



MINUTES OF THE  
LEGISLATIVE COMMISSION  
NEVADA LEGISLATIVE COUNSEL BUREAU  
*Nevada Revised Statutes 218E.150*

The Legislative Commission held its fifth meeting in calendar year 2014 on Monday, December 22, 2014. The meeting began at 9:42 a.m. in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada, and was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

**COMMISSION MEMBERS PRESENT:**

Assemblywoman Marilyn Kirkpatrick, Chair  
Senator Kelvin D. Atkinson  
Senator Moises (Mo) Denis  
Senator Ben Kieckhefer  
Senator Ruben J. Kihuen  
Senator Michael Roberson  
Senator James A. Settelmeyer  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblyman Ira Hansen  
Assemblyman James Oscarson  
Assemblyman Lynn D. Stewart

**OTHER LEGISLATORS IN ATTENDANCE:**

Senator Tick Segerblom

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Rick Combs, Director  
Paul V. Townsend, Legislative Auditor, Audit Division  
Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division  
Brenda J. Erdoes, Legislative Counsel, Legal Division  
Risa B. Lang, Chief Deputy Legislative Counsel, Legal Division  
H. Pepper Sturm, Interim Research Director, Research Division

Janet Coons, Secretary for Minutes, Research Division  
Sylvia A. Wiese, Executive Assistant, Administrative Division

Chair Kirkpatrick called the meeting to order. [Exhibit A](#) is the agenda; the attendance sign-in sheets are [Exhibit B](#). All exhibits are filed in the Director's Office of the Legislative Counsel Bureau (LCB) and are on the Legislative Commission's webpage at <http://www.leg.state.nv.us/Interim/77th2013/Committee/Interim/LC/?ID=2>. Agenda items taken out of order have been placed in proper agenda order in the minutes for purposes of continuity.

## **PUBLIC COMMENT**

Chair Kirkpatrick called for public comment; however, no testimony was presented.

## **APPROVAL OF MINUTES OF THE OCTOBER 24, 2014, MEETING— Assemblywoman Marilyn Kirkpatrick, Chair**

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED APPROVAL  
OF THE MINUTES OF THE OCTOBER 24, 2014, MEETING.

ASSEMBLYMAN HANSEN SECONDED THE MOTION.

THE MOTION CARRIED.

## **LEGISLATIVE COMMISSION POLICY**

- A. Review of Administrative Regulations—Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB (A list of the regulations may be viewed here: [http://www.leg.state.nv.us/register/indexesRegsReviewed/LCMtg\\_List\\_2014\\_Dec22.pdf](http://www.leg.state.nv.us/register/indexesRegsReviewed/LCMtg_List_2014_Dec22.pdf).)

The members asked Chair Kirkpatrick to hold the following regulations from the list of State agency regulations to be reviewed by the Legislative Commission for discussion: R086-13, R107-13, R112-13, R035-14, R036-14, R061-14, R075-14, R076-14, R137-14, and R139-14. (Please see [Exhibit C](#).)

SENATOR SETTELMAYER MOVED APPROVAL OF THE  
FOLLOWING REGULATIONS: R113-13, R047-14, R058-14,  
R060-14, R073-14, R078-14, R086-14, R103-14, R107-14,  
R108-14, R111-14, and R118-14.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation R086-13

A REGULATION relating to hospitals; revising provisions governing the calculation and distribution of disproportionate share payments to certain hospitals that serve a disproportionate number of Medicaid and low-income patients; and providing other matters properly relating thereto. (Please see [Exhibit D.](#))

Senator Settelmeyer questioned the increase in the reduction of funds.

Janice Prentice, Manager, Rates and Cost Containment, Division of Health Care Financing and Policy, Department of Health and Human Services (DHHS), said the allotment assigned from the federal government will be reduced by 5.58 percent beginning in federal Fiscal Year (FY) 2017. She offered to provide the information by counties to the Commission.

SENATOR SETTELMAYER MOVED APPROVAL OF R086-13.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 112-13

A REGULATION relating to manufactured housing; defining the circumstances in which the Manufactured Housing Division of the Department of Business and Industry will consider a manufactured home to be dismantled; revising provisions relating to instructors of continuing education courses for managers and assistant managers of manufactured home parks; enacting provisions governing the annual reconciliation of the separate trust accounts of dealers; defining the physical location which constitutes the principal place of business of certain persons; defining the circumstances under which the Division will deem factory-built housing to constitute real property for the purposes of issuing a certificate of title or certificate of ownership; applying to distributors certain regulations relating to the licensure of salespersons, responsible managing employees and business entities; and providing other matters properly relating thereto. (Please see [Exhibit E.](#))

Assemblywoman Benitez-Thompson asked why Section 2 removes the current standards required for instructors.

Jim deProse, Administrator, Manufactured Housing Division, Department of Business and Industry (DBI), said the Division has had a difficult time finding teachers who maintain the current required credentials of holding a bachelor of arts degree or teaching at a university. He stated people with various credentials are suitable to teach the Division's classes, but face disqualification by not meeting current standards. Mr. deProse commented the Division does not see the change

in regulation as lowering its standards but rather allowing more eligible people the opportunity to teach.

Assemblywoman Benitez-Thompson suggested adjusting the teaching standards in statute rather than removing the regulatory standards and letting the Administrator decide who is fit to teach.

Mr. deProse said a laundry list of required credentials discourages people from applying. He pointed out Section 2 already gives the Administrator the authority to approve applicants with different credentials.

Chair Kirkpatrick and Mr. deProse discussed the checks and balances of the process for hiring instructors. Mr. deProse said there is no alternate list of credentials proposed. He maintained that eliminating the benchmarks provides the Administrator clear authority to approve people who may not be teaching in a college but may be teaching Internet classes or have a combination of other acceptable credentials. Chair Kirkpatrick questioned how an applicant's qualifications would be determined based on the changes to Section 2.

Diane O'Connor, Program Officer III, Manufactured Housing Division, DBI, said the classes mentioned in Section 2 are for general service areas. She identified a master plumber as one example of an instructor. Ms. O'Connor said most people interested in teaching these classes do not have the current required credentials. Therefore, they do not apply to teach, making it difficult for the Division to find appropriate classes for its licensees.

Assemblywoman Benitez-Thompson acknowledged the Division has identified the appropriate criteria for the minimum standards necessary for teaching; she suggested the Division build those standards into the regulations for reference and checks and balances.

