NEVADA ASSOCIATION OF COUNTIES (NACO)
Board of Directors’ Meeting
February 25, 2022, 9:30am
NACO Conference Room
304 S. Minnesota Street
Carson City, NV 89703

NOTICE TO THE PUBLIC:
The public may provide public comment in advance of a meeting by written submission to the following email address: info@nvnaco.org For inclusion or reference in the minutes of the meeting, your public comment must include your full name and be submitted via email by not later than 3:00 p.m. the day before the meeting.

The public may also join the meeting via telephone and provide verbal public comment during designated times by calling: (669) 900-9128 Meeting ID: 820 2890 0384 Passcode: 056357

AGENDA
Some NACO Board members may attend via remote technology from other locations. Items on the agenda may be taken out of order. The NACO Board may combine two or more agenda items for consideration. The NACO Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Call to Order, Roll Call and Pledge of Allegiance

1. Public Comment. Please Limit Comments to 3 Minutes.

2. Approval of Agenda. **For Possible Action.**

3. NACO President’s Report.

4. NACO Executive Director’s Report.

5. Approval of Minutes of the January 28, 2022, NACO Board of Directors Meeting. **For Possible Action**

6. Presentation and Update on the Nevada Sustainable Transportation Funding Advisory Working Group, by Sondra Rosenberg, Assistant Director of Planning, Nevada Department of Transportation.

7. Review and Discussion of Senate Bill (SB) 390, Including, but not Limited to Local Needs Assessments for the Expenditure of Opioid Settlement Dollars Received Under the “One Nevada” Plan.

8. Discussion and Approval of Closing NACO’s Money Market Account at Wells Fargo; Transferring a Portion of Funds into a Newly Established Money Market Account at Nevada State Bank; and Transferring an Approved Amount of Funds into NACO’s Investment Accounts with Moreton Asset Management. **For Possible Action**
9. Presentation and Approval of NACO's October, November and December 2021 Financials. 
   **For Possible Action.**

10. Presentation Regarding the Creation of a Rural Regional Health District, by Shannon Ernst, 
    Director of Social Services, Churchill County and Marena Works, Office of Statewide 
    Initiatives, UNR School of Medicine.

11. **Update and Possible Action.** Regarding Public Lands and Natural Resources Issues 
    Affecting Counties Including: 
    a. Updates from the NACO Public Lands and Natural Resources Subcommittee.

12. NACO Legislative Committee Update.

13. NACO Committee of the Emeritus Update.

14. Updates from Members on the National Association of Counties Board, Western Interstate 
    Region Board, and Individual Counties.

15. Public Comment. Please Limit Comments to 3 Minutes.

Adjournment.

Members of the public who are disabled and require special accommodations or assistance at the 
meeting are requested to notify NACO in writing at 304 S. Minnesota Street, Carson City, NV 89703, 
or by calling (775) 883-7863 at least three working days prior to the meeting.

Members of the public can request copies of the supporting material for the meeting by contacting 
Amanda Evans at (775) 883-7863. Supporting material will be available at the NACO office and on 
the NACO website at: www.nvnaco.org

*This agenda was posted at the following locations:*
NACO Office 304 S. Minnesota Street, Carson City, NV 89703
Washoe County Admin. Building 1001 E. Ninth Street, Reno, NV 89520
Elko County Manager’s Office 540 Court Street #101, Elko NV 89801
POOL/PACT 201 S. Roop Street, Carson City, NV 89701
Jennifer began working for NACO in February 2022 as the Government Affairs Manager. She has a decade of experience in state and federal government affairs and policy. Jennifer served on the staff of two United States Senators specializing in healthcare, appropriations, Nevada land and water use, budget, and education issues. Most recently she was the legislative coordinator at Florida Housing Finance Corporation. Jennifer is a graduate of the University of Nevada, Las Vegas and Florida State University.
NEVADA ASSOCIATION OF COUNTIES (NACO)

Board of Directors’ Meeting
January 28, 2022, 9:30am
NACO Conference Room
304 S. Minnesota Street
Carson City, NV 89703

UNADOPTED MINUTES

Attendance: President Kirkpatrick, President Elect Lucey, Vice President Higbee, Past President French, Carson City Supervisor Giomi, Churchill County Commissioner Olsen, Clark County Commissioner Gibson, Douglas County Commissioner Tarkanian, Elko County Commissioner Andreozzi, Esmeralda County Commissioner Keyes, Eureka County Commissioner Goicoechea, Lyon County Commissioner Henderson (Alternate), Mineral County Commissioner Hall, Nye County Commissioner Strickland, Pershing County Commissioner Shank, Storey County Commissioner Carmona, Washoe County Commissioner Hartung, White Pine County Commissioner Carson, NACO Fiscal Officer Kalt and NACO Staff (Vinson Guthreau and Amanda Evans)

The meeting was called to order at 9:35 am.

1. **Public Comment.** None was given.

2. **Approval of Agenda.** The agenda was approved on a motion by Commissioner Hartung with second by Supervisor Giomi.

3. **Investiture of 2022 NACO Officers.** Nevada Supreme Court Justice James Hardesty swore in Carson City Supervisor Giomi as Vice President, Vice President Higbee (Lincoln County) as President Elect and President Elect Bob Lucey (Washoe County) as President.

4. **NACO President’s Report.** President Lucey stated that he is honored to be the 2022 NACO President and part of the leadership team and welcomed new Board members Commissioner’s Carmona and Tarkanian. He thanked Past President Kirkpatrick for her leadership of NACO in 2021 and remarked on her mentorship. President Lucey then appointed President Elect Higbee and Commissioner French to continue their positions as Chair and Vice Chair of the Public Lands and Natural Resources Subcommittee.

5. **NACO Executive Director’s Report.** Vinson congratulated the newly installed officers and also welcomed the new members to the Board, highlighting the Public Lands and Natural Resources and Legislative Subcommittees for Commissioner’s Carmona and Tarkanian. Vinson then informed the Board that he had filled two of the Association’s open positions. Jennifer Berthiaume, scheduled to start February 1 as the Government Affairs Manager, will be based in Las Vegas and Vinson noted that he is looking forward to having a more statewide approach with her in the southern part of the State. Taylor Allison, scheduled to start on March 1 will fill the Public Health Coordinator position. Vinson reminded the Board that the position is being funded by a subgrant from the State and Taylor will focus on supporting rural counties and coordinating with the urban counties. Vinson thanked Commissioner Andreozzi and Carson City Human Services Director Nikki Acker for their assistance in the search and interview process for the position. Commissioner Andreozzi noted that the addition of Ms. Allison is greatly beneficial for NACO and urged the Board to
support her as she develops a plan of operation to help bridge the gaps in the public health arena across the State.

6. **Approval of Minutes of the December 17, 2021, NACO Board of Directors Meeting.** The minutes were approved on a motion by Commissioner French with second by President Elect Higbee.

7. **Presentation from Senior Legislative Staff of United States Senator Cortez Masto regarding Community Project Funding and the Federal Appropriations Process, Kurt Lynch, Legislative Assistant and Appropriations Director, Senator Catherine Cortez Masto.** Mr. Lynch explained that the funding opportunities included in his presentation are outside the normal federal grant’s and have a different application process, essentially that opportunities being discussed are direct funding through the appropriations process. Specifically, that Congressional Subcommittees have specific accounts through which counties can request funds directly through Delegation offices in a streamlined process. He then gave a high-level overview of the Subcommittees that hold the accounts and the types of projects that can be funded. Mr. Lynch concluded his presentation with tips on how to submit effective applications. Past President Kirkpatrick noted that it is difficult to find grant writers and inquired as to if there are options within the funding to hire them through the administration allotment. Mr. Lynch reiterated that this process is less onerous than the traditional grant process. Trevor Dean, a Senior Policy Advisor in the Senator’s office, noted that the Senator’s office has been discussing ideas for grant writing assistance with NSHE, economic development authorities and the State Grant Office on ways to find a pool of grant writers. He also noted that the Senator’s staff is available for technical assistance. Mr. Dean also encouraged the consideration of submitting projects that are in process or nearly complete to offset budget impacts. Past President Kirkpatrick discussed the creation of a working group with the Senator’s office to address rural transportation needs, specifically noting undrivable roads are a public safety issue. Mr. Dean responded by noting additional grant funding available in the newly passed Infrastructure Law. He also discussed reduced match requirements and technical assistance being made available for rural areas based on population caps and percentages of public lands. Commissioner Hartung noted that government often over complicates simple things with complex rules and discussed issues with being able to effectively spend the funding within a fiscal year. The Senator’s staff responded by reiterating the consideration of submitting projects that are in process or nearly complete to offset the projects budget impacts. Past President Kirkpatrick also noted that the smaller counties can do more with less money than the larger more urban counties and stressed the idea that no money should be left on the table when it can be utilized effectively regardless of the size of the county. President Lucey discussed the fact that installing new roads in the rural counties and water projects can take multiple years to complete due to the planning process and inquired as to if projects have been submitted in stages. Mr. Lynch stated that yes, projects have been submitted in stages or in parts to different Subcommittees based upon where the most effective funding was available and gave an example of awards given to Carson City. Jennifer Crowe, the Senator’s Northern Nevada Director reiterated that their office is available to talk through ideas and projects to maximize not only existing funding but increase the odds of approval for federal funding. Commissioner Strickland noted that Ms. Crowe had been very helpful with funding projects in Nye County. Vice President Giomi noted that Carson City’s expected funding had not been fully approved through the appropriations and gave an overview of the process they went through in requesting the funds, specifically noting, projects that are submitted with funding already in place or expended receive higher consideration in the process, reiterating that the programs being discussed are essentially ‘earmark’ funds and different and separate from regular grants.
8. **Review and Discussion of NACO’s 2022 Federal Priorities.** President Lucey discussed the upcoming National Legislative Conference and Vinson then referred to the document included in the agenda packet. He discussed the review process of the document and highlighted the changes and additions to the previously approved Federal Priorities. He informed the Board that the Public Lands and Natural Resources Subcommittee had discussed the document and suggested the addition of inclusion of language that acknowledges the support received by the Delegation and the need to be included in consultation on the 30x30 Rule that the Board had previously voted to officially oppose. Vinson then noted that it is customary to not make expansive changes to the Federal Priorities submitted at the start of a Congressional Session. The Federal priorities were approved with the suggested additions on a motion by Vice President Giomi with second by Commissioner French.

9. **Discussion and Approval of By-Laws of Newly Established Nevada Association of Counties Committee of County Managers and Administrators.** Vinson informed the Board that the Committee is something that he had been interested in forming for some time and that its purpose would help further the goals of NACO to support counties, noting that growth experienced in the past few years has impacted the way counties are conducting business and providing services. He also noted that the Committee would allow administrative consultation and coordination. Vinson also informed the Board that he had reached out to members of the Board and County Managers in the development of the By-Laws. President Lucey stated that he was excited about the new Committee and that it would further allow for connectivity across the state and encourage shared resources. Commissioner Henderson stated that it is a great idea and long overdue, however, he had issue with the language regarding the Chair, noting that some counties don’t have County Managers and that in years where the Association President’s County does not have one that the Chair be selected by the Committee. Vinson thanked the Commissioner for his suggestion and noted that the document was brought to the Board of exactly this type of feedback. The By-Laws were approved with the inclusion of Commissioner Henderson’s requested change, on a motion by Commissioner Hartung with second by Commissioner Carson. Commissioner Carson noted that the Committee is a wonderful idea and will be of significant help to White Pine County’s first ever County Manager who would be starting on February 2nd.

10. **Approval of NACO’s Investment Reports for December 2021.** Vinson referred to the reports included in the agenda packet, reminding the Board that they are brought to them for approval at the minimum on a quarterly basis, but efforts are made to bring them monthly for review. He also reminded the Board that Moreton Asset Management also provides the Board an annual review, which was conducted in September during the Annual Business Meeting. The investment reports were approved on a motion by President Elect Higbee with second by Vice President Giomi.

11. **Discussion and Possible Ratification of Commissioner Miller to Replace Commissioner Naft as an Appointment by the Governor for NACO’s Seat on the Nevada Commission on Nuclear Projects.** Vinson reminded the Board that the appointment has traditionally been a Clark County representative due to the impacts within the jurisdiction. He informed the Board that Commissioner Naft had requested that Commissioner Miller replace him on the Commission. Commissioner Miller’s appointment was approved on a motion by Commissioner Gibson with second by Commissioner French.
12. Discussion and Approval to Replace NACO’s Executive Director on the Nevada Executive Committee on Traffic Safety. Vinson referred to the backup included in the agenda packet and informed the Board that one of the main tasks of the Committee is to approve the State’s Highway Safety Plan. He also informed the Board that NACO is specifically called out in the Legislation that created the Committee and that he has served as the Association’s representative since the formation. He informed the Board that Clark County had recently created an Office of Traffic Safety, the first at the local level and brought Andrew Bennett on staff to fill the role, noting that Mr. Bennett previously served as the State’s Director of Traffic Safety and was recently named the Chair by the Committee. Vinson also noted that Mr. Bennett leads the Zero Fatalities campaign and that he will bring a valuable county voice as the Board’s representative to the Committee. Mr. Bennett stated that it would be an honor to continue to serve as the Chair of the Committee as the official representative of NACO. Commissioner Gibson stated that Clark County is thrilled to have Mr. Bennett on staff and that having him as the Association’s representative is a wonderful idea. Mr. Bennett’s appointment was approved on a motion by Commissioner Gibson with second by Commissioner French.

13. Update and Possible Action. Regarding Public Lands and Natural Resources Issues Affecting Counties Including:

   a. **Updates from the NACO Public Lands and Natural Resources Subcommittee.** Chair Higbee turned over the update to Mr. Jeremy Drew from Resource Concepts Inc., who is currently contracted to provide support to NACO in the absence of a staff Natural Resources Manager. Mr. Drew informed the Board that the bulk of the Subcommittee’s discussion was on the comment letters that would be discussed under sub-items c and d. He informed the Board that Vinson had also discussed legislative talking points for meetings being planned with the Federal Delegation.

   b. **Discussion and Possible Approval of NACO’s appointment to the Nevada Advisory Board on Outdoor Recreation.** Vinson reminded the Board that this item was brought to them in December, and it was decided to send the item to the Subcommittee for discussion prior to making a decision. He informed the Board that Elko County Natural Resources Manager, Curtis Moore, Commissioner Hall, and Commissioner French had all expressed interest in filling the position, noting that the Subcommittee had concluded that all three individuals are qualified to fill the position and supported them being put forth to the Governor for consideration. Vice President Giomi stated that two of the nominees are elected officials and members of the NACO Board and that he would prefer to see a Commissioner on that Board. Vinson gave the Board an overview of the appointment process, noting that three names must be put forth for the Governor’s consideration, but that preference can be included in the nomination letter. Commissioner Hartung then suggested ranking the nominees with Commissioner French in first position followed by Commissioner Hall then Mr. Moore. President Lucey acknowledged Commissioner French’s commitment to the Board and subject matter knowledge but noted that Commissioner Hall is also very engaged, knowledgeable, and comes from a unique geographical position in the center of the state with substantial amounts of recreational use. It was then suggested that all three be put forth with the letter including the Board’s preference for the appointment of an elected commissioner vs. an appointed staff member. The item was approved as suggested on a motion by Commissioner Hartung with second by Vice President Giomi.

   c. **Discussion and Possible Approval of Comment Letter on Federal Rulemaking for the Waters of the United States (WOTUS).** Mr. Drew referred to the letter in the agenda packet, noting that it was based on previously submitted comments and
Board action. He then informed the Board that Eureka County had submitted suggested revisions that were discussed and approved at the Subcommittee meeting earlier in the morning, specifically noting the suggestion that the rule making be postponed until a case being considered by the Supreme Court was settled. He also informed the Board that the case was not announced until after the letter was included in the agenda distribution. President Lucey inquired as to when the case was on the docket. Mr. Drew stated that it was not currently assigned and that the retirement of Justice Breyer could delay the process. The comment letter was approved as suggested by the Subcommittee on a motion by Commissioner French with second by Commissioner Hartung.

d. **Discussion and Possible Approval of Comment Letter on Greater – Sage Grouse Land Use Planning Amendment.** Mr. Drew again brought the Boards attention to the letter included in the agenda packet, noting that the comments were again based on previous comments submitted. He discussed specific items included within the Subcommittees review, specifically the need to identify important topical areas and thanked Eureka County and their legal counsel Laura Granier for their input. He also discussed the inclusion of language questioning why the BLM isn’t implementing their 2020 plan and the need to consider more current data, including the NEAP project completed by UNR with coordination and cooperation of the Agency. Commissioner Hartung noted that the letter contained language regarding wild horse and burro impacts but didn’t address predation by Ravens. Commissioner French noted that predation had been discussed in previous comments which would be included as attachments to the letter. Mr. Drew suggested the inclusion of a bullet point addressing that specific predation issue but noted that the BLM doesn’t have authority over the protected species. He also noted that existing USGS science includes a nexus that poor habitat increases predation. Commissioner French gave an overview of previous comments submitted and how the issue was covered. Commissioner Goicoechea noted that scoping process discussions had included the issue of predation and purview is an issue, noting that it is suggested that FWS conduct a population analysis through NEPA. The letter was approved with the inclusion of a predation bullet point on a motion by Commissioner Goicoechea with second by President Elect Higbee.

