

TESTIMONY TO SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT



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Chair Neal and Members of the Senate Committee on Revenue and Economic Development,

Nevada Policy comes in opposition of Assembly Bill 441. While the bill aims to introduce structure and accountability into the Scholarship Granting Organization (SGO) process, there are two key concerns that merit reconsideration to preserve both the functionality and integrity of the program.

First, the bill's requirement that SGOs expend all tax-credit-based donations within 18 months does not align with Nevada's biennial budget cycle. In states with annual budgeting, an 18-month window might be adequate. However, in Nevada, this compressed timeline risks undermining long-term planning for SGOs and the families they serve. To ensure adequate time for program administration, planning, and grant distribution over multiple academic years, the timeline should be adjusted to 30 months to be the analogue. This change would mirror our state's budget structure and give SGOs the flexibility they need to meet the needs of students without introducing unnecessary administrative pressure.

Second, AB441 mandates that any unspent funds be returned to the Department of Taxation. While the intent may be to promote fiscal responsibility, in practice, this provision creates a disincentive for business participation and donation. Returned funds will not be redistributed to other SGOs, nor will they be used for additional scholarships. Instead, they revert to the state, breaking the trust that donors place in this program to directly support students. If the donors fear their contributions may be clawed back or not used as intended, their confidence will diminish, risking the overall sustainability and growth of the program.

We support accountability and transparency in the SGO system, but urge this committee to consider amendments that ensure these changes do not come at the expense of stability for students and participation from Nevada's philanthropic community.

Thank you.

