash in on what was perceived to be a City deal. That is why we needed to specify that you have to have proof that you are an original resident, either because you are a descendant who is living on that property, or you are there by a will, trust or whatever establishes that you have a right to live there. That is also why I excluded corporate owners from this remedy unless it is a family trust. I do know that some of the homes are still owned by a family trust with a family member still living in the property.

SENATOR TITUS:

Thank you for that clarification.

SENATOR GOICOECHEA:

That is my concern, too, that somebody came in during the last few years and bought a house or houses for next to nothing, and now they will be able to cash in. I assume that by the way you have the bill drafted and amended, those people would not qualify?

SENATOR NEAL:

For a corporate owner from a corporation that is not a family trust, the remedy does not apply. For a homeowner who bought one of these homes that should not have been sold, we will create a new mortgage in a different house. These owners will continue to pay a mortgage.

To get these people out of a property that basically is falling down around them, we need to move those Latino families, but their next house will be encumbered with a mortgage from the Housing Division. They are not walking away free and clear.

They will continue to pay their mortgage and then pay off that mortgage for however many more years they have left on their original mortgage.

SENATOR GOICOECHEA:

If a buyer is paying the mortgage on a house purchased in the last five years for \$80,000, yet the new home has a value of \$400,000, since the mortgage from the lower-priced home is being transferred to the more expensive home, this homeowner will be paying less than 30 percent of the actual cost of the new home. How will that work?

SENATOR NEAL:

First of all, you can only have a mortgage based on the going rate of the houses in the area. That is why I have been clear about them being close to their current area so the value and appraisal value are comparable.

We are not talking about moving them to a neighborhood where the homes average around \$500,000. We are talking about keeping them in the same census area and then moving them as a census group. We are dealing with the fact that the home should not have been sold to them in the first place, but it was no fault of the buyers.

In our community meetings, we heard stories of realtors openly lying when they saw cracks or defects in a property, telling prospective buyers that they would be able to contact their homeowner's insurance to have those things repaired. When the buyers contacted their insurance, they were told that the damage was not covered.

We have spoken to the Latino residents, and this is what they told us. They also did not know those houses were not supposed to be sold to them. As a State, we need to care about the fact that they were duped. They happened to fall into this community that had been sinking for more than 30 years.

Now we are trying to figure out what the remedy is, which is no different than what the City of North Las Vegas attempted to do back in 1992. The only difference is that in 1992 and 1994 when they poorly constructed the 45 new homes, they prevented the owners from continuing to pass wealth down to their families. This is why I am having the State Housing Division be in control this time to ensure the houses are properly constructed. This way, we will also have more control and oversight of this developer, avoiding a second round of poorly constructed homes that continue to perpetuate the problem.

Provisions in S.B. 450 ensure a portion of the restitution payments come from Fannie Mae dollars—which the City says represents \$2.7 million—go to the families for their homes, new home insurance and new tax payments. We give them that buffer. After that, they have to set aside a portion of that money to take care of home insurance and new tax payments for which they are responsible.

Since 1998, the Fannie Mae general obligation bond at the City of North Las Vegas was supposed to have been generating \$300,000 a year for these families. The bill language acknowledges other money that can assist these families. I spent time tracking down the money and budgets to put that on the record with the Senate Committee on Revenue and Economic Development around where this money is—and how much is being generated every year from the four million general obligation bonds purchased by Fannie Mae for the specific relocation of these families.

SENATOR GOICOECHEA:

Thank you for that. I am still trying to figure it out. I see the 45 homes and \$10,000 cash restitution as probably reasonable.

SENATOR NEAL:

It is important to note that the only money I am using in section 9, subsection 4 of the bill is related to the relocation or the Community Development Block Grant dollars. The original federal language that I researched and found said the money could be used for the rehabilitation of property or relocation. So, knowing that there is "\$2.7 million left over," according to the City, I am not clear on how much is generated from the Fannie Mae dollars because it is supposed to generate every year.

I understand the bond has not been extinguished and am tacking that on here because residual money from the first \$14 million should have been applied. I am now making it apply to these families who said that paint was peeling within a year of moving in, and their tub paint was peeling within a year of moving into these 45 new homes. They also said the homes were poorly constructed, and the set-aside caused their homes and doors to face each other rather than face out.

SENATOR SEEVERS GANSERT:

One of the problems with the first go-around to relocate folks is that it was an opt-in. Is this now an opt-in or are they required to participate? How do you ensure there is finality to clearing the neighborhood and relocating them into better homes?

SENATOR NEAL:

This is an opt-in; it is voluntary. We have worked with the residents and the majority of them are on board. I have not encountered a resident who did not want to move. They like the fact that they would move as a census group because they are a community and would not be broken apart.

Our last person to opt in, Annie Walker, has lived there since the 1960s and is now 86 years old. She has decided that she will go forward with the community because her daughter still lives with her, and she wants her daughter to have a home she can live in that will not flood when it rains.

SENATOR SEEVERS GANSERT:

Will we get intermittent reports to the Interim Finance Committee?

SENATOR NEAL:

I believe I had that in the bill; if not, I will ensure intermittent reporting from the Housing Division because I definitely want to stay on top of this every step of the way.

SENATOR GOICOECHEA:

Will this be the end?

SENATOR NEAL:

The plan is for this to be the final piece because it will now be managed by the State. I trust the Housing Division to fully do the right thing and to work within the dollars. It also will seek any additional federal funding that may be available for these families.

Since the original hearing of S.B. 450 in this Committee, I have not received any information that the City of North Las Vegas has accrued any federal dollars. I did check into what U.S. Congressman Steven Horsford talked about that would only be about \$770,000. The bill still allows the City to participate and cooperate with the Housing Division. If it finds federal money, then that is gravy on top to do the restitution payments and more. The bulk of these monies will be used for buying the land, building the houses and relocating these families.

SENATOR GOICOECHEA:

If the City of North Las Vegas and the State Housing Division come up with some federal money, could they use that to help offset the \$12 million repayment?

SENATOR NEAL:

They could offset it, but I feel it is slim. The City has had 30 years of opportunity and 12 years since I have been in office. It is in the City's court for this narrative of "looking for federal dollars" to come to fruition.

SENATOR CANNIZZARO MOVED TO AMEND AND DO PASS AS AMENDED S.B. 450.

SENATOR NGUYEN SECONDED THE MOTION.

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SENATOR TITUS:

I am voting to get this out of Committee. This does need to be resolved. I am worried about the \$12 million to the City of North Las Vegas; however, it is truly time we get this resolved. I will reserve my right to change my vote on the Senate Floor.

SENATOR GOICOECHEA:  
Ditto.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

Seeing no more business, the Senate Committee on Finance is adjourned at 3:41 p.m.

RESPECTFULLY SUBMITTED:

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Linda Hiller,  
Committee Secretary

APPROVED BY:

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Senator Marilyn Dondero Loop, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Introduced on Minute Report Page No.</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	1		Attendance Roster
S.B. 225	C	6	Senator Dallas Harris	Proposed Conceptual Amendment
S.B. 342	D	18	Mike Teglas, DVM	Letter of Support from USU President
S.B. 413	E	21	Senator Dallas Harris	Proposed Amendment 3704
S.B. 246	F	30	Cathy Crocket, Fiscal Analyst	Conceptual Amendment from Senator Dina Neal
S.B. 450	G	32	Wayne Thorley, Fiscal Analyst	Conceptual Amendment from Senator Dina Neal