Mr. deProse explained the change in Section 2 pertains only to Chapter 118B of the *Nevada Administrative Code*, "Landlord and Tenant: Manufactured Home Parks," which requires the manufactured home park managers and owners to take classes. He stated the executive director of the association that represents the park owners throughout the State, has been teaching this class for more than 20 years. Mr. deProse noted that even though the director does not have many of the credentials currently required in Section 2, the director is the appropriate person to teach the class based on many years of hands-on experience.

Senator Settelmeyer asked whether the information requested in Section 5 is confidential or whether disclosure is necessary under the Freedom of Information Act (FOIA).

Mr. deProsse said *Nevada Revised Statutes* (NRS) 489.724 requires licensed dealers who maintain trust accounts and hold constituents' money to report such information to the Division annually. The first sentence in Section 5 allows the Division to request this information when investigating fraudulent activity of trust accounts.

Senator Settlemeyer repeated his question as to whether the information is confidential or whether it must be disclosed under the FOIA; Mr. deProsse replied the information is confidential.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO DEFER R112-13.

ASSEMBLYWOMAN BUSATAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 035-14

A REGULATION relating to charter schools; making various changes relating to the process for applying to sponsor or form a charter school; making various changes to the requirements for operating a charter school; making various other changes relating to charter schools; and providing other matters properly relating thereto. (Please see [Exhibit F.](#))

Assemblywoman Benitez-Thompson questioned why applicants only have three days to submit an application as identified in subsection 3 of Section 24.

Steve Canavero, Ph.D, Deputy Superintendent for Student Achievement, Nevada's Department of Education (NDE), introduced Danny Peltier, Administrative Assistant III, State Public Charter School Authority (SPCSA), NDE.

Mr. Peltier explained the three-day window in August allows for the receipt of all applications at the same time, as opposed to past submission of applications at different times of the year.

Responding to a question by Assemblywoman Benitez-Thompson regarding the removal of personnel information in Section 26, Dr. Canavero said often times, a charter school cannot identify its personnel at the time of application; it may only be able to identify desired characteristics or qualities for the leaders or teachers within that school.

Assemblywoman Benitez-Thompson asked whether the application due in August identifies key administrative staff.

Dr. Canavero replied a charter applicant identifies as much as possible about its leaders and key fiscal personnel and provides the review team with the credentials

necessary to run a school or organization with a similar population as the proposed charter school.

Referring to subsection 4(c) of Section 48, Dr. Canavero responded to Assemblywoman Benitez-Thompson's question regarding the new concept of instruction provided by facilities located in more than one county by stating the idea of one school for one county still applies if a local school district sponsors a charter school. However, under the development of the SPCSA, charter schools have begun to offer distance education programs in various counties. He said R035-14 provides the opportunity for distance education schools to create satellite facilities that will support their students in various communities.

Assemblywoman Benitez-Thompson asked whether a charter school located in multiple counties requires representation from each of those counties on its board, to which Dr. Canavero replied the county in which the charter school is located is determined in the contract.

Assemblywoman Benitez-Thompson asked for clarification that a charter school can have facilities in multiple counties even though it only needs approval of the originating county.

Dr. Canavero said her question refers to the approval of the county in which the satellite facility is located, in which case the county only approves zoning requirements and occupancy standards for the physical site of a school. The county does not approve whether the charter school may exist; the sponsor or the SPCSA decides whether there could be a facility in another county based upon performance and standards outlined in regulations. He added if a charter school wishes to open another facility in its second or third year, it must amend its charter contract rather than fill out a new application. The county or city having jurisdiction over the physical site of the satellite facility approves the standards of health and safety.

Assemblyman Stewart offered his support for the charter school regulations based on previous discussions with Kathleen Conaboy, Director, SPCSA.

Senator Denis and Dr. Canavero discussed whether Section 10 alleviates past problems with educational management organizations. Dr. Canavero said holding public meetings to review contracts and having a majority vote of the governing bodies at the meetings to approve, amend, renew, or terminate a contract has helped alleviate problems.

Responding to Senator Denis's question regarding the number of changes to R035-14, Dr. Canavero stated the legislature strengthened the charter school statutes during the 2011 and 2013 Sessions by mandating provisions that focus on accountability, autonomy, and performance management. In 2013, the Legislature

passed the notion of a charter contract, which has required a lengthy process to eliminate and revise old regulatory language.

Senator Denis and Dr. Canavero discussed whether a nonoperational charter school, one that has yet to startup or be operational, could receive a loan. Dr. Canavero said R035-14 should be read in concert with R036-14, which mandates the changes to make a loan operational. The loan requirements changed in 2013 so that the State could invest or incubate in a nonoperational charter school. Dr. Canavero stated there is an outstanding loan to a charter school that is in its planning year to startup, and there is a second outstanding loan to an operational charter school to expand its services.

Responding to a question by Senator Denis regarding who repays the loan of a charter school that never becomes operational, Dr. Canavero said R036-14 addresses this type of situation, which was discussed by the 2013 Legislature when it sought to fund the Account for Charter Schools. He added an operational school is one that a sponsor has approved and is in its interim period between approval and opening.

Chair Kirkpatrick reminded the Commission that a bill sponsored by Senator Scott Hammond allowed for different bonding capabilities and clawbacks. She added there are specific clawbacks in statute outside these regulations.

SENATOR DENIS MOVED APPROVAL OF R035-14.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 036-14

A REGULATION relating to the Account for Charter Schools; transferring responsibility for the administration of the Account from the Department of Education to the State Public Charter School Authority; revising the requirements for an application by a charter school for a loan from the Account; revising provisions governing repayment of a loan from the Account by a charter school; and providing other matters properly relating thereto. (Please see [Exhibit G.](#))

Senator Denis asked whether a loan from the Account for Charter Schools is available to any charter school regardless of sponsorship, to which Dr. Canavero clarified any charter school is eligible and may apply.

Assemblyman Hansen questioned why an applicant needs three credit references as stated in subsection 1(g)(2) of Section 1.



Dr. Canavero explained the credit references provide a contemporary credit history, which ensures the financial viability of the entity. He verified the Account carried a balance of \$0 during its first ten years of existence. At the conclusion of 2013, the Account's balance was \$750,000, and since that time, the SPCSA has authorized two loans.

Assemblyman Hansen questioned whether the three-year payback window is statutory or regulatory.

Dr. Canavero stated it is regulatory, but he expressed uncertainty as to whether it is a statutory requirement. He noted the operational charter school in Churchill County is on track to pay back its loan in one year.

Chair Kirkpatrick verified that statute mandates a period for paying back the loan.