14. **NACO Committee of the Emeritus Update.** Vinson informed the Board that work is being done on the Committee’s first interim workshop on the Infrastructure Bill, planned for early March and that the Committee had approved the idea of Associate Members sponsoring the workshops.

15. **Updates from Members on the National Association of Counties Board, Western Interstate Region Board, and Individual Counties.** President Elect Higbee informed the Board that he had missed the last Board meeting due to an injury. Past President Kirkpatrick informed the board that she is continuing work on obtaining workforce development dollars. Commissioner French had no new items from the WIR Board. Updates were given by Commissioners on activities within their counties.

16. **Public Comment.** None was given.

The meeting was adjourned at 11:33 am.
Funding Transportation & Infrastructure for the Next Generation
Nevada Sustainable Transportation Funding Study

Sondra Rosenberg, Assistant Director
NV Department of Transportation
Agenda

1. Nevada’s Transportation Funding Situation
2. Sustainable Transportation Funding Study & Advisory Working Group
3. Guiding Revenue Principles
4. Next Steps for the Advisory Working Group
Nevada’s growing population and broader inflation in construction costs are straining the existing system.

**Population Growth**
- Nevada Population Increase, 2010 - 2020: 15%
- US Population Increase 2010 - 2020: 7%

**US Construction Costs**
- Increase Jan. 2020 - Oct. 2021: 15%

**Vehicle Miles Traveled**
- US Increase 2010 - 2020: 11%
- Statewide Increase 2010 - 2020: 34%

**Source: US Census Bureau, ACS**

**Source: FRED Economic Data, 2021**
The gas tax remains the largest single source of transportation funding in Nevada.

*Bond proceeds not included because they are not “revenues collected”*
Counties are also heavily reliant on gas tax revenue.

Transportation Revenue Sources – Counties

39% Fuel Taxes
Mandatory and optional county gas taxes; Inflation indexes on gas tax and special fuels tax (Clark and Washoe); and Alternative Fuels taxes

43% Taxes on Vehicles and Drivers
County taxes, licenses and fees on motor vehicles, primarily the county portion of the governmental services tax

9%* All Other Taxes and Fees
Impact fees, sales tax, etc.

Based on 2019 Data
Transportation revenue is not keeping pace with the system costs and demands.

State and federal gas tax rates have not been increased since the early 1990’s.
A new generation of drivers, vehicles, technologies, and fuel sources has arrived. A next-generation funding method is needed to pay for the roads.

The erosion in gas tax revenue will accelerate as more vehicles use less gasoline (or no gas at all).
Formation and workplan

Sustainable Transportation Funding Study & Advisory Working Group
Legislature directed NDOT to conduct an in-depth study of sustainable transportation funding.

- Assembly Bill 413 (2021) directs the Nevada DOT to convene an Advisory Working Group (AWG) to study transportation needs of the state and recommend sustainable funding options.

- The momentum behind this AWG traces to SCR3 from 2019, which directed a study on transportation funding and electric vehicles.
Legislative study:

- An examination of the financial sustainability of the State Highway Fund must be undertaken and the recommendations must be included in the final report due to the Legislature by December 31, 2022. This must include an assessment of at least two alternative transportation funding approaches that have been identified.

- Consistent with AB 413, new approaches to multimodal transportation funding for all users must take into account the need to improve social equity, user equity, and reduce GHG emissions. Finally, the role that land use and smart growth strategies can play must be considered.
Advisory Working Group Membership: 29 members

Organizations and Expertise Identified in AB 413:

- Metropolitan planning organizations;
- Environmental agencies and organizations;
- Clean energy;
- Tax policy expertise;
- Local, county, tribal, state and federal agencies with expertise in transportation and clean energy;
- The Chairs of the Nevada Senate and Assembly Standing Committees on Growth and Infrastructure;
- Organized labor;
- Local chambers of commerce;
- The Nevada Resort Association;
- Entities that represent or promote the interests of minority groups in Nevada.
Meeting schedule & objectives

Each AWG meeting has an overall objective, with specific agenda items and outcomes to support that objective and reach key project milestones.
Advisory Working Group's
Transportation Revenue Guiding Principles and Options
AWG's Transportation Revenue Guiding Principles

What are they and how were they determined?

- Aspirational outcomes
- Serve as a “ruler” to measure how different funding mechanisms perform (i.e., the degree to which the revenue mechanisms can achieve the desired outcomes)
- AWG members crafted and unanimously adopted these in November 2021.
Guiding Principles for Future Transportation Revenue Sources

Alone or in combination, transportation revenue sources should be capable of:

**Financial Sustainability**: Yielding sufficient revenue that correlates with ongoing maintenance needs; and demand for future transportation needs, regardless of changes in population, vehicle technologies, ownership, travel patterns, fuel sources, or consumer spending.

**Sufficiency**: Generating sufficient revenue over targeted investment timeframes for existing and future transportation infrastructure needs.

**User Equity**: Recovering a proportionate share of the costs from those who use the transportation network.

**Social Equity**: Improving the distributional impact on historically underserved communities and low-income households.

**Flexibility**: Funding a wide range of transportation-related projects, programs, or priorities across various agencies to meet the needs of system users across all modes.

**Greenhouse Gas Emissions**: Aligning with state transportation GHG reduction goals.

**Transparency/ Efficiency and Ease of Compliance**: Simple to explain, with awareness of how funds are used, cost-effective, and readily administered at statewide and local levels.
Revenue mechanisms being analyzed:

**Fuel taxes**
1. Increase rate of flat per-gallon excise tax
2. Add inflation index to flat per-gallon excise tax rate
3. Add fuel efficiency index to flat per-gallon excise tax
4. Add sales tax based on price of fuel
5. Add variable-rate excise tax based on price of fuel

**Vehicle fees**
6. Increase basic license fee
7. Increase value-based rate of governmental services tax
8. Add fee based on vehicle weight
9. Add fee based on vehicle fuel economy rating
10. Add fee based on vehicle engine type
11. Add fee based on vehicle age

**Usage-based fees**

**Direct**
12. Add a distance-based charge for light-duty vehicles
13. Add a weight-distance-based charge for medium- and heavy-duty vehicles

**Indirect**
14. Add a tax on batteries
15. Add a tax on tires
16. Add a tax on EV electricity consumed

**Other**
17. Value added tax on goods movement
18. Parcel delivery fees
19. Ride-share surcharges
20. Cordon charges in urban areas
21. Carbon tax
22. Street utility fee
23. Payroll tax (as of 1/11/22)
24. Land use impact fees
25. General funds
Advisory Working Group and the Study

Next Steps
The AWG met on Tuesday, January 11 to review the analysis and begin narrowing the list of potential sustainable transportation revenue sources.
More information:

www.NVTransportationFuture.org  info@NVTransportationFuture.org
AN ACT relating to behavioral health; providing for the establishment of a suicide prevention and behavioral health crisis hotline; exempting a telecommunications provider from certain damages relating to the hotline; requiring the imposition of a surcharge on certain communications services to support the hotline; creating the Fund for a Resilient Nevada; requiring the Attorney General to deposit the proceeds of certain litigation into the Fund; authorizing the Department of Health and Human Services to use the money in the Fund for certain statewide projects and to award grants to various public and private entities to address the impact of opioid use disorder and other substance use disorders; prescribing certain procedures relating to the awarding of those grants; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:
Existing federal law establishes the National Suicide Prevention Lifeline program, including the establishment of a national suicide prevention and mental health crisis hotline that may be accessed by dialing the digits 9-8-8. (42 U.S.C. §§ 290bb-36c) Section 2 of this bill defines the term “National Suicide Prevention Lifeline program” to refer to that program. Section 3 of this bill requires the Division of Public and Behavioral Health of the Department of Health and Human Services to perform certain activities to support the implementation of a hotline for persons who are considering suicide or otherwise in a behavioral health crisis that may be accessed by dialing the digits 9-8-8. Specifically, section 3 requires the Division to: (1) establish at least one support center to answer calls to the hotline and coordinate the response to those calls; (2) encourage the establishment of or establish mobile crisis teams to respond to calls; and (3) perform certain other duties related to the hotline. Section 3 exempts telecommunications providers from certain damages relating to the hotline. Section 4 of this bill establishes operational requirements and duties for a support center. Those duties include coordinating and deploying necessary services for persons who access the hotline and providing follow-up services for such persons. Section 6 of this bill requires the Division to annually submit to the Legislature, the Commission on Behavioral Health and each regional behavioral health policy board a report concerning the usage of the hotline and the services provided to persons who access the hotline.

Existing federal law authorizes a state to impose a fee or charge on a commercial mobile communication service or an IP-enabled voice service to fund the operations of a suicide prevention and mental health crisis hotline established pursuant to the National Suicide Prevention Lifeline program. (47 U.S.C. § 251a) Section 5 of this bill requires the State Board of Health to adopt regulations to impose a surcharge on mobile communication services, IP-enabled voice services and landline telephone services. Section 5 requires the Division to deposit the proceeds from the surcharge into an account and use that money to support the operation of the hotline and the services provided to persons who access the
hotline. **Section 5** additionally authorizes the Division to accept gifts, grants and donations to support those activities. **Section 6** of this bill requires the Division to annually submit to the Legislature a report concerning the revenue generated by the surcharge and deposits and expenditures from the account.

Existing law: (1) creates the Fund for a Healthy Nevada; (2) requires the State Treasurer to deposit in the Fund the proceeds of litigation by the State against manufacturers of tobacco products; and (3) requires the Department of Health and Human Services, with the authorization of the Legislature, to allocate the money in the Fund for certain purposes to address the health needs of residents of this State. (NRS 439.620, 439.630) **Sections 7-9.9** of this bill similarly: (1) create the Fund for a Resilient Nevada Fund to hold the proceeds of certain litigation by the State concerning the manufacture, distribution, sale and marketing of opioids; and (2) provide for the use of that money for statewide projects and distribution as grants to regional, local and tribal governments and private sector organizations for projects that address the impacts of opioid use disorder and other substance use disorders. **Sections 7-7.6** of this bill define certain relevant terms. **Section 7.7** of this bill creates the Advisory Committee for a Resilient Nevada, which is made up of persons who are affected by or otherwise interested in issues relating to substance use disorder. **Section 7.8** of this bill prescribes procedural requirements governing the operation of the Advisory Committee. **Section 7.9** of this bill requires the Advisory Committee to submit to the Director of the Department a biennial report of recommendations concerning the allocation and distribution of money from the Fund. **Section 8** of this bill creates the Fund and requires the Director to administer the Fund. **Section 8** also prescribes certain requirements relating to the expenditure of money from the Fund, including requiring such expenditures to comply with the State Budget Act and other requirements concerning the expenditure of state money. **Section 10** of this bill authorizes the Interim Finance Committee to perform duties relating to the authorization of administrative expenses from the Fund during a regular session of the Legislature. **Section 9** of this bill requires the Department to: (1) conduct a statewide needs assessment to determine the priorities for allocating money from the Fund; and (2) based on that needs assessment, develop a statewide plan for allocating the money in the Fund. **Sections 9.5 and 9.6** of this bill prescribe specific requirements concerning the statewide needs assessment conducted pursuant to **section 9** and the statewide plan developed pursuant to that section, respectively. Specifically, **section 9.6** authorizes the statewide plan to provide for the allocation of money from the Fund to: (1) fund certain statewide projects to address the impact of opioid use disorder and other substance use disorders; and (2) provide grants to regional, local or tribal governments and private sector organizations whose work relates to opioid use disorder or other substance use disorders. **Section 10.3** of this bill exempts the statewide plan from the requirements of the Nevada Administrative Procedure Act. **Section 9.7** of this bill requires each regional, local or tribal governmental entity that wishes to apply for a grant of money from the Fund to conduct a needs assessment and develop a plan for the expenditure of the money, and **sections 9.8 and 9.9** of this bill prescribe requirements governing such a needs assessment and plan, respectively. **Section 9.7** also requires any regional, local or tribal governmental entity or private sector organization that receives a grant to annually submit to the Department a report concerning the use of that money. Additionally, if a regional, local or tribal governmental entity that receives a grant later receives its own recovery resulting from litigation relating to the manufacture, distribution, sale or marketing of opioids, **section 9.7** authorizes the Department to recover all or a portion of the grant money, not to exceed the amount of the recovery.
Section 11 of this bill requires any state agency that has previously received proceeds of litigation by the State concerning the manufacture, distribution, sale and marketing of opioids to transfer any uncommitted portion of those proceeds to the Director of the Department for deposit in the Fund.

EXPLANATION – Matter in **bolded italics** is new; matter between brackets [omitted material] is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 433 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9.9, inclusive, of this act.

Sec. 2. As used in sections 2 to 6, inclusive, of this act, unless the context otherwise requires, “National Suicide Prevention Lifeline program” means the National Suicide Prevention Lifeline program established by 42 U.S.C. § 290bb-36c.

Sec. 3. 1. The Division shall support the implementation of a hotline for persons who are considering suicide or otherwise in a behavioral health crisis that may be accessed by dialing the digits 9-8-8 by:

(a) Establishing at least one support center that meets the requirements of section 4 of this act to answer calls to the hotline and coordinate the response to persons who access the hotline;

(b) Encouraging the establishment of and, to the extent that money is available, establishing mobile crisis teams to provide community-based intervention, including, without limitation, de-escalation and stabilization, for persons who are considering suicide or otherwise in a behavioral health crisis and access the hotline;

(c) Participating in any collection of information by the Federal Government concerning the National Suicide Prevention Lifeline program;

(d) Collaborating with the National Suicide Prevention Lifeline program and the Veterans Crisis Line program established pursuant to 38 U.S.C. § 1720F(h) to ensure consistent messaging to the public about the hotline; and

(e) Adopting any regulations necessary to carry out the provisions of sections 2 to 6, inclusive, of this act, including, without limitation;

(1) Regulations establishing the qualifications of providers of services who are involved in responding to persons who are considering suicide or are otherwise in a behavioral health crisis and access the hotline;
(2) Any regulations necessary to allow for communication and sharing of information between persons and entities involved in responding to crises and emergencies in this State to facilitate the coordination of care for persons who are considering suicide or are otherwise in a behavioral health crisis and access the hotline; and

(3) Regulations defining the term “person professionally qualified in the field of behavioral health” for the purposes of this section.

2. A mobile crisis team established pursuant to paragraph (b) of subsection 1 must be:

   (a) A team based in the jurisdiction that it serves which includes persons professionally qualified in the field of behavioral health and providers of peer recovery support services;

   (b) A team established by a provider of emergency medical services that includes persons professionally qualified in the field of behavioral health and providers of peer recovery support services; or

   (c) A team established by a law enforcement agency that includes law enforcement officers, persons professionally qualified in the field of psychiatric mental health and providers of peer recovery support services.

3. A telecommunications provider and its employees, agents, subcontractors and suppliers are not liable for damages that directly or indirectly result from the installation, maintenance or provision of service in relation to the hotline implemented pursuant to this section, including, without limitation, the total or partial failure of any transmission to a support center, unless willful conduct or gross negligence is proven.

4. As used in this section, “peer recovery support services” means nonclinical supportive services that use lived experience in recovery from a substance use disorder or other behavioral health disorder to promote recovery in another person with a substance use disorder or other behavioral health disorder by advocating, mentoring, educating, offering hope and providing assistance in navigating systems.

Sec. 4. 1. Any support center established pursuant to section 3 of this act must:

   (a) Meet the requirements established for participation in the National Suicide Prevention Lifeline program including, without limitation, requirements established by the National Suicide Prevention Lifeline Program for serving lesbian, gay, bisexual, transgender and questioning persons, persons with substance use
disorders or persons with co-occurring disorders, Native Americans and other high-risk and specialized populations identified by the Substance Abuse and Mental Health Services Administration of the United States Health and Human Services. Such requirements include, without limitation, requirements for training staff to respond to callers who are members of specialized populations and transferring such callers to an appropriate specialized center or subnetwork.

(b) Use technology that is interoperable between systems for responding for crises and emergencies across this State, including, without limitation:

(1) Systems used to provide emergency 911 service;

(2) Systems used by providers of emergency medical services; and

(3) Registries of beds available for persons who require inpatient psychiatric treatment.