SENATOR DENIS MOVED APPROVAL OF R036-14.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 061-14

A REGULATION relating to education; providing for the eligibility of certain pupils to take a college and career readiness assessment; requiring certain pupils to pass end-of-course examinations in specified subject areas; providing, on an interim basis, for the continued administration of the high school proficiency examination; repealing provisions relating to certificates of attendance; and providing other matters properly relating thereto. (Please see [Exhibit H.](#))

Senator Kieckhefer asked Dr. Canavero to explain what happens if a student fails an end-of-course examination.

Dr. Canavero said each school district submits a plan for remediation for students who fail, which the NDE reviews. He assured Senator Kieckhefer that each school district and each charter school submits only one plan.

Responding to Senator Settlemeyer's question regarding why the State is not using national tests, Dr. Canavero replied the Council to Establish Academic Standards for Public Schools, NDE, prioritized the standards for each of the particular courses. For each end-of-course examination, the Council presented the State's academic standards to the teachers, who then selected the standards each examination would assess. He remarked the State is a member of the Smarter Balanced Assessment Consortium, and the NDE hopes to incorporate questions from the Consortium into the State's end-of-course examinations, which will provide a cost savings.

Senator Settelmeyer expressed concern about the State paying an entity to turn federal questions into the State's questions and administer them. He suggested this sounds expensive and bureaucratic.

Dr. Canavero said the State prioritizes what students should know and be able to do in each of the courses when developing end-of-course examinations. The NDE then consults a professional entity, such as WestEd, for help in developing appropriate questions to address the standards.

Chair Kirkpatrick recalled that academic standards have existed since the 1990s, which is when the original proficiency exams were created. She acknowledged that input from Nevada businesses helped set the State standards. Knowing Nevada's students must compete nationally and internationally, questions reflect what they should be learning in the classroom.

Senator Denis confirmed the development of academic standards in the 1990s. He disagreed with the idea that Nevada's educational system is becoming more federalized in nature; all decisions are made at the State level even though Nevada is part of a coalition with other states. Senator Denis suggested using partners when developing State questions makes sense.

Assemblyman Stewart summarized his understanding of how the regulation affects Nevada's students:

- Current juniors and seniors will continue to take the four proficiency tests, and they must pass them to graduate.
- Current freshmen and sophomores will take the new end-of-course examinations in English I (writing), English II (language arts), Math I (algebra), and Math II (geometry). They must pass the classes, but they do not have to pass the tests due to legal challenges.
- Incoming freshmen must take and pass the end-of-course examinations.

Dr. Canavero confirmed Assemblyman Stewart's summary.

Responding to a question by Senator Denis regarding what happens if students do not pass the end-of-course examinations, Dr. Canavero stated they could take the examinations during the summer.

Assemblyman Stewart asked for confirmation that all juniors must take the American College Test (ACT) this year, which will help determine college readiness.

Dr. Canavero verified that was correct. He said when the high school proficiency exams were phased out and the end-of-course examinations were developed, the college and career readiness assessment became a prominent feature of Assembly Bill 288 (Chapter 506, *Statutes of Nevada 2013*). After reviewing a

number of vendors, the State Board of Education decided the ACT would be the college and career readiness assessment for all eleventh graders across Nevada beginning in the spring of 2015.

A discussion ensued regarding the ACT. Chair Kirkpatrick indicated the test would not only be a requirement to graduate from high school in Nevada, but students could use it as a college entrance exam. Dr. Canavero credited the Nevada System of Higher Education with adopting a policy that uses the ACT as remedial exemption. Senator Denis asked whether current eleventh graders who score poorly on the ACT could retake it at their own cost as often as necessary. Dr. Canavero clarified the score does not matter for graduation purposes, but participation matters for assessment purposes. According to A.B. 288, eleventh graders' ACT scores would help determine course selection for their senior year.

SENATOR KIECKHEFER MOVED APPROVAL OF R061-14.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 075-14

A REGULATION relating to university schools for profoundly gifted pupils; making various changes to budget and finance regulations relating to such schools; and providing other matters properly relating thereto. (Please see [Exhibit I.](#))

Assemblyman Hansen stated the answer identified in No. 1 of the Informational Statement does not clearly explain the need for the regulation.

Dr. Canavero said the law inextricably links charter schools and university schools for profoundly gifted students even though the university schools are not charter schools. He cited The Davidson Academy of Nevada as the only university school for profoundly gifted students in the State. The regulation extends the exemptions afforded to charter schools relating to capital projects to the university schools.

Assemblyman Hansen emphasized the importance of clearly explaining the need for the adopted regulation when answering No. 1 on the Informational Statement.

Chair Kirkpatrick echoed Assemblyman Hansen's point because the Commission does not have the ability to recall a regulation once it has passed.

Senator Denis asked for confirmation that R075-14 places the university schools for profoundly gifted students on par with regular charter schools regarding capital projects, to which Dr. Canavero verified it does.

Senator Denis and Dr. Canaveo discussed whether the regulation is exclusive to The Davidson Academy. Dr. Canavero said R075-14 was not specific to one location or name but rather to a classification for a university school for profoundly gifted pupils.

A conversation took place between Assemblyman Stewart, Chair Kirkpatrick, and Dr. Canavero regarding donations to schools. Assemblyman Stewart recalled a provision requiring the identification of every donor to a school and not allowing anonymous contributions. Chair Kirkpatrick insisted schools are not to accept anonymous donations; donors must complete a gift report. Dr. Canavero said the regulation intends to ensure accurate inventories of equipment and the names of donors. Stressing the importance of an adequate inventory, Chair Kirkpatrick stated if a charter school closes down, it must sell its assets in order to pay back its loans.

ASSEMBLYMAN STEWART MOVED APPROVAL OF R075-14.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 076-14

A REGULATION relating to charter schools; revising the process and criteria for approving a change in the sponsorship of a charter school; and providing other matters properly relating thereto. (Please see [Exhibit J.](#))

Senator Denis asked how changing a sponsor affects underperforming charter schools.

According to Dr. Canavero, R076-14 ensures that charter schools cannot circumvent their accountability by changing sponsors. He remarked this has happened across the country, but Nevada is taking proactive steps to keep this from happening here.

Responding to Assemblyman Hansen's question regarding the number of tiers, Dr. Canavero replied there are five.