2. A support center shall:

(a) Enter into an agreement with the National Suicide Prevention Lifeline program to participate in the network of local crisis support centers established by that program;

(b) Implement the operational and clinical standards and best practices prescribed by the National Suicide Prevention Lifeline program for a local crisis support center;

(c) Share information with other persons and entities in this State responsible for providing services to persons in a behavioral health crisis to facilitate performance of the duties described in paragraph (d);

(d) Coordinate and deploy necessary services, including, without limitation, crisis stabilization services and mobile crisis teams, for persons who are considering suicide or otherwise in a behavioral health crisis and access the hotline established pursuant to section 3 of this act; and

(e) Provide follow-up services for persons who are considering suicide or otherwise in a behavioral health crisis and access the hotline established pursuant to section 3 of this act.

3. As used in this section, “crisis stabilization services” has the meaning ascribed to it in NRS 449.0915.

Sec. 5. 1. The State Board of Health shall adopt regulations to impose a surcharge on each access line of each customer of a company that provides commercial mobile communication services or IP-enabled voice services in this State in accordance with 47 U.S.C. § 251a and each access line or trunk line of each customer to the local exchange of any
telecommunications provider providing those lines in this State. Those companies and providers shall collect the surcharge from their customers and transfer the money collected to the Division pursuant to regulations adopted by the State Board of Health. The amount of the surcharge must be sufficient to support the uses set forth in subsection 2, except that the amount of the surcharge must not exceed 35 cents for each access line or trunk line.

2. The Crisis Response Account is hereby created in the State General Fund. Any money collected from the surcharge imposed pursuant to subsection 1 must be deposited in the State Treasury for credit to the Account. The Division shall administer the Account. The money in the Account:
   (a) Must be used by the Division to carry out the provisions of sections 2 to 6, inclusive, of this act, to the extent authorized by 47 U.S.C. § 251a; and
   (b) Must not be used to supplant existing methods of funding that are available for those purposes.

3. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

4. Any money remaining in the Account at the end of each fiscal year does not revert to the State General Fund but must be carried over into the next fiscal year.

5. The Division may accept gifts, grants and donations for the purpose of carrying out the provisions of sections 2 to 6, inclusive, of this act.

Sec. 6. On or before December 31 of each year, the Division shall compile:
1. A report concerning the usage of the hotline established pursuant to section 3 of this act and the services provided to persons who are considering suicide or otherwise in a behavioral health crisis and access the hotline and submit the report to:
   (a) The Commission on Behavioral Health;
   (b) Each regional behavioral health policy board created by NRS 433.429; and
   (c) The Director of the Legislative Counsel Bureau for transmittal to:
      (1) In odd-numbered years, the Legislative Committee on Health Care created by NRS 439B.200 and the Legislative Committee on Senior Citizens, Veterans and Adults With Special Needs created by NRS 218E.750; and
      (2) In even-numbered years, the next regular session of the Legislature.
2. A report concerning the revenue generated by the surcharge imposed pursuant to section 5 of this act and deposits and expenditures from the Account created by that section and submit the report to the Director of the Legislative Counsel Bureau for transmittal to:

(a) In odd-numbered years, the Interim Finance Committee; and

(b) In even-numbered years, the next regular session of the Legislature.

Sec. 7. As used in sections 7 to 9.9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 7.1 to 7.6, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 7.1. “Advisory Committee” means the Advisory Committee for a Resilient Nevada created by section 7.7 of this act.

Sec. 7.2. “Agency which provides child welfare services” has the meaning ascribed to it in NRS 432B.030.

Sec. 7.3. “Fund” means the Fund for a Resilient Nevada created by section 8 of this act.

Sec. 7.4. “Office” means the Office of Minority Health and Equity of the Department created by NRS 232.474.

Sec. 7.5. “Special population” means a population uniquely affected by substance use or substance use disorder. The term includes, without limitation:

1. Veterans;
2. Persons who are pregnant;
3. Parents of dependent children;
4. Youth;
5. Persons who are lesbian, gay, bisexual, transgender and questioning; and
6. Persons and families involved in the criminal justice system, juvenile justice system and child welfare system.

Sec. 7.6. “Substance use disorder prevention coalition” means a coalition of persons and entities who possess knowledge and experience related to the prevention of substance use and substance use disorders in a region of this State.

Sec. 7.7. 1. The Advisory Committee for a Resilient Nevada is hereby created within the Department.

2. The Attorney General shall appoint to the Advisory Committee:

(a) One member who possesses knowledge, skills and experience working with youth in the juvenile justice system;
(b) One member who possesses knowledge, skills and experience working with persons in the criminal justice system;
(c) One member who possesses knowledge, skills and experience in the surveillance of overdoses; and
(d) One member who:
   (1) Resides in a county other than Clark or Washoe County; and
   (2) Has experience having a substance use disorder or having a family member who has a substance use disorder.
3. The Office shall appoint to the Advisory Committee:
   (a) One member who:
      (1) Resides in Clark County; and
      (2) Has experience having a substance use disorder or having a family member who has a substance use disorder;
   (b) One member who possesses knowledge, skills and experience in public health;
   (c) One member who is the director of an agency which provides child welfare services or his or her designee;
   (d) One member who represents a program that specializes in the prevention of substance use by youth;
   (e) One member who represents a faith-based organization that specializes in recovery from substance use disorder; and
   (f) One member who represents a program for substance use disorders that is operated by a nonprofit organization and certified pursuant to NRS 458.025.
4. The Director shall appoint to the Advisory Committee:
   (a) One member who:
      (1) Resides in Washoe County; and
      (2) Has experience having a substance use disorder or having a family member who has a substance use disorder;
   (b) One member who is a physician certified in the field of addiction medicine by the American Board of Addiction Medicine or its successor organization;
   (c) One member who represents a nonprofit, community-oriented organization that specializes in peer-led recovery from substance use disorder;
   (d) One member who has survived an opioid overdose;
   (e) One member who represents a program to prevent overdoses or otherwise reduce the harm caused by the use of substances;
   (f) One member who represents an organization that specializes in housing; and
(g) One member who possesses knowledge, skills and experience with the education of pupils in kindergarten through 12th grade.

5. In appointing the members of the Advisory Committee pursuant to subsections 2, 3 and 4, the appointing authorities shall coordinate the appointments when practicable so that the members of the Advisory Committee represent the diversity of:
   (a) This State; and
   (b) The communities within this State that are disproportionately affected by opioid use disorder and disparities in access to care and health outcomes.

6. The term of each member of the Advisory Committee is 2 years. A member may be reappointed for an additional term of 2 years in the same manner as the original appointment. A vacancy occurring in the membership of the Advisory Committee must be filled in the same manner as the original appointment.

7. To the extent that money is available for these purposes:
   (a) Each member of the Advisory Committee who is not an officer or employee of this State is entitled to receive a salary of not more than $80, as fixed by the Department, for each day or portion of a day spent on the business of the Advisory Committee.
   (b) Each member of the Advisory Committee is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally while engaged in the business of the Advisory Committee.

8. A member of the Advisory Committee who is an officer or employee of this State or a political subdivision of this State must be relieved from his or her duties without loss of regular compensation to prepare for and attend meetings of the Advisory Committee and perform any work necessary to carry out the duties of the Advisory Committee in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or employee who is a member of the Advisory Committee to:
   (a) Make up the time he or she is absent from work to carry out his or her duties as a member of the Advisory Committee; or
   (b) Take annual leave or compensatory time for the absence.

Sec. 7.8. 1. At the first meeting of each calendar year, the Advisory Committee shall elect from its members a Chair.

2. The Advisory Committee shall meet at least twice annually at the call of the Chair or a majority of its members.

3. A majority of the members of the Advisory Committee constitutes a quorum for the transaction of business, and a
majority of a quorum present at any meeting is sufficient for any official action taken by the Advisory Committee.

4. The Department shall provide staff assistance to the Advisory Committee.

Sec. 7.9. 1. On or before June 30 of each even-numbered year, the Advisory Committee shall submit to the Director of the Department a report of recommendations concerning:

(a) The statewide needs assessment conducted pursuant to paragraph (a) of subsection 1 of section 9 of this act, including, without limitation, the establishment of priorities pursuant to paragraph (e) of subsection 1 of section 9.5 of this act; and

(b) The statewide plan to allocate money from the Fund developed pursuant to paragraph (b) of subsection 1 of section 9 of this act.

2. When developing recommendations to be included in the report pursuant to subsection 1, the Advisory Committee shall consider:

(a) Health equity and identifying relevant disparities among racial and ethnic populations, geographic regions and special populations in this State; and

(b) The need to prevent overdoses, address disparities in access to health care and prevent substance use among youth.

3. When developing recommendations concerning the establishment of priorities pursuant to paragraph (e) of subsection 1 of section 9.5 of this act, the Advisory Committee shall use an objective method to define the potential positive and negative impacts of a priority on the health of the affected communities with an emphasis on disproportionate impacts to any population targeted by the priority.

4. Before finalizing a report of recommendations pursuant to subsection 1, the Advisory Committee must hold at least one public meeting to solicit comments from the public concerning the recommendations and make any revisions to the recommendations determined, as a result of the public comment received, to be necessary.

Sec. 8. 1. The Fund for a Resilient Nevada is hereby created in the State Treasury. Unless otherwise required by the applicable judgment or settlement, the Attorney General shall, after deducting any fees and costs imposed pursuant to an applicable contingent fee contract as described in NRS 228.111, deposit in the Fund all money received by this State pursuant to any judgment received or settlement entered into by the State of Nevada as a result of litigation concerning the manufacture,
distribution, sale or marketing of opioids conducted in accordance with the declaration of findings issued by the Governor and the Attorney General pursuant to paragraph (a) of subsection 1 of NRS 228.1111 on January 24, 2019.

2. The Director of the Department shall administer the Fund.

3. The interest and income earned on the money in the Fund must, after deducting any applicable charges, be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.

4. To the extent authorized by the terms of any judgment or settlement described in subsection 1, the Director of the Department may submit to the Interim Finance Committee a request for an allocation for administrative expenses from the Fund pursuant to this section. Except as otherwise limited by this subsection, the Interim Finance Committee may allocate all or part of the money so requested. The annual allocation for administrative expenses from the Fund must not exceed 8 percent of the money deposited into the Fund. For the purposes of this subsection, expenses directly related to conducting a statewide needs assessment pursuant to paragraph (a) of subsection 1 of section 9 of this act, developing the statewide plan to allocate money from the Fund pursuant to paragraph (b) of subsection 1 of section 9 of this act and allocating money from the Fund in accordance with that statewide plan do not constitute administrative expenses.

5. The money in the Fund remains in the Fund and does not revert to the State General Fund at the end of any fiscal year.

6. Except as otherwise provided in subsection 4, all money that is deposited or paid into the Fund is hereby appropriated to the Department to be used, subject to the provisions of chapter 353 of NRS, to carry out the provisions of sections 9 to 9.7, inclusive, of this act.

7. Money expended from the Fund must not be used to supplant existing methods of funding that are available to state, regional, local or tribal agencies.

8. The Department may accept and deposit into the Fund gifts, grants, donations and appropriations to support the activities described in sections 9 to 9.7, inclusive, of this act.

Sec. 9. 1. At least once every 4 years, the Department, in consultation with the Office, shall:

(a) Conduct a statewide needs assessment in accordance with section 9.5 of this act; and
(b) Based on the statewide needs assessment, develop or revise, as applicable, a statewide plan to allocate the money in the Fund in accordance with section 9.6 of this act.

2. When performing the duties described in subsection 1, the Department and the Office shall consider:
   (a) The recommendations provided by the Advisory Committee in the report submitted pursuant to section 7.9 of this act; and
   (b) The recommendations of state, regional, local and tribal governmental entities in this State whose work relates to opioid use disorders and other substance use disorders.

3. On or before January 31 of each year, the Department shall transmit a report concerning all findings and recommendations made and money expended pursuant to sections 9 to 9.7, inclusive, of this act to:
   (a) The Governor;
   (b) The Director of the Legislative Counsel Bureau for transmittal to:
       (1) In odd-numbered years, the next regular session of the Legislature; and
       (2) In even-numbered years, the Legislative Committee on Health Care and the Interim Finance Committee;
   (c) The Commission;
   (d) Each regional behavioral health policy board created by NRS 433.429;
   (e) The Office of the Attorney General; and
   (f) Any other committees or commissions the Director of the Department deems appropriate.

4. The Department may adopt any regulations or take such other actions as are necessary to carry out its duties pursuant to sections 7 to 9.9, inclusive, of this act.

Sec. 9.5. 1. A statewide needs assessment conducted by the Department, in consultation with the Office, pursuant to paragraph (a) of subsection 1 of section 9 of this act must:
   (a) Be evidence-based and use information from damages reports created by experts as part of the litigation described in subsection 1 of section 8 of this act.
   (b) Include an analysis of the impacts of opioid use and opioid use disorder on this State that uses quantitative and qualitative data concerning this State and the regions, counties and Native American tribes in this State to determine the risk factors that contribute to opioid use, the use of substances and the rates of opioid use disorder, other substance use disorders and co-occurring disorders among residents of this State.
(c) Focus on health equity and identifying disparities across all racial and ethnic populations, geographic regions and special populations in this State.

(d) Take into account the resources of state, regional, local and tribal agencies and nonprofit organizations, including, without limitation, any money recovered or anticipated to be recovered by county, local or tribal governmental agencies through judgments or settlements resulting from litigation concerning the manufacture, distribution, sale or marketing of opioids, and the programs currently existing in each geographic region of this State to address opioid use disorder and other substance use disorders.

(e) Based on the information and analyses described in paragraphs (a) to (d), inclusive, establish priorities for the use of the funds described in subsection 1 of section 8 of this act. Such priorities must include, without limitation, priorities related to the prevention of overdoses, addressing disparities in access to health care and the prevention of substance use among youth.

2. When conducting a needs assessment, the Department, in consultation with the Office, shall:

   (a) Use community-based participatory research methods or similar methods to conduct outreach to groups impacted by the use of opioids, opioid use disorder and other substance use disorders, including, without limitation:

      (1) Persons and families impacted by the use of opioids and other substances;
      (2) Providers of treatment for opioid use disorder and other substance use disorders;
      (3) Substance use disorder prevention coalitions;
      (4) Communities of persons in recovery from opioid use disorder and other substance use disorders;
      (5) Providers of services to reduce the harms caused by opioid use disorder and other substance use disorders;
      (6) Persons involved in the child welfare system;
      (7) Providers of social services;
      (8) Faith-based organizations;
      (9) Providers of health care and entities that provide health care services; and
      (10) Members of diverse communities disproportionately impacted by opioid use and opioid use disorder; and

   (b) Conduct outreach to governmental agencies who interact with persons or groups impacted by the use of opioids, opioid use
disorder and other substance use disorders, including, without limitation:

(1) The Office of the Attorney General, the Department of Public Safety, the Department of Corrections, courts, juvenile justice agencies and other governmental agencies involved in law enforcement or criminal justice;

(2) Agencies which provide child welfare services and other governmental agencies involved in the child welfare system; and

(3) Public health agencies.

Sec. 9.6. 1. The statewide plan to allocate money from the Fund established by the Department, in consultation with the Office, pursuant to paragraph (b) of subsection 1 of section 9 of this act must:

(a) Establish policies and procedures for the administration and distribution of money from the Fund;

(b) Allocate the money in the Fund for the purposes described in subsection 2; and

(c) Establish requirements governing the use of money allocated from the Fund.

2. The statewide plan may allocate money to:

(a) Statewide projects, which may include, without limitation:

(1) Expanding access to evidence-based prevention of substance use disorders, early intervention for persons at risk of a substance use disorder, treatment for substance use disorders and support for persons in recovery from substance use disorders;

(2) Programs to reduce the incidence and severity of neonatal abstinence syndrome;

(3) Prevention of adverse childhood experiences and early intervention for children who have undergone adverse childhood experiences and the families of such children;

(4) Services to reduce the harm caused by substance use;

(5) Prevention and treatment of infectious diseases in persons with substance use disorders;

(6) Services for children and other persons in a behavioral health crisis and the families of such persons;

(7) Housing for persons who have or are in recovery from substance use disorders;

(8) Campaigns to educate and increase awareness of the public concerning substance use and substance use disorders;

(9) Programs for persons involved in the criminal justice or juvenile justice system and the families of such persons, including, without limitation, programs that are administered by courts;
(10) The evaluation of existing programs relating to substance use and substance use disorders;

(11) Development of the workforce of providers of services relating to substance use and substance use disorders;

(12) The collection and analysis of data relating to substance use and substance use disorders;

(13) Capital projects relating to substance use and substance use disorders, including, without limitation, construction, purchasing and remodeling; and

(14) Implementing the hotline for persons who are considering suicide or otherwise in a behavioral health crisis and providing services to persons who access that hotline in accordance with the provisions of sections 2 to 6, inclusive, of this act.

(b) Grants to regional, county, local and tribal agencies and private-sector organizations whose work relates to opioid use disorder and other substance use disorders.

3. The projects described in paragraph (a) of subsection 2 may include, without limitation, projects to maximize expenditures through federal, local and private matching contributions.

4. The Department, in consultation with the Office, may revise the statewide plan to allocate money from the Fund as necessary without conducting a statewide needs assessment pursuant to paragraph (a) of subsection 1 of section 9 of this act so long as a needs assessment is conducted at the intervals required by that subsection.

Sec. 9.7. 1. If the Department awards grants pursuant to paragraph (b) of subsection 2 of section 9.6 of this act, the Department, in consultation with the Office, must:

(a) Develop, solicit and accept applications for those grants. An application submitted by a regional, local or tribal governmental entity must include, without limitation:

(1) The results of a needs assessment that meets the requirements of section 9.8 of this act; and

(2) A plan for the use of the grant that meets the requirements of section 9.9 of this act.

(b) Coordinate with and provide support to regional, local and tribal governmental entities in conducting needs assessments and developing plans pursuant to paragraph (a).

(c) Consider any money recovered or anticipated to be recovered by county, local or tribal governmental agencies through judgments received or settlements entered into as a result
of litigation concerning the manufacture, distribution, sale or marketing of opioids.

(d) Conduct annual evaluations of programs to which grants have been awarded.

2. To the extent authorized by the terms of any judgment or settlement described in subsection 1 of section 8 of this act, the recipient of a grant pursuant to paragraph (b) of subsection 2 of section 9.6 of this act may use not more than 8 percent of the grant for administrative expenses related to the grant or the projects supported by the grant.

3. The recipient of a grant pursuant to paragraph (b) of subsection 2 of section 9.6 of this act shall annually submit to the Department a report concerning the expenditure of the money that was received and the outcomes of the projects on which that money was spent.

4. If a regional, local or tribal governmental entity that receives a grant pursuant to paragraph (b) of subsection 2 of section 9.6 of this act later recovers money through a judgment or a settlement resulting from litigation concerning the manufacture, distribution, sale or marketing of opioids:

   (a) The regional, local or tribal governmental entity must immediately notify the Department; and

   (b) The Department may recover from the governmental entity an amount not to exceed the amount of the grant or the amount of the recovery, whichever is less.

5. A regional, local or tribal governmental entity that receives a grant pursuant to paragraph (b) of subsection 2 of section 9.6 of this act shall conduct a new needs assessment and update its plan for the use of the grant at intervals prescribed by regulation of the Department, which must be not less than every 4 years.

Sec. 9.8. 1. A needs assessment conducted pursuant to subparagraph (1) of paragraph (a) of subsection 1 of section 9.7 of this act by a regional, local or tribal governmental entity applying for a grant must:

   (a) Be evidence-based.

   (b) Include an analysis of the impacts of opioid use and opioid use disorder on the area under the jurisdiction of the applicant that uses quantitative and qualitative data to determine the risk factors that contribute to opioid use, the use of substances and the rates of opioid use disorder, other substance use disorders and co-occurring disorders among residents of the area.
(c) Focus on health equity and identifying disparities across all racial and ethnic populations, geographic regions and special populations in the area under the jurisdiction of the applicant.

(d) Take into account the resources of the applicant and the programs currently existing in the area under the jurisdiction of the applicant to address opioid use disorder and other substance use disorders.

(e) Based on the information and analyses described in paragraphs (a) to (d), inclusive, establish priorities for the use of the funds for which the applicant is applying.

2. When conducting a needs assessment, a regional, local or tribal governmental entity applying for a grant shall:

(a) Use community-based participatory research methods or similar methods to conduct outreach to groups impacted by the use of opioids, opioid use disorder and other substance use disorders, including, without limitation:

1. Persons and families impacted by the use of opioids and other substances;

2. Providers of treatment for opioid use disorder and other substance use disorders;

3. Substance use disorder prevention coalitions;

4. Communities of persons in recovery from opioid use disorder and other substance use disorders;

5. Providers of services to reduce the harms caused by opioid use disorder and other substance use disorders;

6. Persons involved in the child welfare system;

7. Providers of social services;

8. Faith-based organizations;

9. Providers of health care and entities that provide health care services; and

10. Members of diverse communities disproportionately impacted by opioid use and opioid use disorder; and

(b) Conduct outreach to governmental agencies that interact with persons or groups impacted by the use of opioids, opioid use disorder and other substance use disorders, including, without limitation:

1. Courts, juvenile justice agencies and other governmental agencies involved in law enforcement or criminal justice;

2. Agencies which provide child welfare services and other governmental agencies involved in the child welfare system; and

3. Public health agencies.
Sec. 9.9. 1. A plan for the use of grant money by a state, local or tribal governmental entity developed pursuant to subparagraph (2) of paragraph (a) of subsection 1 of section 9.7 of this act must:
   (a) Establish policies and procedures for the administration and distribution of the grant money for which the governmental entity is applying;
   (b) Describe the projects to which the governmental entity is proposing to allocate grant money; and
   (c) Establish requirements governing the use of the grant money.

2. A plan for the use of grant money by a state, local or tribal governmental entity may allocate money pursuant to paragraph (b) of subsection 1 to:
   (a) Projects and programs to:
      (1) Expand access to evidence-based prevention of substance use disorders, early intervention for persons at risk of a substance use disorder, treatment for substance use disorders and support for persons in recovery from substance use disorders;
      (2) Reduce the incidence and severity of neonatal abstinence syndrome;
      (3) Prevent incidents of adverse childhood experiences and increase early intervention for children who have undergone adverse childhood experiences and the families of such children;
      (4) Reduce the harm caused by substance use;
      (5) Prevent and treat infectious diseases in persons with substance use disorders;
      (6) Provide services for children and other persons in a behavioral health crisis and the families of such persons; and
      (7) Provide housing for persons who have or are in recovery from substance use disorders;
   (b) Campaigns to educate and increase awareness of the public concerning substance use and substance use disorders;
   (c) Programs for persons involved in the criminal justice or juvenile justice system and the families of such persons, including, without limitation, programs that are administered by courts;
   (d) Evaluation of existing programs relating to substance use and substance use disorders;
   (e) Development of the workforce of providers of services relating to substance use and substance use disorders;
   (f) The collection and analysis of data relating to substance use and substance use disorders; and
(g) Capital projects relating to substance use and substance use disorders, including, without limitation, construction, purchasing and remodeling.

3. The projects described in subsection 2 may include, without limitation, projects to maximize expenditures through federal, local and private matching contributions.

Sec. 10. NRS 218E.405 is hereby amended to read as follows:

1. Except as otherwise provided in subsection 2, the Interim Finance Committee may exercise the powers conferred upon it by law only when the Legislature is not in a regular or special session.

2. During a regular or special session, the Interim Finance Committee may also perform the duties imposed on it by NRS 228.1111, subsection 5 of NRS 284.115, NRS 285.070, subsection 2 of NRS 321.335, NRS 322.007, subsection 2 of NRS 323.020, NRS 323.050, subsection 1 of NRS 323.100, subsection 3 of NRS 341.126, NRS 341.142, paragraph (f) of subsection 1 of NRS 341.145, NRS 353.220, 353.224, 353.2705 to 353.2771, inclusive, 353.288, 353.335, 353C.224, 353C.226, paragraph (b) of subsection 4 of NRS 407.0762, NRS 428.375, 439.4905, 439.620, 439.630, 445B.830, subsection 1 of NRS 445C.320 and NRS 538.650 and section 8 of this act. In performing those duties, the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means may meet separately and transmit the results of their respective votes to the Chair of the Interim Finance Committee to determine the action of the Interim Finance Committee as a whole.

3. The Chair of the Interim Finance Committee may appoint a subcommittee consisting of six members of the Committee to review and make recommendations to the Committee on matters of the State Public Works Division of the Department of Administration that require prior approval of the Interim Finance Committee pursuant to subsection 3 of NRS 341.126, NRS 341.142 and paragraph (f) of subsection 1 of NRS 341.145. If the Chair appoints such a subcommittee:

(a) The Chair shall designate one of the members of the subcommittee to serve as the chair of the subcommittee;

(b) The subcommittee shall meet throughout the year at the times and places specified by the call of the chair of the subcommittee; and

(c) The Director or the Director’s designee shall act as the nonvoting recording secretary of the subcommittee.
Sec. 10.3. NRS 233B.039 is hereby amended to read as follows:

233B.039  1. The following agencies are entirely exempted from the requirements of this chapter:
   (a) The Governor.
   (b) Except as otherwise provided in NRS 209.221, the Department of Corrections.
   (c) The Nevada System of Higher Education.
   (d) The Office of the Military.
   (e) The Nevada Gaming Control Board.
   (f) Except as otherwise provided in NRS 368A.140 and 463.765, the Nevada Gaming Commission.
   (g) Except as otherwise provided in NRS 425.620, the Division of Welfare and Supportive Services of the Department of Health and Human Services.
   (h) Except as otherwise provided in NRS 422.390, the Division of Health Care Financing and Policy of the Department of Health and Human Services.
   (i) Except as otherwise provided in NRS 533.365, the Office of the State Engineer.
   (j) The Division of Industrial Relations of the Department of Business and Industry acting to enforce the provisions of NRS 618.375.
   (k) The Administrator of the Division of Industrial Relations of the Department of Business and Industry in establishing and adjusting the schedule of fees and charges for accident benefits pursuant to subsection 2 of NRS 616C.260.
   (l) The Board to Review Claims in adopting resolutions to carry out its duties pursuant to NRS 445C.310.
   (m) The Silver State Health Insurance Exchange.
   (n) The Cannabis Compliance Board.

2. Except as otherwise provided in subsection 5 and NRS 391.323, the Department of Education, the Board of the Public Employees’ Benefits Program and the Commission on Professional Standards in Education are subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

3. The special provisions of:
   (a) Chapter 612 of NRS for the adoption of an emergency regulation or the distribution of regulations by and the judicial review of decisions of the Employment Security Division of the Department of Employment, Training and Rehabilitation;
(b) Chapters 616A to 617, inclusive, of NRS for the determination of contested claims;
(c) Chapter 91 of NRS for the judicial review of decisions of the Administrator of the Securities Division of the Office of the Secretary of State; and
(d) NRS 90.800 for the use of summary orders in contested cases,
prevail over the general provisions of this chapter.

4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do not apply to the Department of Health and Human Services in the adjudication of contested cases involving the issuance of letters of approval for health facilities and agencies.

5. The provisions of this chapter do not apply to:
(a) Any order for immediate action, including, but not limited to, quarantine and the treatment or cleansing of infected or infested animals, objects or premises, made under the authority of the State Board of Agriculture, the State Board of Health, or any other agency of this State in the discharge of a responsibility for the preservation of human or animal health or for insect or pest control;
(b) An extraordinary regulation of the State Board of Pharmacy adopted pursuant to NRS 453.2184;
(c) A regulation adopted by the State Board of Education pursuant to NRS 388.255 or 394.1694;
(d) The judicial review of decisions of the Public Utilities Commission of Nevada;
(e) The adoption, amendment or repeal of policies by the Rehabilitation Division of the Department of Employment, Training and Rehabilitation pursuant to NRS 426.561 or 615.178;
(f) The adoption or amendment of a rule or regulation to be included in the State Plan for Services for Victims of Crime by the Department of Health and Human Services pursuant to NRS 217.130;
(g) The adoption, amendment or repeal of rules governing the conduct of contests and exhibitions of unarmed combat by the Nevada Athletic Commission pursuant to NRS 467.075; for
(h) The adoption, amendment or repeal of regulations by the Director of the Department of Health and Human Services pursuant to NRS 447.335 to 447.350, inclusive; or
(i) The adoption, amendment or repeal of the statewide plan to allocate money from the Fund for a Resilient Nevada created by section 8 of this act established by the Department of Health and Human Services pursuant to paragraph (b) of subsection 1 of section 9 of this act.
6. The State Board of Parole Commissioners is subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

**Sec. 10.6.** 1. As soon as practicable after the effective date of this section:

(a) The Attorney General shall appoint to the Advisory Committee:

   (1) The members described in paragraphs (a) and (b) of subsection 2 of section 7.7 of this act to initial terms that expire on July 1, 2022.

   (2) The members described in paragraphs (c) and (d) of subsection 2 of section 7.7 of this act to initial terms that expire on July 1, 2023.

(b) The Office of Minority Health and Equity of the Department shall appoint to the Advisory Committee:

   (1) The members described in paragraphs (a), (b) and (c) of subsection 3 of section 7.7 of this act to initial terms that expire on July 1, 2022.

   (2) The members described in paragraphs (d), (e) and (f) of subsection 3 of section 7.7 of this act to initial terms that expire on July 1, 2023.

(c) The Director of the Department shall appoint to the Advisory Committee:

   (1) The members described in paragraphs (a), (b) and (c) of subsection 4 of section 7.7 of this act to initial terms that expire on July 1, 2022.

   (2) The members described in paragraphs (d) to (g), inclusive, of subsection 4 of section 7.7 of this act to initial terms that expire on July 1, 2023.

2. As used in this section:

(a) “Advisory Committee” means the Advisory Committee for a Resilient Nevada created by section 7.7 of this act.

(b) “Department” means the Department of Health and Human Services.

**Sec. 11.** Any state agency that has received money from a settlement or judgment as a result of the litigation described in subsection 1 of section 8 of this act before January 1, 2022, shall, to the extent authorized by the settlement or judgment, transfer to the Director of the Department of Health and Human Services any portion of such money that remains uncommitted for deposit in the Fund for a Resilient Nevada pursuant to section 8 of this act.

**Sec. 11.5.** 1. During the 2022-2023 interim, the Department of Health and Human Services, in consultation with the Office of
Minority Health and Equity of the Department, may, without further legislative authorization, use money in the Fund For A Resilient Nevada created by section 8 of this act to conduct an initial statewide needs assessment and develop an initial statewide plan to spend the money in the Fund pursuant to section 9 of this act.

2. The Department, in consultation with the Office, shall:

(a) Develop a proposed budget to carry out the provisions of the initial statewide plan developed pursuant to subsection 1 for the remainder of the 2022-2023 interim; and

(b) Obtain the approval of the Interim Finance Committee for that budget before money from the Fund is used for the purposes described in the plan. Notwithstanding the provisions of section 8 of this act, such approval is sufficient to authorize the use of money from the Fund as prescribed in the budget for the remainder of the 2022-2023 interim.

Sec. 12. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 13. Notwithstanding the provisions of NRS 218D.430 and 218D.435, a committee, other than the Assembly Standing Committee on Ways and Means and the Senate Standing Committee on Finance, may vote on this act before the expiration of the period prescribed for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after March 22, 2021.

Sec. 14. 1. This section and sections 7 to 13, inclusive, of this act become effective upon passage and approval.

2. Sections 1 to 6, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2022, for all other purposes.
### BUSINESS SAVINGS
Ideal for businesses that want a traditional savings account with a low minimum balance requirement.

<table>
<thead>
<tr>
<th>Minimum Opening Deposit</th>
<th>$100</th>
<th>$1,000</th>
<th>A primary business checking account (any type) is required to open a business money market sweep account.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Maintenance Fee</td>
<td>$5</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Options to Avoid Monthly Maintenance Fee</td>
<td>Maintain a $500 minimum daily balance OR Link to a Business Preferred Checking account¹</td>
<td>Maintain a $2,500 minimum daily balance OR Link to a Business Preferred Checking account¹</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of Included Deposited Items</td>
<td>50 per month at no extra cost</td>
<td>$0.50 per additional item deposited</td>
<td>N/A. Transactions are intended to flow through the attached checking account.</td>
</tr>
<tr>
<td>Cash Deposits</td>
<td>$15,000 per month at no extra cost</td>
<td>$0.30 per additional $100 cash deposited</td>
<td>N/A. Transactions are intended to flow through the attached checking account.</td>
</tr>
<tr>
<td>Withdrawals, Transfers and Sweeps</td>
<td>Six (6) per month at no extra cost</td>
<td>Six (6) per month at no extra cost</td>
<td>Six (6) per month at no extra cost</td>
</tr>
<tr>
<td></td>
<td>$2.00 per additional withdrawal or transfer</td>
<td>$25.00 per additional withdrawal or transfer</td>
<td>$25.00 per additional withdrawal, transfer or sweep</td>
</tr>
</tbody>
</table>

### BUSINESS MONEY MARKET
Ideal for businesses that want to earn a competitive, tiered interest rate on their account balances, while having flexible access to their funds.