A discussion ensued between Assemblyman Hansen and Dr. Canavero regarding the improvement of underperforming charter schools. Dr. Canavero said the Legislature empowered the SPCSA to sponsor charter schools in accordance with nationally recognized best principles and practices. If charter schools underperform, the sponsors are to work with the schools and give them a deadline for improvement. If the deadlines are not met, the schools can be closed pursuant to the terms of their contracts or the automatic closure provision stated in law.

He stressed not giving underperforming charter schools the opportunity of changing sponsors rather than making them improve.

Assemblywoman Benitez-Thompson asked Dr. Canavero to explain how subsection 2 of Section 2, which states, "A request for a change in sponsorship may not be made if the proposed sponsor is a school district other than the school district in which the charter school is located," affects the practice of allowing multiple location sites across multiple counties.

Dr. Canavero said a charter school must submit an amendment to its contract for approval to open a facility in another county. High performing schools should have the authority to expand their services to include grade levels, facilities, and numbers of pupils, but this notion is questionable for underperforming schools.

Assemblywoman Benitez-Thompson asked whether the county or school district where a charter school has a facility is allowed to make proposed changes.

Dr. Canavero clarified that charter schools sponsored by school districts are not able to expand into multiple counties; this only relates to schools sponsored by the SPCSA.

ASSEMBLYMAN HANSEN MOVED APPROVAL OF 076-14.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 137-14

A REGULATION relating to controlled substances; rescheduling certain controlled substances that contain hydrocodone from schedule III of the Uniform Controlled Substances Act to schedule II in conformity with federal regulations; and providing other matters properly relating thereto. (Please see [Exhibit K.](#))

Senator Denis asked whether R137-14 moves any substance containing small amounts of hydrocodone from schedule III to schedule II of the Uniform Controlled Substances Act.

S. Paul Edwards, General Counsel, State Board of Pharmacy, replied that was correct based on federal regulations.

SENATOR DENIS MOVED APPROVAL OF 137-14.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 139-14

A REGULATION relating to unemployment compensation; prescribing the contribution rate schedule for calendar year 2015; and providing other matters properly relating thereto. (Please see [Exhibit L.](#))

Noting rate increases in all classes, Assemblywoman Teresa Benitez-Thompson asked whether these equate to rate increases for employers.

David Schmidt, Economist 3, Research and Analysis Bureau, Department of Employment, Training and Rehabilitation (DETR), replied this is an overall average increase on the rate for the unemployment insurance (UI) portion of what employers are paid. He said the bond rate employers are paying through 2017 decreased by .07 percent, and the UI increased by 0.5 percent. Mr. Schmidt added the net rate from employers is declining by .02 percent.

Assemblywoman Teresa Benitez-Thompson pointed out a net decrease between the bond rate and the UI rate, which Mr. Schmidt confirmed. Since society's general concept is that unemployment rates are dropping, she questioned the rationale that could be shared with business owners when they ask why rates are going up on the uninsured side.

Kelly D. Karch, Deputy Administrator, Employment Security Division, DETR, explained that rates must be raised in order to replenish the State's unemployment trust fund (UTF). He reported that since July 2008, the Division has disbursed \$7.7 billion into the community; it started the recession with \$800 million in the UTF, which disappeared rapidly. Mr. Karch said the Division is simultaneously working to pay the bond off early in December 2017 while replenishing the UTF. By the end of 2015, he said the Division hopes to have approximately \$400 million in the UTF.

Chair Kirkpatrick stated this is a yearly process, which the Legislative Commission must approve. She noted the business community actively participates in determining the necessary rate to pay off the federal debt yet maintain a positive amount in the UTF.

Assemblywoman Teresa Benitez-Thompson asked whether the Division would replenish the UTF by the end of 2015, to which Mr. Karch stated the fund should be replenished by 2018, with \$400 million in the trust fund by the end of 2015. He explained it would take some time to replenish the UTF because the Division is trying to keep the tax rates low for the employers, making it consistent for them to plan as the State moves out of the recession.

ASSEMBLYWOMAN TERESA BENITEZ-THOMPSON MOVED APPROVAL OF 139-14.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED.

Regulation 107-13

A REGULATION relating to public records; interpreting certain statutory terms relating to public records; setting forth requirements for a form to request to inspect, copy or receive a copy of certain public records; setting forth certain procedures for records officials; adopting by reference the *Nevada Public Records Act: A Manual for State Agencies*; making various other changes relating to public records; and providing other matters properly relating thereto. (Please see [Exhibit M.](#))

Chair Kirkpatrick questioned what has changed in the regulation since the last time it came before the Commission.

Terri J. Mark, State Records Manager, Division of State Library and Archives, Department of Administration, explained a manual with detailed procedures for State agencies has been created, which is adopted by reference in Section 11 of the regulation.

A discussion ensued between Chair Kirkpatrick and Ms. Mark regarding other changes in the regulation. Chair Kirkpatrick noted the removal of the word "retrieve," which Ms. Mark verified. Ms. Mark added that the request for records taking more than 30 minutes as being a reasonable amount of time was also removed. She said policy now states an agency must determine a reasonable amount of time for that agency. For example, a small board or commission might determine 30 minutes as a reasonable threshold, whereas a larger agency may determine four hours as reasonable. Ms. Mark commented this change is contained in the manual.

Chair Kirkpatrick and Ms. Mark discussed updating the manual. Ms. Mark said the Division would update the manual after each legislative session to reflect any changes in State law. Chair Kirkpatrick expressed concern that a working document changes often, and she wondered why the Division is presenting this regulation now rather than waiting until after the 2015 Session. Ms. Mark said the Division would update the manual within a certain period following any statutory changes. She added the State agencies have reviewed the manual and changes have been made accordingly. Ms. Mark shared the agencies appreciate the manual because it explains what they need to do under Chapter 239 of NRS, "Nevada Public Records Act."

Regarding Section 3, which addresses a “readily available medium,” Chair Kirkpatrick asked how an agency would find old legal documents.

Ms. Mark pointed out that Section 2 defines “readily available,” and Section 3 defines “readily available medium.” The regulation states an agency should turn over anything in a readily available format to the requestor immediately. She added that requests from an old book or microfilm are not considered as “readily available.” In addition, if the deputy attorney general reviews a request to ensure no confidential information is included, the request would not be considered “readily available.” The agency must determine whether it has to take extraordinary measures to extract the data or whether it is a matter of redaction.

Chair Kirkpatrick asked for assurance that the Division can provide information on a legislative meeting from 1990 within a reasonable amount of time and cost.