### BUSINESS MONEY MARKET SWEEP
Earn interest on excess funds with a sweep transfer to an interest-bearing money market account. When the checking account balance drops below the specified minimum, funds are transferred automatically from the money market to bring the balance up to the “peg” level.

<table>
<thead>
<tr>
<th>Minimum Opening Deposit</th>
<th>$500</th>
<th>$2,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Maintenance Fee</td>
<td>$5</td>
<td>$10</td>
</tr>
<tr>
<td>Options to Avoid Monthly Maintenance Fee</td>
<td>Maintain a $500 minimum daily balance OR Link to a Business Preferred Checking account¹</td>
<td>Maintain a $2,500 minimum daily balance OR Link to a Business Preferred Checking account¹</td>
</tr>
<tr>
<td>Number of Included Deposited Items</td>
<td>50 per month at no extra cost</td>
<td>$0.50 per additional item deposited</td>
</tr>
<tr>
<td>Cash Deposits</td>
<td>$15,000 per month at no extra cost</td>
<td>$0.30 per additional $100 cash deposited</td>
</tr>
<tr>
<td>Withdrawals, Transfers and Sweeps</td>
<td>Six (6) per month at no extra cost</td>
<td>Six (6) per month at no extra cost</td>
</tr>
<tr>
<td></td>
<td>$2.00 per additional withdrawal or transfer</td>
<td>$25.00 per additional withdrawal or transfer</td>
</tr>
</tbody>
</table>

Earn Premium Interest Rates When Linked to a Business Preferred Checking Account²

- ✓
- ✓
- N/A
Nevada Association of Counties  
Approved Investment Policy  
August 30, 2019

Investment Guidelines

1. Scope

This investment policy applies to all financial assets of Nevada Association of Counties (NACO). These funds are accounted for in NACO’s annual financial report.

2. Statement of Purpose

The purpose of the NACO Investment Guideline is to provide a general policy that will establish a framework that will be used to identify and define objectives, goals, standards and performance measurement of NACO investments. Within this general framework, NACO will structure an investment portfolio which is designed to attain a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints established by NACO, cash flow characteristics of the portfolio and operating demands.

Investment goals and objectives will be defined and established by the NACO Board on an annual basis with input from investment professionals and administrative staff.

The NACO investment portfolio will be designed following these key objectives:

- Liquidity - To provide adequate liquidity to meet all operating obligations that reasonably may be anticipated within the current operating cycle.

- Income and Growth - To structure an investment portfolio which is designed to attain a rate of return that is:
  - Competitive with portfolios with similar characteristics
  - Provides a balanced return of current income and modest growth of principal
  - Achieve returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power

- Safety of principal - Safety of principal is an important objective of the investment program. NACO seeks to preserve principal and achieve the maximum return possible given pre-determined risk constraints and liquidity demands. To attain this objective, diversification is required.

3. Investment Strategy:
The investment strategy is NACO’s plan of distributing assets among various investments, taking into consideration such factors as operating demands, goals, risk tolerance and horizon. Based on the investment goals and objectives, NACO will establish a balanced investment strategy which is a method of portfolio allocation designed to provide both income and capital appreciation while avoiding excessive risk. NACO may retain the services of qualified investment entities (investment managers) to provide professional advice, guidance, market information, trends, training and investment. Investments will be directed by this investment guideline policy.

Investment strategy will conform to the provisions of Nevada Revised Statutes.

Prudent Investor Rules apply. The Prudent Investor Rules state that a fiduciary must:

1) Make investment and management decisions with respect to individual assets in the context of the investment portfolio as a whole and as part of an overall investment strategy, not in isolation.
2) Adhere to fundamental fiduciary duties of loyalty, impartiality, and prudence.
3) Maintain overall portfolio risk at a reasonable level. That is, risk and return objectives must be reasonable and suitable to the portfolio. The tradeoff between risk and return is the fiduciary’s central concern.
4) Provide for the reasonable diversification of investments.
5) Act with prudence in deciding whether and how to delegate authority to experts and in selecting supervising agents. Be cost conscious when investing. The fiduciary should incur only costs that are reasonable in amount and appropriate to the investment responsibilities of the fiduciary.

4. Investment Risk:

It is the policy of NACO to invest in a variety of investments including predominantly stocks, bonds, treasuries, cash and cash equivalents to provide both income and capital appreciation while avoiding excessive risk and preserving principal over time. Various types of risks and related mitigation strategies will be considered.

5. Investment Responsibility

A. Investment authority for NACO rests with the Board of Directors.

B. The Board of Directors or its designee may contract with investment advisor(s) to advise and manage the NACO's investments. Such advisor(s) shall provide a comprehensive report at least annually to the Board of Directors or its designee of all transactions and the investment performance of funds under management. The report shall suggest changes in policies or improvements that might be made in the investment program.

C. The Board of Directors or its designee will monitor all investment activity as closely as is practicable. The Board of Directors or its designee will direct

Approved August 30, 2019
managers/advisors regarding day-to-day investments. In all cases, the Board of Directors or its designee will:

1. Ensure that all investments are made in accordance with NACO policies;

2. Consider the status of investment policy and strategy;

3. Inventory all securities held by NACO (This shall be done in conjunction with the annual CPA audit);

4. Prepare and maintain monthly reports of all investment activity; the report shall include a listing of all securities bought, sold and matured; the report will also include a status of all investments held;

5. Review the investment report at least annually, and at the next available meeting shall make the review a matter of record in the minutes;

6. Require that officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions; Such persons shall disclose to the Fiscal Officer or to the Chairman of the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of NACO;

7. Review this investment policy and the asset allocation, diversification and risks at least annually and at any other time as needed to fulfill its fiduciary responsibility, and will make modifications as deemed necessary;

8. Support periodic training with respect to investments and investment management.

6. Authorized Investments

Federal, state and other laws and regulations that govern Nevada corporations stipulate eligible investments; such laws and regulations will supersede other viable investment alternatives that may be considered.

The following are eligible investments subject to asset allocation:

A. Fixed income securities, mutual funds and ETFs
B. Equity securities, mutual funds, and ETFs
C. Cash and Cash Equivalents
D. Other securities
Any Master Repurchase Agreement must be signed with the bank or dealer.

If governmental sponsored pools and/or mutual funds are to be utilized, a thorough investigation of the pool/fund is required prior to investing, and on a continual basis. Transparency of strategy and results should be primary criteria for involvement in such pools/funds. The following general information should be considered by the manager as appropriate and addressed as necessary:

1. A description of the eligible investment securities, and a written statement of investment policy and objectives
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes) and how often the securities are priced, and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. A statement regarding utilization by the pool/funds of reserves or retained earnings.
7. A fee schedule and when and how it is assessed.
8. A statement regarding whether the pool/fund is eligible for bond proceeds and/or whether it will accept such proceeds.

7. Prohibited Transactions

The following types of assets or transactions expressly are prohibited, except where such transactions occur within a managed or mutual fund as an incidental strategy and such characteristics are noted as such and accepted by the Board:

1. Options contracts: the purchase and sale of put and call options, except for the writing of covered call options for capital preservation purposes. This does not include fixed income securities that have a put or call feature.
2. Commodities or other commodity contracts
3. Private placements
4. Purchase of equity securities on margin
5. Short selling
6. Interest-only (IO), Principal-only (PO), and CMO residuals
7. Transactions that would leverage investment positions except for securities lending operations
8. Off balance sheet derivatives
9. Limited partnerships
10. Venture capital investments
11. Direct mortgage lending or participation in direct mortgage loans
12. Letter stock and other unregistered securities
13. Securities lending, pledging or hypothecating securities
14. Investment in the equity securities of any company with a record of less than three years’ continuous operations, including the operation of any predecessor, and investments for the purpose of exercising control of management.

8. Authorized Financial Dealers and Institutions

The Officers will maintain a list of financial institutions and mutual fund companies authorized by the Board to provide investment services. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Officers with the following evidence of qualifications:

A. audited financial statements (two years or more)
B. proof of National Association of Security Dealers certification
C. trading resolution
D. proof of Nevada registration
E. certification as having read NACO’s Investment Guidelines and depository contracts
F. service auditors reports (SSAE 16 if available) regarding internal controls
G. Resumes and references.

An annual review of the financial condition and registrations of qualified bidders and mutual fund companies will be conducted by the Fiscal Officer or their designees. A current audited financial statement is required to be on file for each primary financial institution and broker/dealer with which NACO invests or transacts.

9. Selection and Performance Review of Investment Managers

The NACO Board of Directors may select appropriate investment managers to manage NACO assets. If the Board uses an investment manager, they must meet the following minimum criteria:

- Be a registered investment advisor under the Registered Investment Advisors Act of 1940 or be a bank, insurance company or investment management company.
- Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, and reported net and gross of fees.
- Provide quarterly performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule and support personnel.
- Clearly articulate the investment strategy that will be followed and document that the strategy successfully has been adhered to over time.
- Have no outstanding legal judgments or past judgments that may reflect negatively on the firm.
- Provide in writing acknowledgement of fiduciary responsibility to NACO.
The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines as set forth in this investment policy statement.

The Board of Directors shall evaluate the portfolio(s) on an annual basis and reserves the right to terminate a manager for any reason, including the following:

- Investment performance that significantly is less than anticipated given the discipline employed and the risk parameters established or unacceptable justification of poor results.
- Failure to adhere to any aspect of this investment policy statement including communication and reporting requirements.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

10. Investment Guidelines and Limitations

A. General Guidelines

- Diversification. There will be sufficient diversity in the authorized instruments to allow for variety in the makeup of the portfolio. The Board of Directors will review investment activity reports to assure appropriate diversification exists.
- For cash management funds, the following guidelines shall apply: Liquidity shall be assured through practices ensuring that the next disbursement date is covered through maturing investments or marketable U.S. Treasury bills.
- Positions in securities having potential default risk shall be limited in size so that in case of default, the portfolio’s annual investment income should exceed a loss on a single issuer’s securities.
- Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

B. Allocation. The Board will establish an asset allocation commensurate with the investment goals and objective and risk tolerance. The asset allocation will be based on the advice of qualified investment professionals and administrative staff.

The following guidelines shall serve for asset allocation (% of market value), subject to modification by the Board as noted herein:

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>Risk Assets</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>Core Fixed Income Portfolio – Mutual Fund/ETF</td>
<td>Maximum</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Investment Grade Bond Funds</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Assets Portfolio – Mutual Fund/ETF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>International Equity / Bonds</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>High Yield / Bank Loan</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Indicates the maximum allocation allowable as a percentage of the risk asset portfolio</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When necessary and/or available, cash inflows and outflows will be deployed in a manner consistent with the strategic asset allocation; otherwise the allocation will be reviewed quarterly. If the board determines that cash flows are insufficient to bring the allocations to within the minimum/maximum ranges, the board will determine whether to effect transactions to bring the strategic allocation within the threshold ranges.

C. Maturities. To the extent possible, NACO will attempt to match its investments with anticipated cash flow requirements.

D. Return on Investment. NACO's investment portfolio will be designed with the objective of attaining a market rate of return taking into account NACO’s investment risk constraints and the cash flow characteristics of the portfolio.

E. Performance Standards: Performance standards along with the general goals and objectives of NACO will be established by the Board in consultation with and the assistance of professional advisors and administrative staff and changes will be communicated to appropriate investment managers in writing as necessary.

11. Safekeeping and Custody

Securities purchased by NACO will be held by a professionally qualified institution that has the necessary specialization to provide accurate and timely safekeeping of the assets of NACO. If securities are purchased from outside dealers by an advisor, then securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

The Fiscal Officer or their designees shall maintain a system of internal controls, which shall document investment activities. The investment activities and statements shall be available to the Board of Directors and the independent auditor. The controls shall be designed to prevent the loss of NACO funds arising from fraud, employee error,
misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees, service providers and officers of NACO.

No new custodial account will be established without the express approval of the Board of Directors.

13. **Investment Policy Adoption**

The Board of Directors will adopt NACO’s investment policy. The Board of Directors will review the policy on at least an annual basis and the Board must approve any modifications made thereto.

---

Signature of Chairman of Board Signifying Board Adoption

---

Signature of Executive Director of NACO
• **Agency Debt** – is a security, usually a bond, issued by a U.S. government-sponsored agency. The offerings of these agencies are backed by the government, but not guaranteed by the government since the agencies are private entities. Such agencies have been set up in order to allow certain groups of people to access low cost financing e.g. students and home buyers. Some prominent issuers of agency securities are Student Loan Marketing Association (Sallie Mae), Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac). Agency securities are usually exempt from state and local taxes, but not federal tax. Agency debt is also called an agency security.

• **Agency Mortgage-Backed Securities** – Mortgage backed securities with payment of interest and principal guaranteed by FNMA, FHMC, or GNMA.

• **Amortized Value /Book Value** - The book value of the fixed income security is a function of both the original cost of the security purchased, the size of the premium or discount paid for a security and the amount of time between acquisition and the maturity date and/or call date of the security. Reflective of movement between cost and par.

• **Asset-Backed Securities (ABS)** - is a security whose value and income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets. The pool of assets is typically a group of small and illiquid assets that are unable to be sold individually. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can include common payments from credit cards, auto loans, and mortgage loans, to esoteric cash flows from aircraft leases, royalty payments and movie revenues.

• **Barbell Strategy** – Concentrating the maturities or cash flows of a portfolio in a combination of short maturities and long maturities, while underweighting intermediate maturities, relative to a more laddered maturity distribution or benchmark.

• **Basis Point (Bps)** - A unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument.

• **Book Value** - The value at which an asset is carried on a balance sheet, before market value fluctuations. Typically equals the cost of the security plus or minus the unamortized premiums and discounts.

• **Book Yield** - This is the expected return over a fixed income security’s expected life based on its cost. It incorporates both coupon income and accretion or amortization of premiums or discounts. When book yield is multiplied by book value, it represents a close approximation as to actual income to be earned over the near term.
- **Build America Securities (BABS)** - Taxable municipal securities introduced under the 2009 American Recovery and Reinvestment Act to assist municipalities in funding infrastructure projects. The higher taxable interest rate was offset by a 35% subsidy from the federal government. This program was discontinued December 31, 2010.

- **Bullet** – Concentrating the maturities or cash flows of a portfolio in the intermediate portion of a maturity distribution relative to a flatter or more laddered distribution or benchmark.

- **Call Price** - The price, specified at issuance, at which the issuer of a bond may retire part of the bond at a specified call date prior to final maturity.

- **Cash Equivalents** - Investment securities that are short-term, have high credit quality and are highly liquid.

- **Collateralized Mortgage Obligation (CMO)** – A security backed by mortgages (agency or non-agency) with the cash flows separated and directed into short, medium, and long term positions (tranches) as well as in to senior and subordinated tranches. CMO tranches can offer the investor less or more prepayment risk and volatility than the underlying mortgage collateral.

- **Commercial Mortgage Backed Securities (CMBS)** - Securities backed by principal and interest payments from a pool of commercial mortgages and collateralized by the underlying properties. A CMBS can provide liquidity to real estate investors and to commercial lenders. Because they are not standardized, there are a lot of details associated CMBS that make them difficult to value. However, when compared to a residential mortgage-backed security (RMBS), a CMBS provides a lower degree of prepayment risk because commercial mortgages are most often set for a fixed term.

- **Corporate Securities** - Securities issued by United States and foreign domiciled corporations.

- **Credit support** – Protection from losses provided by other subordinate tranches in a CMO or CMBS structure which take losses first. These may include; excess spread, over collateralization, reserve accounts, surety bonds and wrapping programs.

- **DERIVATIVES**

  "Cap" means an agreement obligating the seller to make payments to the buyer, with each payment based on the amount by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes called the strike rate or strike price.

  "Collar" means an agreement to receive payments as the buyer of an option, cap or floor and to make payments as the seller of a different option, cap or floor.

  "Counterparty exposure amount" means:
(A) The net amount of credit risk attributable to a derivative instrument entered into with a business entity other than through a qualified exchange, qualified foreign exchange or cleared through a qualified clearinghouse. Such derivative instruments are hereinafter referred to as "over-the-counter derivative instruments." The amount of credit risk equals:
   (i) The market value of the over-the-counter derivative instrument if the liquidation of the derivative instrument would result in a final cash payment to the insurer; or
   (ii) Zero, if the liquidation of the derivative instrument would not result in a final cash payment to the insurer.