Ms. Mark explained all State agencies should follow their records retention schedules, which identify how long they must retain their records and how long the records must be accessible for their life cycle. A small percentage of records do have permanent and long-term historical value, in which case the agencies transfer them to the Division of State Library and Archives for continued and ongoing access.

Jeffrey M. Kintop, Assistant Administrator, Division of State Library and Archives, Department of Administration, said records depicting deliberate actions where decisions have been made are appraised as having historical value and will be kept forever. The Division has been working with the LCB’s Research Library to scan old paper records and post them on the Internet.

Barry Smith, Executive Director, Nevada Press Association, expressed his appreciation for the work that has gone into the manual, noting it is a good roadmap to preventing noncompliance with the law. He suggested the 2015 Legislature should address including a definition for “public record” in statute.

Senator Settelmeyer complimented the Division of State Library and Archives on its ability to retrieve old records for him.

SENATOR SETTELMAYER MOVED APPROVAL OF R107-13.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION CARRIED.



B. Approval to Transmit Budget for Legislative Counsel Bureau and Interim Nevada Legislature to Department of Administration—Rick Combs, Director, LCB

Rick Combs, Director, LCB, referred to a memorandum seeking approval to transmit a proposed budget for the LCB and the Interim Nevada Legislature to the Department of Administration for inclusion in the *Executive Budget*. (Please see [Exhibit N](#).) He reported the total proposed biennial appropriation of \$62,140,723 for the 2015–2017 Biennium is an increase of approximately 3.7 percent over the appropriation approved for the current biennium.

Mr. Combs discussed the general principles of budget development and described the enhancements requested for the Legislative Commission and committees; the Administrative, Audit, Fiscal Analysis, Legal, and Research Divisions of the LCB; and the Interim Nevada Legislature. He noted the budgets presented include the amounts necessary to provide for the restoration of longevity pay, the continuation of merit pay, and the elimination of furloughs for State employees.

Mr. Combs requested the authority for two appropriations bills for other expenditures. The first request was for the payment of dues to national organizations for each of the next two fiscal years. The second request was for an appropriation of \$1,232,892 for one-time building maintenance and information technology purchases.

He also requested the use of uncommitted money from the Legislative Fund to complete two projects important for the operations of the Legislature: (1) fund the replacement of the audio visual control software and the analog matrix, which run the connectivity for the video conferencing equipment; and (2) allow the Legal Division to move its bill draft request (BDR) files from microfilm to a searchable electronic solution, which will eliminate the costly replacement of microfilm equipment and outside reproduction costs.

Mr. Combs emphasized his request is not for support of the budget itself or the proposed one-shot appropriations, but merely for the authority to submit them to the Department of Administration for the purposes of preparing the *Executive Budget*.

A discussion took place regarding legislative travel. Assemblyman Stewart asked whether the proposed \$200,000 would cover travel expenses for two out-of-state trips and one in-state trip, which is what legislators used to take. Mr. Combs said the estimated \$140,000 for travel costs during nonsession years and \$60,000 during session years are based on current travel costs. Assemblyman Stewart commented these trips were beneficial in exchanging ideas with legislators from other states. He asked whether it would be possible to grant

a stipend of \$1,000 per biennium per legislator, which would provide the freshmen legislators the opportunity to attend national organizational meetings.

Chair Kirkpatrick agreed the trips are beneficial but expressed concern about funding legislative travel considering the State's current finances. She suggested security should be a top priority the 2015 Session as it was in 2013.

Senator Roberson concurred with Chair Kirkpatrick. Since the State is experiencing a deficit, he advised it would not be appropriate at this time for the taxpayers to fund legislative trips.

Addressing enhancements for security, Mr. Combs shared that during the current biennium, Carson City transferred one of its officers to the Las Vegas office, which was having trouble staffing its police force with intermittent employees. Since then, the chief and lieutenant are regularly filling in for the transferred officer in Carson City. If funds become available, that position would be the next priority on his list of positions requested.

Senator Roberson reiterated a discussion regarding legislative travel is necessary. He suggested the caucus rather than taxpayers should pay for legislative travel. Senator Roberson acknowledged new legislators might not have as much in campaign funds as incumbent legislators, but each caucus could prioritize its funding if it thinks a particular member should take a legislative trip.

Senator Atkinson shared that as an officer of the Council of State Governments (CSG) West and CSG National, the organizations pay for his travel expenses to those conferences. He suggested the State find a way for legislators to attend the annual conferences of the organizations for which it pays legislative dues.

Senator Settelmeyer also agreed the 2015 Legislature should discuss legislative travel. He requested Mr. Combs send an e-mail to all legislators outlining the dues paid to legislative organizations. Moving forward, he suggested dedicating professional dues, if possible, to Internet security, the physical concerns of the Legislative Building, and interim staff for legislators to deal with constituent issues beyond what the Constituent Services Unit of the Research Division can offer.

SENATOR SETTELMAYER MOVED APPROVAL TO TRANSMIT A PROPOSED BUDGET FOR THE LEGISLATIVE COUNSEL BUREAU AND THE INTERIM NEVADA LEGISLATURE TO THE DEPARTMENT OF ADMINISTRATION FOR INCLUSION IN THE *EXECUTIVE BUDGET*.

Senator Denis commented he does not see a list of informational technology items requested by Mr. Combs.

Mr. Combs stated the \$446,070 request for technology includes routers, virtual private network firewalls, upgrades to the Granicus server, upgrades to the server that operates the budget system, and additional storage to handle the website. The major portion of the request is the replacement of servers that are no longer under warranty or are not going to be under warranty during the upcoming biennium. Mr. Combs said he would provide a complete list with the dollar amounts when it becomes available.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE  
PREVIOUS MOTION BY SENATOR SETTELMAYER.

THE MOTION CARRIED.

Chair Kirkpatrick reaffirmed her desire to discuss travel expenditures during the 2015 Session.

## **LEGISLATIVE AUDITOR**

- A. Summary of Audit Reports Presented to the Legislative Commission's Audit Subcommittee, Nevada Revised Statutes (NRS) 218G.240—  
Paul V. Townsend, Legislative Auditor, Audit Division, LCB

Paul V. Townsend, Legislative Auditor, Audit Division, LCB, presented a letter from Assemblywoman Maggie Carlton, Chair, Audit Subcommittee of the Legislative Commission, recommending the Commission accept four audit reports. (Please see [Exhibit O](#).) Mr. Townsend provided a summary of each report.

### Information Security, Department of Transportation (DOT)

Mr. Townsend said the Audit Division periodically performs information technology audits to make certain proper controls are in place to protect confidential and sensitive information. The report found weaknesses in managing network computer credentials; the DOT did not disable computer accounts for 34 former employees in addition to various computer contractor accounts when they left the DOT. The report also found the DOT did not conduct criminal background investigations on staff members who occupy sensitive positions as suggested by State security standards.

The audit discovered that weak controls over procurement cards allowed fraud to occur. Purchases did not require supervisory review, and often the purchaser was the person receiving the merchandise. As a result, a stockroom employee made over \$250,000 in fraudulent purchases over a four-year period, which the DOT identified internally at the end of 2013. The report found the DOT made proposed changes to its procedures but failed to implement them as formal DOT policy. The audit made eight recommendations, and the DOT accepted all of them. (Please see [Exhibit P](#).)

#### Office of the Director, Department of Public Safety (DPS)

Mr. Townsend explained the purpose of this audit was to evaluate the accuracy of the evidence vault inventory, assess the adequacy of the inventory system controls, and determine whether the Office processed seized currencies timely in accordance with DPS policies and State requirements. The report found the Office has maintained sufficient inventory records to ensure items submitted into the vaults by enforcement officers are adequately tracked. In 2012, the Office hired a consultant for \$69,000 to identify areas of improvement and to ensure that its vaults met recognized best practices. The consultant made 147 recommendations, and the Office prepared a written response to the 40 most critical recommendations. In order to receive the maximum benefit from the consultant's work, the auditors suggested the Office develop a plan to ensure all recommendations from the review are adequately addressed. Mr. Townsend maintained the Office should improve its efforts to ensure the timely processing of seized currencies. Of 205 currency seizures reviewed, he said 60 percent had not been deposited in the State forfeiture account or remitted to a federal enforcement agency within 48 hours. The average time to deposit or convert these seized currencies was 27 days. The audit made three recommendations, which the DPS accepted. (Please see [Exhibit Q.](#))

#### Nevada's Department of Education (NDE)

Mr. Townsend stated the processes of the Office of Educator Licensure (Office) were a concern during the 2013 Session, which resulted in a letter of intent to the Audit Division requesting an audit of the Office's operational processes. The Office plays a critical role, along with school districts, confirming that teachers and other educators in Nevada are properly qualified. The Audit Division looked at areas of concern cited during the 2013 Session, such as customer service, document security, and other operational issues. The report discovered the Office had addressed many of these issues.

The audit found weaknesses in the processes for revoking licenses, issuing provisional licenses, and tracking and reviewing criminal history reports. There is no adequate revocation process in place for licensees convicted of crimes. Mr. Townsend noted the Office has not adopted regulations to guarantee timely notification of a licensee's arrest. As a result, in the 13 revocation cases tested, the number of days from an arrest to the Office's awareness of the arrest ranged from 1 to 1,200 days, with the average being 367 days. Further, once the Office learned of arrests, it did not always monitor the cases and revoke licenses in a timely manner. Mr. Townsend pointed out these individuals, when arrested, were removed from the classroom at the district level, but the districts did not notify the Superintendent of Public Instruction that action needed to be taken. When the NDE learned of this, it developed appropriate regulations, which the Legislative Commission adopted at its meeting on October 24, 2014.

The report also found the office did not properly monitor or issue provisional licenses; it issued them for a period of one year instead of the 120-day maximum allowed under State regulations. Further, the information system used to track the status of provisional licenses was not always reliable.

Mr. Townsend said the audit also reviewed the controls over the class-size reduction (CSR) program and found the program needs enhanced oversight. The NDE did not receive sufficient information from the school districts regarding their CSR plans. Improper monitoring of these plans increases the risk that districts will not maximize their progress toward achieving CSR. The NDE's process for distributing CSR funds involves a large number of calculations and data from many sources, but the audit found the NDE did not review the calculations, which lacked supporting documents. The NDE needs better procedures for the distribution of these funds. The report made 18 recommendations, which the NDE accepted. Mr. Townsend noted the NDE has already taken strong action towards implementing the audit's recommendations. (Please see [Exhibit R.](#))

#### Fiscal Costs of the Death Penalty

Mr. Townsend commented that A.B. 444 (Chapter 469, *Statutes of Nevada 2013*) mandated this audit to determine the costs of prosecuting death penalty cases compared to cases not involving the death penalty. The audit did not involve a single agency with findings, recommendations, or corrective actions. During the course of the audit, at least 27 separate State and local agencies were involved. The Audit Division used its professional judgment to make certain assumptions and develop reasonable estimates when determining the costs and made every effort to remain objective and obtain the most accurate information possible.

According to the report, the death penalty is applied almost exclusively for the crime of murder in the United States. As of August 2014, 32 states have laws allowing death as a sentencing option. Since the reinstatement of the death penalty in Nevada in 1977, 153 people have received the death penalty sentence. Twelve executions have occurred since that time, with 11 inmates giving up their right to continue appealing their conviction. As of September 2014, 82 inmates are currently sentenced to the death penalty.

The audit discovered that adjudicating death penalty cases does take more time and resources compared to murder cases where the death penalty is not an option. Death penalty cases are more costly because there are procedural safeguards in place to ensure the sentence is just and free from error. Based on a sample of 28 cases, the audit estimated the death penalty, from the arrest through the end of incarceration, costs about \$532,000 more than other cases where the death penalty is not sought. Costs incorporating the trial and appeal phase average three times more for death penalty cases. The cost of death penalty trial cases are similar regardless of whether the death penalty is sentenced or not, but appeal costs are less when the death penalty is not sentenced. For incarceration costs,

the death penalty is the most expensive for those convicted of first-degree murder, but it is only slightly higher when compared to those sentenced to life without the possibility of parole. Costs for these two sentences mirror each other because the incarceration periods are effectively similar because “involuntary” executions are extremely infrequent.

The auditors also reviewed the potential savings attributed to the death penalty through plea bargaining and strategic litigation choices. Unfortunately, this area could not be quantified. Prosecutors suggested the death penalty is not used as a strategic litigation choice to reduce or avoid a trial and its associated costs though plea-bargaining. (Please see [Exhibit S.](#))

Mr. Townsend shared the Audit Subcommittee’s recommendation that the Legislative Commission approve the four audit reports.

Assemblyman Hansen and Mr. Townsend discussed the DOT employee who made over \$250,000 in fraudulent purchases. Mr. Townsend explained the employee ordered goods and sold them for profit. A chain saw he ordered was delivered while he was on vacation, which alerted the DOT. The employee pled guilty and will be sentenced next month.