(B) If over-the-counter derivative instruments are entered into under a written master agreement which provides for netting of payments owed by the respective parties, and the domiciliary jurisdiction of the counterparty is either within the United States or, if not within the United States, within a foreign jurisdiction listed in the NAIC Purposes and Procedures of the Securities Valuation Office as eligible for netting, the net amount of credit risk shall be the greater of zero or the net sum of:
   (i) The market value of the over-the-counter derivative instruments entered into under the agreement, the liquidation of which would result in a final cash payment to the insurer; and
   (ii) The market value of the over-the-counter derivative instruments entered into under the agreement, the liquidation of which would result in a final cash payment by the insurer to the business entity.

(C) For open transactions, market value shall be determined at the end of the most recent quarter of the insurer's fiscal year, and shall be reduced by the market value of acceptable collateral held by the insurer or placed in escrow by one or both parties.

"Covered" means that an insurer owns or can immediately acquire, through the exercise of options, warrants or conversion rights already owned, the underlying interest in order to fulfill or secure its obligations under a call option, cap or floor it has written or has set aside under a custodial or escrow agreement cash or cash equivalents with a market value equal to the amount required to fulfill its obligations under a put option it has written, in an income generation transaction.

"Derivative instrument" means an agreement, option, instrument or a series or combination thereof:
   (A) to make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests or to make a cash settlement in lieu thereof; or
   (B) that has a price, performance, value or cash flow based primarily upon the actual or expected price, level, performance, value or cash flow of one or more underlying interests. Derivative instruments include options, warrants used in a hedging transaction and not attached to another financial instrument, caps, floors, collars, swaps, forwards, futures and any other agreements, options or instruments substantially similar thereto or any series or combination thereof and any agreements, options or instruments permitted under this chapter. Derivative
"Derivative transaction" means a transaction involving the use of one or more derivative instruments.

"Floor" means an agreement obligating the seller to make payments to the buyer in which each payment is based on the amount by which a predetermined number, sometimes called the floor rate or price, exceeds a reference price, level, performance or value of one or more underlying interests.

"Hedging transaction" means a derivative transaction which is entered into and maintained to reduce:

(A) the risk of a change in the value, yield, price, cash flow or quantity of assets or liabilities which the insurer has acquired or incurred or anticipates acquiring or incurring; or

(B) the currency exchange rate risk or the degree of exposure as to assets or liabilities which an insurer has acquired or incurred or anticipates acquiring or incurring.

"Income generation transaction" means a derivative transaction involving the writing of covered call options, covered put options, covered caps or covered floors that is intended to generate income or enhance return.

"Option" means an agreement giving the buyer the right to buy or receive (a "call option"), sell or deliver (a "put option"), enter into, extend or terminate or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests.

“Potential exposure" means the amount determined in accordance with the NAIC Annual Statement Instructions, defined in the instructions of Schedule BDB, Part C, Section 1 as:

\[
\text{Potential Exposure} = 0.5\% \times \text{Notional Amount} \times \sqrt{(\text{Remaining Years to Maturity})}.
\]

"Swap" means an agreement to exchange or to net payments at one or more times based on the actual or expected price, level, performance or value of one or more underlying interests.

"Underlying interest" means the assets, liabilities, other interests or a combination thereof underlying a derivative instrument, such as any one or more securities, currencies, rates, indices, commodities or derivative instruments.

- **Discount** - The excess of the par or face value of a fixed income security over the amount paid for the security, excluding purchased interest.
• **Discount Rate** - The interest rate used in discounted cash flow analysis to determine the present value of future cash flows.

• **Duration** - While duration has many definitions, for purposes of managing fixed-income portfolios, duration is defined as a measure of price volatility. Mathematically, duration is the weighted average time to maturity where the cash flows are present valued by the security’s yield. As security calculations are generally done through the concept of present value (price) and discount rate (yield), in a duration calculation, the present values add up to the total purchase price. By weighting them based on when they are to be received, one can predict how the price of a security will change as its yield changes.

• **Effective Maturity /Average Life** - The weighted average amount of time it takes to get your principal (not interest) back. On a bullet (non-callable) security, effective maturity equals nominal maturity. On a callable security, effective maturity could be either the call date or the maturity date, depending on whether the security is trading at a premium or a discount to its call price. On amortizing securities (mortgage backed securities, asset backed securities, commercial mortgage backed security and securities with sinking funds) the effective maturity is the weighted average date of all principal payments, based on both scheduled and unscheduled (but projected) payments.

• **Emerging Markets** – are nations with social or business activity in the process of rapid growth and industrialization. The economies of China and India are considered to be the largest. According to “The Economist” many people find the term outdated, but no new term has yet to gain much traction. Emerging market hedge fund capital reached a record new level in the first quarter of 2011 of $121 billion. The eight largest emerging and developing economies by GDP are China, Brazil, Russia, India, Mexico, South Korea, Indonesia, and Turkey.

• **Excess Return** – A security’s return minus the return of a comparable risk-free security. For most U.S. fixed income sectors, it is a security’s return less the return of a comparable duration Treasury security.

• **Exchange Traded Fund (ETF)** – are securities that closely resemble index funds, but can be bought and sold during the day just like common stocks. These investment vehicles allow investors a convenient way to purchase a broad basket of securities in a single transaction. Essentially, ETFs offer the convenience of a stock along with the diversification of a mutual fund.

• **Factor** – The percentage of the original principal that is left to be distributed in a mortgage-backed security, as represented by a numerical factor that will be attached on periodic market quotes and other presentations of the MBS’s price.

• **Final Maturity** - Final maturity refers to the date at which the last amount of principal is scheduled to be received.

• **Fixed Income Securities** - Marketable securities purchased primarily for their current yield rather than capital appreciation potential. These securities customarily have a stated interest
rate payable periodically. Examples: first mortgage bonds, treasury notes, municipal bonds and corporate notes. Specifically excluded from this classification are convertible bonds and preferred stock.

For fixed-income securities that have interim cash flows (coupons), total return is the difference between ending market value and beginning market value, plus the difference between ending and beginning accrued interest, plus coupons received, divided by beginning market value plus beginning accrued interest plus the time weighted cash flow for the period.

- **General Obligation Securities (G.O.)**: Debt obligations issued by states, counties, special districts, cities, towns, and school districts and usually secured by the unlimited taxing power of the issuer. Tax types vary; property, income, sales, special taxes. Where taxing authority is not unlimited, these are known as limited tax G.O.s. Issues supported by general taxing authority but special fees, charges, grants, etc, are known as double barrelled securities. These issues may be both taxable and non-taxable.
  - Generally speaking, a security’s price and its yield move in an inverse relationship. So, when yields decrease, prices increase and when yields increase, prices decrease. This is reflective of the present value (price) and discount rate (yield) applied to the future cash flows of a fixed income security.

- **Government Securities**: Securities issued by one of the U.S. Agencies, Government Sponsored Enterprises (‘GSE”), such as the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Company (FHLMC), or the Federal Home Loan Bank (FHLB), dollar-denominated securities issued by foreign governments or their agencies, supranational, and local authorities.
  - In practice, duration is the simplest measure of the amount of price sensitivity a security has to changes in interest rates.

- **Growth Stock**: is a stock of a company that generates substantial and sustainable positive cash flow and whose revenues and earnings are expected to increase at a faster rate than the average company within the same industry. A growth company typically has some sort of competitive advantage (a new product, a breakthrough patent, overseas expansion) that allows it to fend off competitors. Growth stocks usually pay smaller dividends, as the company typically reinvests retained earnings in capital projects.

- **High Yield Bond (non-investment grade, speculative or junk bonds)** – is a bond that is rated below investment grade. These bonds have a higher risk of default or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive to investors. Bonds rated BBB− and higher are called investment grade bonds. Bonds rated lower than investment grade on their date of issue are called speculative grade bonds, or colloquially as "junk” bonds. The lower-rated debt typically offers a higher yield, making speculative bonds attractive investment vehicles for certain types of financial portfolios and strategies.

- **Investment Income**: For fixed-income securities, the components of investment income include income coming from coupon payments plus or minus the change in accrued interest
from the beginning to the end of the period plus or minus the amortization or accretion of the cost basis to par value (this would equate to the change in book value) of the security.

- **Market Value** – often referred to as “fair value”, these are indicative of the price at which the securities could be sold in an active market. The vast majority of prices are obtained from a third-party pricing vendor. These prices do not represent actual ‘bids’ for individual securities but provide a close approximation of the true sales proceeds which could be generated if the portfolio were liquidated as of the date of the report.

- **Market Yield** - Yield to maturity (sometimes called “market yield” or simply “yield”) is the rate of return if a security is held to maturity based on its current market price.

- **Master Limited Partnerships (MLPs)** - is a publicly traded limited partnership. Shares of ownership are referred to as units. MLPs generally operate in the natural resource, financial services, and real estate industries. Unlike a corporation, a master limited partnership is considered to be the aggregate of its partners rather than a separate entity. However, the most distinguishing characteristic of MLPs is that they combine the tax advantages of a partnership with the liquidity of a publicly traded stock.

- **Money Markets** - The money market is a component of the financial markets for assets involved in short-term borrowing and lending with original maturities of one year or shorter time frames.

- **Mortgage-Backed Securities (MBS)** - Securities backed by principal and interest payments from a pool of residential mortgages; includes collateralized mortgage obligations (CMOs).

- **Mortgage Related Securities**
  Special purpose trusts and corporate entities secured by residential or commercial real estate.

  a. **Full Faith and Credit**
  All pass-through securities guaranteed by the Government National Mortgage Association (GNMA) and certain other agencies that are backed by the full faith and credit of the United States.

  b. **U.S. Agency Backed**
  Mortgage related securities issued either as pass-throughs or as collateralized mortgage obligations (CMOs) of a U.S. government agency that are not backed by the full faith and credit of the United States.

  c. **Non-U.S. Agency Backed (“Private label”)**
  Non-U.S. agency mortgage related securities backed by residential or commercial mortgages. Without a GSE guarantee, greater credit risk is usually assumed by the buyer. These usually have higher yields than agency MBS in order to compensate for this and other risks.
• **Mutual Funds** - An investment vehicle that enables individual investors to pool their money together and benefit from key advantages not normally available to smaller investors. These include: professional day-to-day investment management, greater diversification, easy access to global financial markets and 'wholesale' discounts and interest rates.

• **Par value** - Stated value or face value of the fixed income security. The stated amount the issuer must repay when the security reaches maturity.

  • **Passive Management (also called passive investing)** – is a financial strategy in which an investor (or a fund manager) invests in accordance with a pre-determined strategy that does not entail any forecasting (e.g., any use of market timing or stock picking would not qualify as passive management). The idea is to minimize investing fees and to avoid the adverse consequences of failing to correctly anticipate the future. The most popular method is to mimic the performance of an externally specified index. Retail investors typically do this by buying one or more 'index funds'. By tracking an index, an investment portfolio typically gets good diversification, low turnover (good for keeping down internal transaction costs), and extremely low management fees. With low management fees, an investor in such a fund would have higher returns than a similar fund with similar investments but higher management fees and/or turnover/transaction costs. Passive management is most common on the equity market, where index funds track a stock market index, but it is becoming more common in other investment types, including bonds, commodities and hedge funds. Today, there is a plethora of market indices in the world, and thousands of different index funds tracking many of them.

• **Preferred Stocks**

  a. **Redeemable / Limited Life (Under NAIC Guidelines)**
  Preferred stocks with an explicit limited life, for example: mandatory sinking fund preferred stocks, preferred stocks redeemable at the option of the investor, and preferred stocks with a non-cancelable call provisions are included in this section. Currently, NAIC guidelines allow these preferred to be carried at amortized cost.

  b. **Other Limited Life**
  Preferred stocks with an expected, but not explicit limited life. Securities included here contain a mechanism designed to limit price volatility (exclusive of creditworthiness); for example, preferred stocks redeemable at the option of the issuer such as fixed rate adjustable preferred stocks (FRAPS). Currently, NAIC guidelines require these preferred to be carried at market value with no amortization.

• **Premium** - The excess of the amount paid for a fixed income security, excluding purchased interest, over its par or face value.

• **Prepayments** – The repayment of mortgage principal prior to scheduled amortization, which shortens the average life of the security. Prepayments are influenced by many factors, including refinancing and housing turnover. Returns of premium priced (above par) securities may be reduced when prepayments increase. A decline in market interest rates can increase...
prepayment activity via increased refinancing, shortening the duration of the security. This can reduce portfolio returns as the mortgage prepayments must be reinvested at lower yields. Conversely, a rise in interest rates may slow prepayments from expected levels, reducing the cash flows available to invest at higher yields. The slowdown in principal payments will normally extend the duration of the security.

- **Present Value** - The current worth of a future sum of money or stream of cash flows given a specified rate of return. Future cash flows are discounted at the discount rate, and the higher the discount rate, the lower the present value of the future cash flows.

- **Redemption** - The return of an investor’s principal in a fixed income security, such as a preferred stock or bond.


- **Revenue Bonds** – Securities issued for either project or enterprise financing and supported by the revenues from that project. Issues may also be supported by dedicated taxes. Common types include municipal utilities, airport, toll roads, hospital, college, gas tax. These issues may be both taxable and non-taxable.

- **Risk Assets**

  International and U.S. publicly traded common stocks, including real estate investment trusts, equity mutual funds and private placement common/commingled trusts. Also included are perpetual preferred stocks. Finally, this category includes convertible bonds and convertible preferred stocks with no quality limitations.

  Exposure to common stocks is typically measured at market price as a percent of the most recent year-end surplus. Any limit indicated in this investment policy statement has been established by translating this into a dollar amount.

  U.S. High Yield fixed income mutual funds/ETFs.

  International Fixed Income mutual funds/ETFs; including both sovereign and corporate debt issued in both USD and Local Currency.

- **Risk Free Security** - An asset which has a certain future return. Treasuries (especially T-bills) are considered to be risk-free because they are backed by the U.S. government.

- **Settlement Date** - The date by which an executed security trade must be settled. That is, the date by which a buyer must pay for the securities delivered by the seller.

- **Short Term** - Money market instruments generally with less than 180 days to maturity from purchase, Money Market Funds.
**SHORT-TERM INVESTMENTS**

Short-term investments consist of cash and investment grade securities with an original maturity at purchase of no more than one year.

a. **U.S. Government Securities**
U.S. Government securities backed by the full faith and credit of the United States or its agencies.

b. **Money Market Funds**
Includes bank sweep vehicles and other funds qualifying for Exempt or Class One treatment under NAIC rules.

c. **Other Short-Term**
Includes, but not limited to: repurchase agreements, commercial paper, bankers’ acceptances, and certificates of deposit.

- **Spread** – Normally used to describe the incremental yield of a security over a comparable maturity or reference Treasury, in basis points. Calculations vary by asset class.

- **Subordinate Debt** - ranked behind that held by secured lenders in terms of the order in which the debt is repaid. "Subordinate" financing implies that the debt ranks behind the first secured lender, and means that the secured lenders will be paid back before subordinate debt holders.

- **Taxable Municipal Securities** - Securities issued by a state, municipality or other political subdivision which are backed by a pledge of a specific revenue type or ad valorem taxing authority, whose income is subject to regular income tax. Barclays considers most taxable municipals as “Local Authority” issues in their Government index.

- **Tax-Exempt Municipal Securities** - Securities issued by a state, municipality or other political subdivision which are backed by a pledge of a specific revenue type or ad valorem taxing authority, whose income is not subject to regular income tax. The main difference between income return and total return is that income returns are based on book value and income earned (which includes changes in book value as part of the calculation), while total return is based on market value and cash flow received.

- **Total Return** - As opposed to income return, which is an accounting based calculation, total return is an economic-based calculation. For securities with no interim cash flows, total return is the difference between the ending and beginning market value.

- **Trade Date** - The month, day and year that an order is executed in the market. The trade date is when an order to purchase, sell or otherwise acquire a security is performed.

- **Tranche** - Tranches are pieces, portions or slices of debt or structured financing. Each portion, or tranche, is one of several related securities offered at the same time but with different risks, rewards.
and maturities. For example, a collateralized mortgage obligation CMO offering a partitioned mortgage-backed securities MBS portfolio might have mortgage tranches with one-year, two-year, five-year and 20-year maturities, all with varying degrees of risk and returns.

- **Treasury** - Securities issued by the U.S. Treasury.

- **Treasury Inflation Protected Securities (TIPS)** - U.S. Treasury notes and bonds that have a fixed coupon rate and mature on a fixed date. However, the coupon payments and underlying principle are automatically increased to compensate for inflation as measured by the Consumer Price Index (CPI).