Regarding the NDE’s audit, Assemblyman Hansen questioned the lack of accountability for approximately \$381 million in expenditures. He stated all school districts are required to demonstrate how they will reduce pupil-teacher ratios, but the NDE has not received the information required by statute from any of the school districts. Assemblyman Hansen questioned how the NDE could ignore this situation.

Mr. Townsend confirmed the CSR program dates back to 1989, significant amounts of money are involved, and the program’s growth has called for additional requirements over the years. The audit discovered that during the period reviewed, July 2012 through March 2014, the NDE developed a form for the districts to complete, which contained an abbreviated section regarding the CSR plan compared to statutory mandates. The audit looked for detailed plans but instead found cursory explanations on how the districts used the CSR money to change the teacher-pupil ratios. The NDE recognized these weaknesses, and it will revise the information requests from the districts.

Chair Kirkpatrick conveyed the 2013 Legislature mandated additional requirements because the 17 districts were not doing what the Legislature anticipated regarding class-size reduction.

Mr. Townsend added that as the State experienced the recession, legislation provided more flexibility for the school districts, but the audit found the requests for additional detailed reporting were not met.

Senator Roberson asked whether the CSR program has had previous audits, to which Mr. Townsend replied he is not aware of any other audits of this program by the Audit Division.

Chair Kirkpatrick requested Mr. Townsend share the rotating schedule of audits with the Commission.

Assemblyman Hansen asked whether the State's school districts have internal mechanisms to deal with compliance or noncompliance of legislative mandates.

Chair Kirkpatrick said many of the smaller counties do not have the money for audits. She suggested all 17 counties should have this discussion.

Senator Roberson strongly advocated for increasing school accountability in order to receive additional educational funding.

B. Summary of Six-Month Status Reports on the Implementation of the Audit Recommendations by the Legislative Auditor as Submitted to the Audit Subcommittee, NRS 218G.270—Paul V. Townsend, Legislative Auditor, Audit Division, LCB

Mr. Townsend referenced a letter from Assemblywoman Maggie Carlton, previously identified, regarding five, six-month reports summarizing the implementation status of previous audit recommendations. (Please see [Exhibit T](#).) He also referred to the legislative auditor analysis of the six-month reports, which identified 20 fully implemented recommendations and 4 partially implemented recommendations. (Please see [Exhibit U](#).) Three of the partially implemented recommendations were within the Division of Emergency Management, DPS, and the fourth was within the State Fire Marshal Division, DPS. He said the Audit Division would report the status of these partially implemented recommendations to the appropriate legislative committees during the 2015 Session.

ASSEMBLYMAN HANSEN MOVED APPROVAL OF THE AUDIT REPORTS AND THE SIX-MONTH STATUS REPORTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.



## PROGRESS REPORTS AND APPOINTMENTS

- A. Interim Studies in Accordance with Rules and Policies of the Legislative Counsel Bureau, Rule No. 6, "Progress reports of studies; completion of studies and distribution of reports; approval required to carry over studies"—Rick Combs, Director, LCB

Herbert E. Randall, Ed.D., President, Nevada Silver Haired Legislative Forum (NSHLF), LCB, provided a brief status of the NSHLF, referring to its *Summary Report to the Legislative Commission and the Governor*, dated September 2014. (Please see [Exhibit V.](#)) He noted the NSHLF's creation in 1997; it identifies and makes recommendations on issues important to aging persons. Based on public hearings held to conduct its business, the NSHLF submits a report with recommendations for legislative action to the Commission and the Governor in each even-numbered year. Dr. Randall noted the law changed during the 2013 Session and now allows one BDR for the NSHLF regarding legislative measures. Legislation to address the NSHLF's other recommendations must be initiated by a legislator or a State department.

Dr. Randall stated the prevention of elder abuse was the NSHLF's top priority in 2014, and A.B. 28 of the 2015 Session will help strengthen the long-term care ombudsman program. Additionally, the NSHLF addressed a variety of issues at its public meetings, such as: (1) elder abuse; (2) health care for seniors regarding the oversight and inspections of skilled nursing facilities; (3) housing and transportation services; (4) food security; (5) public utilities; and (6) an endangered person's statewide alert system. He added the NSHLF endorses the recommendations of the Legislative Committee on Senior Citizens, Veterans, and Adults with Special Needs and the national Silver Haired Congress's top five resolutions. On behalf of the NSHLF, he expressed his appreciation for the Commission's current and continued support.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED APPROVAL  
OF THE REPORTS OF THE INTERIM STUDIES.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

- B. Appointment of Members of the Committee to Consult with the Director (NRS 218E.225)—Rick Combs, Director, LCB

Because of the 2014 November election, Rick Combs, previously identified, reported Assembly Members Richard "Skip" Daly and Lucy Flores were no longer on the Committee to Consult with the Director. (Please see [Exhibit W.](#))



Chair Kirkpatrick recommended Assembly Members Elliot T. Anderson and Richard Carrillo replace former Assembly Members Daly and Flores.

SENATOR ROBERSON MOVED APPROVAL OF THE RECOMMENDATIONS TO THE COMMITTEE TO CONSULT WITH THE DIRECTOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

C. Appointment of Members to Various Committees and Similar Entities

1. Gaming Policy Committee (NRS 463.021)

Pursuant to statute, Mr. Combs explained the Legislative Commission appoints a member from each house to the Gaming Policy Committee with terms that begin on the first day of session and the day prior to the next session. The current members are Senator Tick Segerblom and former Assemblyman Jason M. Frierson. He noted the appointees to this Committee are generally the chairs of the two Judiciary Committees for the upcoming session. (Please see [Exhibit X.](#))

Chair Kirkpatrick recommended Assemblyman Ira Hansen, and Senator Kieckhefer recommended Senator Greg Brower to the Committee.

SENATOR KIECKHEFER MOVED APPROVAL OF THE RECOMMENDATIONS TO THE GAMING POLICY COMMITTEE.

SENATOR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED.

2. Advisory Board on Maternal and Child Health (NRS 442.133)

Mr. Combs said the terms of the Advisory Board on Maternal and Child Health begin on the third Monday in January of odd-numbered years and expire on the same day of the next odd-numbered year. The current members of the Board are Senator Joseph P. Hardy, M.D. and Assemblywoman Ellen B. Spiegel. The Commission must select a member from each house as a nonvoting member of the Board. (Please see [Exhibit Y.](#))

Senator Roberson nominated Senator Patricia Farley, and Chair Kirkpatrick nominated Assemblywoman Spiegel.