- **Value Stock (also called value investing)** – is an investment paradigm that derives from the ideas on investment that Ben Graham and David Dodd began teaching at Columbia Business School in 1928 and subsequently developed in their 1934 text Security Analysis. Although value investing has taken many forms since its inception, it generally involves buying securities whose shares appear under-priced by some form of fundamental analysis. As examples, such securities may be stock in public companies that trade at discounts to book value or tangible book value, have high dividend yields, have low price-to-earnings multiples or have low price-to-book ratios.
  - High-profile proponents of value investing, including Berkshire Hathaway chairman Warren Buffett, have argued that the essence of value investing is buying stocks at less than their intrinsic value. The discount of the market price to the intrinsic value is what Benjamin Graham called the "margin of safety". The intrinsic value is the discounted value of all future distributions. However, the future distributions and the appropriate discount rate can only be assumptions. Graham never recommended using future numbers, only past ones). For the last 25 years, Warren Buffett has taken the value investing concept even further with a focus on "finding an outstanding company at a sensible price" rather than generic companies at a bargain price.

- **Weighted average life** – The weighted average time to principal repayment in years, weighted by the amount of each principal payment.
  - While many assumptions built into the duration calculation, for small movements in interest rates, duration is a fairly good proxy of price sensitivity.

- **Yankee Bond** – A bond denominated in U.S. dollars that is publicly issued in the U.S. by foreign banks and corporations. According to the Securities Act of 1933, these bonds must first be registered with the Securities and Exchange Commission (SEC) before they can be sold. Due to the stringent regulations and standards that must be adhered to, it may take up to 14 weeks (or 3.5 months) for a Yankee bond to be offered to the public. Part of the process involves having debt-rating agencies evaluate the credit worthiness of the Yankee bond's underlying issuer. Foreign issuers tend to prefer issuing Yankee bonds when U.S. interest rates are low because this means lower interest payments for the foreign issuer.

- **Yield Curve Slope** – The spread between two points on the yield curve for similar assets. Most often used in discussing the Treasury curve but is often used for comparing yields of comparable municipal and corporate securities across maturities.
## Nevada Association of Counties

### Balance Sheet

**October 31, 2021**

### Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash - NV State Bank</td>
<td>$508,286.09</td>
</tr>
<tr>
<td>Money Market</td>
<td>$110,811.59</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$128,319.00</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$3,141.07</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$750,557.75</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
<td></td>
</tr>
<tr>
<td>Office Equipment</td>
<td>$174,059.50</td>
</tr>
<tr>
<td>Building</td>
<td>$447,906.18</td>
</tr>
<tr>
<td>Land</td>
<td>$131,000.00</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>$108,476.78</td>
</tr>
<tr>
<td>Fixed Assets - Vehicle</td>
<td>$32,878.25</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>($346,770.16)</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>$547,550.55</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>$621,202.08</td>
</tr>
<tr>
<td>Investments - Cash Equivalents</td>
<td>$146,059.40</td>
</tr>
<tr>
<td>Investments Interest Receivable</td>
<td>$1,820.93</td>
</tr>
<tr>
<td>Investments Trades Receivable</td>
<td>$3.16</td>
</tr>
<tr>
<td>Deferred Outflows</td>
<td>$164,719.00</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>$933,804.57</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$2,231,912.87</td>
</tr>
</tbody>
</table>

### Liabilities and Capital

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accrued Payroll Benefits</td>
<td>$7,759.66</td>
</tr>
<tr>
<td>PERS Pension Liability</td>
<td>$601,332.00</td>
</tr>
<tr>
<td>Deferred Inflows</td>
<td>$102,171.00</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$711,262.66</td>
</tr>
<tr>
<td><strong>Long-Term Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$711,262.66</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>$1,195,639.22</td>
</tr>
<tr>
<td>Net Income</td>
<td>$325,010.99</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td>$1,520,650.21</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Capital</strong></td>
<td>$2,231,912.87</td>
</tr>
</tbody>
</table>
## Nevada Association of Counties

### Income Statement/Budget
**For the Ten Months Ending October 31, 2021**

<table>
<thead>
<tr>
<th>Current Month</th>
<th>Year to Date</th>
<th>Budget</th>
<th>Y-T-D % Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>0.00</td>
<td>3,746,615.00</td>
<td>3,746,615.00</td>
</tr>
<tr>
<td>Public Lands Assessment Dues</td>
<td>0.00</td>
<td>1,393,346.00</td>
<td>1,393,444.00</td>
</tr>
<tr>
<td>Conference Revenues</td>
<td>18,365.00</td>
<td>85,332.86</td>
<td>80,000.00</td>
</tr>
<tr>
<td>IAF/Supplemental Funds</td>
<td>0.00</td>
<td>35,000.00</td>
<td>70,000.00</td>
</tr>
<tr>
<td>County Small Business Grant Program</td>
<td>0.00</td>
<td>120,952.27</td>
<td>18,000.00</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.94</td>
<td>21.89</td>
<td>15,000.00</td>
</tr>
<tr>
<td>National Programs</td>
<td>857.63</td>
<td>4,759.49</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Associate Memberships</td>
<td>0.00</td>
<td>5,687.50</td>
<td>18,000.00</td>
</tr>
<tr>
<td>Unrealized Gain/(Loss)-Investments</td>
<td>15,324.53</td>
<td>46,560.08</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>34,548.10</td>
<td>812,275.09</td>
<td>699,459.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenses</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>13,650.26</td>
<td>245,601.58</td>
<td>334,750.00</td>
</tr>
<tr>
<td>Retirement: PERS</td>
<td>4,060.95</td>
<td>65,091.42</td>
<td>98,751.00</td>
</tr>
<tr>
<td>Employee Health Insurance/Life</td>
<td>2,996.00</td>
<td>28,852.73</td>
<td>33,000.00</td>
</tr>
<tr>
<td>FICA, ESD, and Medicare Expense</td>
<td>177.76</td>
<td>5,509.27</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Audit</td>
<td>0.00</td>
<td>8,725.00</td>
<td>8,500.00</td>
</tr>
<tr>
<td>Board Meetings</td>
<td>0.00</td>
<td>294.45</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Building Capital Projects</td>
<td>0.00</td>
<td>6,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Building Operating Expenses</td>
<td>1,773.41</td>
<td>17,907.16</td>
<td>19,000.00</td>
</tr>
<tr>
<td>Conference Expenses</td>
<td>25,763.43</td>
<td>33,666.53</td>
<td>38,000.00</td>
</tr>
<tr>
<td>Contract Services</td>
<td>3,947.50</td>
<td>3,947.50</td>
<td>3,947.50</td>
</tr>
<tr>
<td>County Leadership Institute</td>
<td>1,800.00</td>
<td>1,800.00</td>
<td>3,200.00</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Donations/Sponsorships</td>
<td>0.00</td>
<td>0.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Equipment Lease &amp; Maintenance</td>
<td>631.40</td>
<td>3,046.74</td>
<td>4,500.00</td>
</tr>
<tr>
<td>Equipment Purchases</td>
<td>0.00</td>
<td>2,622.48</td>
<td>4,500.00</td>
</tr>
<tr>
<td>IT Support</td>
<td>0.00</td>
<td>262.50</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Internet Service</td>
<td>787.02</td>
<td>8,049.90</td>
<td>9,000.00</td>
</tr>
<tr>
<td>Legislative Expense</td>
<td>0.00</td>
<td>1,949.80</td>
<td>15,000.00</td>
</tr>
<tr>
<td>Liability &amp; Auto Insurance</td>
<td>663.50</td>
<td>4,668.88</td>
<td>5,500.00</td>
</tr>
<tr>
<td>Management Consultant &amp; Training</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Member Services</td>
<td>0.00</td>
<td>529.09</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>171.06</td>
<td>2,906.95</td>
<td>3,500.00</td>
</tr>
<tr>
<td>PEHB Liability</td>
<td>187.55</td>
<td>1,894.76</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Postage</td>
<td>0.00</td>
<td>269.55</td>
<td>500.00</td>
</tr>
<tr>
<td>Printing</td>
<td>0.00</td>
<td>0.00</td>
<td>500.00</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>1,277.18</td>
<td>13,035.71</td>
<td>15,500.00</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>0.00</td>
<td>3,576.16</td>
<td>3,576.16</td>
</tr>
<tr>
<td>Publications, Dues, Registrations</td>
<td>91.66</td>
<td>5,861.12</td>
<td>3,660.00</td>
</tr>
<tr>
<td>Recruiting &amp; Advertising</td>
<td>539.13</td>
<td>539.13</td>
<td>539.13</td>
</tr>
<tr>
<td>Representative Travel</td>
<td>0.00</td>
<td>5,678.42</td>
<td>17,000.00</td>
</tr>
<tr>
<td>Special Studies/Litigation</td>
<td>0.00</td>
<td>3,000.00</td>
<td>15,000.00</td>
</tr>
<tr>
<td>Actuarial Study Medicaid Match</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Staff Travel</td>
<td>0.00</td>
<td>3,145.71</td>
<td>20,000.00</td>
</tr>
<tr>
<td>Telephone</td>
<td>461.23</td>
<td>5,036.07</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Vehicle Registration Maintenance</td>
<td>110.02</td>
<td>343.98</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Web-based Hosting &amp; Subscription Software</td>
<td>82.40</td>
<td>1,261.15</td>
<td>5,000.00</td>
</tr>
<tr>
<td>WIR Dues</td>
<td>0.00</td>
<td>8,184.36</td>
<td>9,000.00</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>59,171.46</td>
<td>487,264.10</td>
<td>706,361.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net Income</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(24,623.36)</td>
<td>325,010.99</td>
<td>(6,902.00)</td>
<td></td>
</tr>
</tbody>
</table>
## Balance Sheet

### November 30, 2021

#### ASSETS

**Current Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - NV State Bank</td>
<td>$486,539.09</td>
</tr>
<tr>
<td>Money Market</td>
<td>$110,812.50</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$120,902.00</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$2,749.07</td>
</tr>
</tbody>
</table>

Total Current Assets: $721,002.66

**Property and Equipment**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Equipment</td>
<td>$174,059.50</td>
</tr>
<tr>
<td>Building</td>
<td>$447,906.18</td>
</tr>
<tr>
<td>Land</td>
<td>$131,000.00</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>$108,476.78</td>
</tr>
<tr>
<td>Fixed Assets - Vehicle</td>
<td>$32,878.25</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>($346,770.16)</td>
</tr>
</tbody>
</table>

Total Property and Equipment: $547,550.55

**Other Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>$608,209.66</td>
</tr>
<tr>
<td>Investments - Cash Equivalents</td>
<td>$151,994.22</td>
</tr>
<tr>
<td>Investments Interest Receivable</td>
<td>$1,454.98</td>
</tr>
<tr>
<td>Investments Trades Receivable</td>
<td>$3.17</td>
</tr>
<tr>
<td>DEFFERRED OUTFLOWS</td>
<td>$164,719.00</td>
</tr>
</tbody>
</table>

Total Other Assets: $926,381.03

Total Assets: $2,194,934.24

#### LIABILITIES AND CAPITAL

**Current Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIT, Medicare Payable</td>
<td>$29.00</td>
</tr>
<tr>
<td>Accrued Payroll Benefits</td>
<td>$7,759.66</td>
</tr>
<tr>
<td>PERS Pension Liability</td>
<td>$601,332.00</td>
</tr>
<tr>
<td>DEFFERED INFLOWS</td>
<td>$102,171.00</td>
</tr>
</tbody>
</table>

Total Current Liabilities: $711,291.66

**Long-Term Liabilities**

Total Long-Term Liabilities: $0.00

Total Liabilities: $711,291.66

**Capital**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td>$1,195,639.22</td>
</tr>
<tr>
<td>Net Income</td>
<td>$288,003.36</td>
</tr>
</tbody>
</table>

Total Capital: $1,483,642.58

Total Liabilities & Capital: $2,194,934.24

2/22/2022 at 6:50 AM  Unaudited - For Management Purposes Only
## Revenues

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Budget</th>
<th>Y-T-D % Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Membership Dues</strong></td>
<td>0.00</td>
<td>374,615.00</td>
<td>374,615.00</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Public Lands Assessment Dues</strong></td>
<td>0.00</td>
<td>139,346.00</td>
<td>139,344.00</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Conference Revenues</strong></td>
<td>1,490.00</td>
<td>86,822.86</td>
<td>80,000.00</td>
<td>108.5%</td>
</tr>
<tr>
<td><strong>IAF/Supplemental Funds</strong></td>
<td>0.00</td>
<td>35,000.00</td>
<td>70,000.00</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>County Small Business Grant Program</strong></td>
<td>0.00</td>
<td>120,952.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest Income</strong></td>
<td>0.91</td>
<td>22.80</td>
<td>15,000.00</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>National Programs</strong></td>
<td>0.00</td>
<td>4,759.49</td>
<td>2,500.00</td>
<td>190.4%</td>
</tr>
<tr>
<td><strong>Associate Memberships</strong></td>
<td>0.00</td>
<td>5,687.50</td>
<td>18,000.00</td>
<td>31.6%</td>
</tr>
<tr>
<td><strong>Unrealized Gain/(Loss)-Investments</strong></td>
<td>(7,423.54)</td>
<td>39,136.54</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Total Revenues**

(5,932.63)  806,342.46  699,459.00  115.3%

## Expenses

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Budget</th>
<th>Y-T-D % Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>15,650.26</td>
<td>261,251.84</td>
<td>334,750.00</td>
<td>78.0%</td>
</tr>
<tr>
<td><strong>Retirement: PERS</strong></td>
<td>4,060.95</td>
<td>69,152.37</td>
<td>98,751.00</td>
<td>70.0%</td>
</tr>
<tr>
<td><strong>Employee Health Insurance/Life</strong></td>
<td>(1,735.78)</td>
<td>27,116.95</td>
<td>33,000.00</td>
<td>82.2%</td>
</tr>
<tr>
<td><strong>FICA, ESD, and Medicare Expense</strong></td>
<td>177.76</td>
<td>5,687.03</td>
<td>7,500.00</td>
<td>75.8%</td>
</tr>
<tr>
<td><strong>Audit</strong></td>
<td>0.00</td>
<td>8,725.00</td>
<td>8,500.00</td>
<td>102.6%</td>
</tr>
<tr>
<td><strong>Board Meetings</strong></td>
<td>0.00</td>
<td>294.45</td>
<td>7,500.00</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Building Capital Projects</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>6,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Building Operating Expenses</strong></td>
<td>438.94</td>
<td>18,346.10</td>
<td>19,000.00</td>
<td>96.6%</td>
</tr>
<tr>
<td><strong>Conference Expenses</strong></td>
<td>1,050.05</td>
<td>34,716.58</td>
<td>38,000.00</td>
<td>91.4%</td>
</tr>
<tr>
<td><strong>Contract Services</strong></td>
<td>5,000.00</td>
<td>8,947.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>County Leadership Institute</strong></td>
<td>0.00</td>
<td>1,800.00</td>
<td>3,200.00</td>
<td>56.3%</td>
</tr>
<tr>
<td><strong>Depreciation Expense</strong></td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Donations/Sponsorships</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>1,500.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Equipment Lease &amp; Maintenance</strong></td>
<td>554.16</td>
<td>3,600.90</td>
<td>4,500.00</td>
<td>80.0%</td>
</tr>
<tr>
<td><strong>Equipment Purchases</strong></td>
<td>0.00</td>
<td>2,622.48</td>
<td>4,500.00</td>
<td>58.3%</td>
</tr>
<tr>
<td><strong>IT Support</strong></td>
<td>0.00</td>
<td>262.50</td>
<td>2,500.00</td>
<td>10.5%</td>
</tr>
<tr>
<td><strong>Internet Service</strong></td>
<td>0.00</td>
<td>8,049.90</td>
<td>9,000.00</td>
<td>89.4%</td>
</tr>
<tr>
<td><strong>Legislative Expense</strong></td>
<td>0.00</td>
<td>1,949.80</td>
<td>15,000.00</td>
<td>13.0%</td>
</tr>
<tr>
<td><strong>Liability &amp; Auto Insurance</strong></td>
<td>392.00</td>
<td>5,060.88</td>
<td>5,500.00</td>
<td>92.0%</td>
</tr>
<tr>
<td><strong>Management Consultant &amp; Training</strong></td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Member Services</strong></td>
<td>46.45</td>
<td>575.54</td>
<td>3,000.00</td>
<td>19.2%</td>
</tr>
<tr>
<td><strong>Office Supplies</strong></td>
<td>114.66</td>
<td>3,021.61</td>
<td>3,500.00</td>
<td>86.3%</td>
</tr>
<tr>
<td><strong>PEHB Liability</strong></td>
<td>187.55</td>
<td>2,082.31</td>
<td>6,000.00</td>
<td>34.7%</td>
</tr>
<tr>
<td><strong>Postage</strong></td>
<td>109.47</td>
<td>379.02</td>
<td>500.00</td>
<td>75.8%</td>
</tr>
<tr>
<td><strong>Printing</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>500.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Professional Fees</strong></td>
<td>1,277.18</td>
<td>14,312.89</td>
<td>15,500.00</td>
<td>92.3%</td>
</tr>
<tr>
<td><strong>Property Taxes</strong></td>
<td>0.00</td>
<td>3,576.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Publications, Dues, Registrations</strong></td>
<td>60.00</td>
<td>5,921.12</td>
<td>3,660.00</td>
<td>161.8%</td>
</tr>
<tr>
<td><strong>Recruiting &amp; Advertising</strong></td>
<td>0.00</td>
<td>539.13</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Representative Travel</strong></td>
<td>1,471.91</td>
<td>7,150.33</td>
<td>17,000.00</td>
<td>42.1%</td>
</tr>
<tr>
<td><strong>Special Studies/Litigation</strong></td>
<td>0.00</td>
<td>3,000.00</td>
<td>15,000.00</td>
<td>20.0%</td>
</tr>
<tr>
<td><strong>Actuarial Study Medicaid Match</strong></td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Staff Travel</strong></td>
<td>1,598.33</td>
<td>4,750.04</td>
<td>20,000.00</td>
<td>23.8%</td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td>300.70</td>
<td>5,336.77</td>
<td>6,000.00</td>
<td>88.9%</td>
</tr>
<tr>
<td><strong>Vehicle Registration Maintenance</strong></td>
<td>320.41</td>
<td>664.39</td>
<td>3,000.00</td>
<td>22.1%</td>
</tr>
<tr>
<td><strong>Web-based Hosting &amp; Subscription Software</strong></td>
<td>0.00</td>
<td>1,261.15</td>
<td>5,000.00</td>
<td>25.2%</td>
</tr>
<tr>
<td><strong>WIR Dues</strong></td>
<td>0.00</td>
<td>8,184.36</td>
<td>9,000.00</td>
<td>90.9%</td>
</tr>
</tbody>
</table>

**Total Expenses**

31,075.00  518,339.10  706,361.00  73.4%

**Net Income**

(37,007.63)  288,003.36  (6,902.00)
# Nevada Association of Counties
## Balance Sheet
### December 31, 2021

### ASSETS

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - NV State Bank</td>
<td>446,904.12</td>
</tr>
<tr>
<td>Money Market</td>
<td>110,813.45</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(50.00)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>2,357.07</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>560,024.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property and Equipment</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Equipment</td>
<td>174,059.50</td>
</tr>
<tr>
<td>Building</td>
<td>447,906.18</td>
</tr>
<tr>
<td>Land</td>
<td>131,000.00</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>108,476.78</td>
</tr>
<tr>
<td>Fixed Assets - Vehicle</td>
<td>32,878.25</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(381,680.43)</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>512,640.28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Assets</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>612,454.99</td>
</tr>
<tr>
<td>Investments - Cash Equivalents</td>
<td>157,934.95</td>
</tr>
<tr>
<td>Investments Interest Receivable</td>
<td>1,692.19</td>
</tr>
<tr>
<td>Investments Trades Receivable</td>
<td>3.39</td>
</tr>
<tr>
<td>DEFERRED OUTFLOWS</td>
<td>164,719.00</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>936,804.52</td>
</tr>
</tbody>
</table>

| **Total Assets**                  | $ 2,009,469.44 |

### LIABILITIES AND CAPITAL

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>18,117.10</td>
</tr>
<tr>
<td>Accrued Payroll Benefits</td>
<td>15,709.19</td>
</tr>
<tr>
<td>PERS Pension Liability</td>
<td>601,332.00</td>
</tr>
<tr>
<td>DEFERRED INFLOWS</td>
<td>102,171.00</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>737,329.29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long-Term Liabilities</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td>0.00</td>
</tr>
</tbody>
</table>

| **Total Liabilities**             | 737,329.29 |

<table>
<thead>
<tr>
<th>Capital</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td>1,195,639.22</td>
</tr>
<tr>
<td>Net Income</td>
<td>76,500.93</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td>1,272,140.15</td>
</tr>
</tbody>
</table>

| **Total Liabilities & Capital**   | $ 2,009,469.44 |

2/22/2022 at 6:51 AM  Unaudited - For Management Purposes Only
## Revenue Statement/Budget

**For the Twelve Months Ending December 31, 2021**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Budget</th>
<th>Y-T-D % Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Dues</td>
<td>0.00</td>
<td>374,615.00</td>
<td>374,615.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Public Lands Assessment Dues</td>
<td>0.00</td>
<td>139,346.00</td>
<td>139,344.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Conference Revenues</td>
<td>0.00</td>
<td>86,822.86</td>
<td>80,000.00</td>
<td>108.5%</td>
</tr>
<tr>
<td>IAF/Supplemental Funds</td>
<td>0.00</td>
<td>35,000.00</td>
<td>70,000.00</td>
<td>50.0%</td>
</tr>
<tr>
<td>County Small Business Grant Program</td>
<td>(120,952.27)</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.95</td>
<td>23.75</td>
<td>15,000.00</td>
<td>0.2%</td>
</tr>
<tr>
<td>National Programs</td>
<td>0.27</td>
<td>4,759.76</td>
<td>2,500.00</td>
<td>190.4%</td>
</tr>
<tr>
<td>Associate Memberships</td>
<td>0.00</td>
<td>5,687.50</td>
<td>18,000.00</td>
<td>31.6%</td>
</tr>
<tr>
<td>Unrealized Gain/(Loss)-Investments</td>
<td>10,423.49</td>
<td>49,560.03</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>(110,527.56)</td>
<td>695,814.90</td>
<td>699,459.00</td>
<td>99.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Budget</th>
<th>Y-T-D % Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>28,424.92</td>
<td>289,676.76</td>
<td>334,750.00</td>
<td>86.5%</td>
</tr>
<tr>
<td>Retirement: PERS</td>
<td>10,152.38</td>
<td>79,304.75</td>
<td>98,751.00</td>
<td>80.3%</td>
</tr>
<tr>
<td>Employee Health Insurance/Life</td>
<td>(1,718.46)</td>
<td>25,398.49</td>
<td>33,000.00</td>
<td>77.0%</td>
</tr>
<tr>
<td>FICA, ESD, and Medicare Expense</td>
<td>295.64</td>
<td>5,982.67</td>
<td>7,500.00</td>
<td>79.8%</td>
</tr>
<tr>
<td>Audit</td>
<td>0.00</td>
<td>8,725.00</td>
<td>8,500.00</td>
<td>102.6%</td>
</tr>
<tr>
<td>Board Meetings</td>
<td>41.25</td>
<td>335.70</td>
<td>7,500.00</td>
<td>4.5%</td>
</tr>
<tr>
<td>Building Capital Projects</td>
<td>0.00</td>
<td>0.00</td>
<td>6,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Building Operating Expenses</td>
<td>1,715.55</td>
<td>20,061.65</td>
<td>19,000.00</td>
<td>105.6%</td>
</tr>
<tr>
<td>Conference Expenses</td>
<td>0.00</td>
<td>34,716.58</td>
<td>38,000.00</td>
<td>91.4%</td>
</tr>
<tr>
<td>Contract Services</td>
<td>12,970.00</td>
<td>21,917.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Leadership Institute</td>
<td>1,800.00</td>
<td>3,600.00</td>
<td>3,200.00</td>
<td>112.5%</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>34,910.27</td>
<td>34,910.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations/Sponsorships</td>
<td>0.00</td>
<td>0.00</td>
<td>1,500.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Equipment Lease &amp; Maintenance</td>
<td>0.00</td>
<td>3,600.90</td>
<td>4,500.00</td>
<td>80.0%</td>
</tr>
<tr>
<td>Equipment Purchases</td>
<td>407.80</td>
<td>3,030.28</td>
<td>4,500.00</td>
<td>67.3%</td>
</tr>
<tr>
<td>IT Support</td>
<td>75.00</td>
<td>337.50</td>
<td>2,500.00</td>
<td>13.5%</td>
</tr>
<tr>
<td>Internet Service</td>
<td>1,609.80</td>
<td>9,659.70</td>
<td>9,000.00</td>
<td>107.3%</td>
</tr>
<tr>
<td>Legislative Expense</td>
<td>0.00</td>
<td>1,949.80</td>
<td>15,000.00</td>
<td>13.0%</td>
</tr>
<tr>
<td>Liability &amp; Auto Insurance</td>
<td>392.00</td>
<td>5,452.88</td>
<td>5,500.00</td>
<td>99.1%</td>
</tr>
<tr>
<td>Management Consultant &amp; Training</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Services</td>
<td>0.00</td>
<td>575.54</td>
<td>3,000.00</td>
<td>19.2%</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>365.17</td>
<td>3,386.78</td>
<td>3,500.00</td>
<td>96.8%</td>
</tr>
<tr>
<td>PEHB Liability</td>
<td>187.55</td>
<td>2,269.86</td>
<td>6,000.00</td>
<td>37.8%</td>
</tr>
<tr>
<td>Postage</td>
<td>73.24</td>
<td>452.26</td>
<td>500.00</td>
<td>90.5%</td>
</tr>
<tr>
<td>Printing</td>
<td>0.00</td>
<td>0.00</td>
<td>500.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>1,504.77</td>
<td>15,817.66</td>
<td>15,500.00</td>
<td>102.0%</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>0.00</td>
<td>3,576.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications, Dues, Registrations</td>
<td>1,087.20</td>
<td>7,008.32</td>
<td>3,660.00</td>
<td>191.5%</td>
</tr>
<tr>
<td>Recruiting &amp; Advertising</td>
<td>603.10</td>
<td>1,142.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Representative Travel</td>
<td>2,430.00</td>
<td>9,580.33</td>
<td>17,000.00</td>
<td>56.4%</td>
</tr>
<tr>
<td>Special Studies/Litigation</td>
<td>0.00</td>
<td>3,000.00</td>
<td>15,000.00</td>
<td>20.0%</td>
</tr>
<tr>
<td>Actuarial Study Medicaid Match</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Travel</td>
<td>2,740.89</td>
<td>7,490.93</td>
<td>20,000.00</td>
<td>37.5%</td>
</tr>
<tr>
<td>Telephone</td>
<td>750.53</td>
<td>6,087.30</td>
<td>6,000.00</td>
<td>101.5%</td>
</tr>
<tr>
<td>Vehicle Registration Maintenance</td>
<td>115.07</td>
<td>779.46</td>
<td>3,000.00</td>
<td>26.0%</td>
</tr>
<tr>
<td>Web-based Hosting &amp; Subscription Software</td>
<td>41.20</td>
<td>1,302.35</td>
<td>5,000.00</td>
<td>26.0%</td>
</tr>
<tr>
<td>WIR Dues</td>
<td>0.00</td>
<td>8,184.36</td>
<td>9,000.00</td>
<td>90.9%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>100,974.87</td>
<td>619,313.97</td>
<td>706,361.00</td>
<td>87.7%</td>
</tr>
</tbody>
</table>

| Net Income                      | (211,502.43)  | 76,500.93    | (6,902.00) |               |
CENTRAL NEVADA HEALTH DISTRICT PLANNING

Marena Works, MSN, MPH, RN
Consultant Public Health Public Health Policy & Planning
Churchill County Initiative
Office of Statewide Initiatives
University of Nevada, Reno School of Medicine
BACKGROUND

Health districts in Nevada
Authority for counties/cities to form a Health District
Vision to form the Central Nevada Health District
NRS 439.370

By affirmative vote of:
✓ Boards of county commissioners of 2 or more adjacent counties, governing bodies of 2 or more cities or towns within any county, or,
✓ The board of county commissioners and governing body or bodies of any incorporated city or cities, town or towns, in such county,
✓ AND
✓ Approval of the STATE BOH there may be created a health district with a health department consisting of a district health officer and a district BOH
District Board of Health Composition

• District BOH less than 700,000 population
  – 2 members from each county, city or town which participated in establishing the district, appointed by the governing body of the county, city or town (NRS 439.370)
  – One additional member who must be a physician licensed to practice in the state
County Assessment Fees for PH (SB 471-2011; NRS 439.4905).

• Environmental Health
  – State took their cost of providing EH services and came up with a county assessment fee to make the program cost neutral

• All of 441A activities; assessment in the bill focused on charging for:
  – Indigent STD: put the burden on the county to test and treat and where possible to ensure the cure (441A.240-260)
  – Indigent TB: put the burden on the county to test and ensure treatment and cure (441A.340-400)

However, they can assess any part of 441A
NRS Definitions of Health Authority

441A.050: ...“Health authority” means the district health officer in a district, .... Or the Chief Medical Officer.... (the Chief Medical Officer is the State Health Officer).

446.050: “Health authority” means the officers and agents of the DPBH...or the officers and agents of the local boards of health.

439.005: “Health authority” means the officers and agents of the Division or the officers and agents of the local BOH.
Mandated PH Services

• Environmental Health
  – NRS 444, 446, 583

• Infectious Diseases Toxic Agents (NRS 441A)
  – Communicable disease reporting
  – STD control, prevention and treatment
  – TB control and treatment/cure
BACKGROUND OF CHURCHILL COUNTY

In 2011, the Washoe County Health District (WCHD) was awarded a Cross-Jurisdictional Sharing Grant to explore cross jurisdictional sharing arrangements in 7 northern Nevada rural counties (Churchill, Elko, Eureka, Humboldt, Lander, Pershing and White Pine). After assessing the public health readiness in these counties, it was discovered that many of the counties did not have an appointed county health officer and had not routinely convened a local board of health (BOH) meeting. The only county that was poised to revitalize their county board of health was Churchill County. After this assessment, the WCHD determined it was more feasible to focus on development of the Churchill County BOH to be used as a model for the other counties and that a cross-jurisdictional arrangement was premature at this time.
READINESS TO MOVE FORWARD

Since that time, Churchill County has continued to regularly convene their BOH and, especially since COVID-19, have expanded to carry out more public health services not only in their county, but assisting Pershing, Mineral and Eureka as well. Additionally, they are standing up a satellite public health laboratory in Fallon which should be open to processing samples within the next month or two.
Process to Assume Services

NRS 439.4905

• Once agreement has been reached with the participating counties to move forward:
  – Proposal to the Governor requesting the newly formed health district carry out the services described
  – Governor approves the proposal and submits a recommendation to the Interim Finance Committee (IFC)
  – IFC may approve the exemption
  – If approved, must wait 6 months to take affect
FUNDING OPTIONS

• State Grants
• Fees for Service
• Insurance Billing
• County Funds
  – Develop a formula
    • May be a combination of a flat annual fee plus per capita
PROGRESS TO DATE

• Ongoing meetings with four county workgroup
• Met with leaders from DPBH
• Presentation to State Board of Health on March 4, 2022
• Drafting suggestions to change NRS 439
• Drafting county codes needed to form a HD
• Beginning the procedure outlined in 439.4905
Suggested Changes to NRS 439

NRS 439.370 Health district: Creation. By affirmative vote of:
   1. The boards of county commissioners of two or more adjacent counties;

NRS 439.390 District board of health: Composition; qualifications of members.
   1. A district board of health must consist of two members from each county, city or town which participated in establishing the district, to be appointed by the governing body of the county, city or town in which they reside, together with one additional member to be chosen by the members so appointed.
   2. The additional member must be a physician licensed to practice medicine in this State.

No government structure is mentioned, is this an advantage or something that needs changing? Any thoughts to changing the structure of the district BOH?
Other Thoughts on NRS 439

This is language from another state:

The district health officer is the Executive Officer of the District Board of Health and shall act as Secretary of the Board. The Administrator shall not be a member of the Board. The members of the district board, each year, shall select a chair, a vice chair (several states have this type of language in their law).

District BOH Composition: school administrator; dentist; resident; member of professional or special interest group (language also states members of the BOH must be a resident of one of the entities represented by the district).

Other thoughts? Should a cost formula be in NRS?
TIMELINE

• January: begin monthly meeting with county partners
• February: meet with state leaders and present to NACO; draft county codes needed to form a HD
• March: present to State BOH
• April: present to legislative committee on Health and Human Services
• May or June: send letter to Governor requesting an exemption for the counties to pay the state for services (namely EH & indigent STD and TB testing and treatment) and have the HD perform these
TIMELINE

• June: request permission from the Interim Finance Committee (IFC) for an exemption for services according to NRS 439.4905

• July-December: pending a positive outcome from IFC put procedures in place to transfer services

• December: Request approval from State BOH to officially create the Central Nevada Health District
Additional Information

Marena Works
marenaw@med.unr.edu / 775-315-3136 (c)
UNR Med Office of Statewide Initiatives

Shannon Ernst
Director Churchill County Social Services
ssdirector@churchillcounty.org
(775) 428-0211