SENATOR KIECKHEFER MOVED APPROVAL OF THE NOMINATIONS TO THE ADVISORY BOARD ON MATERNAL AND CHILD HEALTH.

ASSEMBLYMAN HANSEN SECONDED THE MOTION.

THE MOTION CARRIED.

3. Advisory Council on Mortgage Investments and Mortgage Lending (NRS 645B.860)

Mr. Combs explained there are three vacancies on the Advisory Council on Mortgage Investments and Mortgage Lending. The Council submitted seven names. The terms for Janis Grady, Charles Mohler, and Darren K. Proulx have expired, and they all have agreed to reappointment. (Please see [Exhibit Z.](#))

SENATOR SETTELMAYER MOVED APPROVAL TO REAPPOINT JANIS GRADY, CHARLES MOHLER, AND DARREN K. PROULX TO THE ADVISORY COUNCIL ON MORTGAGE INVESTMENTS AND MORTGAGE LENDING.

ASSEMBLYMAN HANSEN SECONDED THE MOTION.

THE MOTION CARRIED.

4. Nevada Commission on Minority Affairs (NRS 232.852)

Mr. Combs reported there was a discrepancy with the Nevada Commission on Minority Affairs (NCMA), Department of Business and Industry, regarding the number of vacancies. He suggested there are six vacancies. The NCMA recommended Cedric G. Cole, Kari A. Emm, and Jane C. Lee; it also recommended the reappointment of Semilla Neal. (Please see [Exhibit AA.](#)) Mr. Combs indicated the term for Anna Siefert, Chair, also ended as well. He recommended the Legislative Commission vote to reappoint Ms. Neal and Ms. Siefert since the Commission may not meet again until after the 2015 Session. Doing so leaves one vacancy, which the NCMA is working to fill.

Senator Denis supported the new recommendations and the reappointments.

SENATOR DENIS MOVED APPROVAL OF THE  
RECOMMENDATIONS AND REAPPOINTMENTS TO  
THE NEVADA COMMISSION ON MINORITY AFFAIRS.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE  
MOTION.

THE MOTION CARRIED.

5. Nevada Silver Haired Legislative Forum (NRS 427A.320)

Mr. Combs explained the process of making appointments to the NSHLF. He directed the Commission's attention to a memorandum from Mary Shope, Coordinator, NSHLF, Administrative Division, LCB, which indicates the recommended appointments. (Please see [Exhibit BB](#).) The recommendations are: Barbara Altman, Senate District No. 9; Harriet Trudell, Senate District No. 10; Clare Tobler, Senate District No. 12; John Yacenda, Senate District No. 16; Patsy Metler, Senate District No. 18; Ray B. Jones, Senate District No. 19; and James Downer, Senate District No. 20.

Chair Kirkpatrick mentioned that Senator Woodhouse's nomination married and moved out of the district.

SENATOR KIECKHEFER MOVED APPROVAL OF THE  
NOMINATIONS TO THE NEVADA SILVER HAIRE  
LEGISLATIVE FORUM.

SENATOR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED.

D. Review of Requirements in State Legislation for Submitting a Report to the Legislature that Were Enacted During the 2007, 2009 and 2011 Legislative Sessions Pursuant to Section 2 of Assembly Bill 350 (Chapter 30, *Statutes of Nevada 2013*)—Rick Combs, Director, LCB

Mr. Combs called the Commission's attention to a list of reports to the Legislature for 2007, 2009, and 2011. (Please see [Exhibit CC](#).) He reminded the Commission that it decided at its October 24, 2014, meeting to wait until this meeting to determine whether to eliminate or modify any of these reports. Mr. Combs referenced an additional document regarding a review of reports enacted in 2007–2011 pursuant to Section 2 of A.B. 350 (Chapter 30, *Statutes of Nevada 2013*). (Please see [Exhibit DD](#).)

Rather than eliminate all the reports, Chair Kirkpatrick suggested the Commission make modifications as identified in the chart ([Exhibit DD](#)).

SENATOR KIECKHEFER MOVED APPROVAL OF THE PROPOSED RECOMMENDATIONS TO REPORTS ENACTED IN 2007–2011 PURSUANT TO SECTION 2 OF A.B. 350 OF THE 2013 SESSION.

SENATOR SETTELMAYER SECONDED THE MOTION.

Senator Denis questioned who would track the information regarding complaints and investigations of garages and body shops.

Chair Kirkpatrick said the DMV currently tracks such information and provides it to the Assembly and Senate Committees on Transportation during the first week of session. She asked Senator Kieckhefer to amend his motion to provide for a BDR that would allow sunseting the dates of the reports as needed, to which he replied he would.

SENATOR KIECKHEFER AMENDED HIS MOTION TO PROVIDE FOR A BILL DRAFT REQUEST THAT ALLOWS FOR THE MODIFICATION OF THE REPORTS.

THE MOTION CARRIED.

E. Presentation on Nevada’s Legislators Back to School Program—Caitlin Brady, Research Analyst, Constituent Services Unit, Research Division, LCB

Caitlin Brady, Research Analyst, Constituent Services Unit, Research Division, LCB, presented information regarding the Nevada Legislator’s Back to School Program (BTSP). (Please see [Exhibit EE](#).) She explained the BTSP is a nonpartisan civic education initiative that encourages legislators to visit Nevada’s elementary, middle, and high school classrooms to promote civic education and participation and share with students what it is like to be a State legislator. Ms. Brady discussed the program’s background, materials, and funding. During the 2013-2014 school year, she said 32 Nevada legislators participated in the program and together they visited approximately 8,000 students. Ms. Brady reminded the Commission the BTSP has its own website with a link on the Legislature’s homepage.

## INFORMATIONAL ITEMS

A. Summary of Quarterly Reports on Disciplinary Action from the Licensing Boards and State Agencies

B. Miscellaneous Reports or Correspondence from State Agencies and Others:

1. Nevada State Contractors Board First Quarter Fiscal Year 2015 Disciplinary Actions Pursuant to NRS 622.100
2. More Cops Revenue and Expenditure Reports Submitted Pursuant to Section 13.5 and 13.7 of the Clark County Sales and Use Tax Act of 2005:
  - a. City of Henderson
  - b. City of North Las Vegas
  - c. Las Vegas Metropolitan Police Department
3. Public Utilities Commission of Nevada—Notice of General Consumer Sessions Conducted in Clark County on August 19, 2014, and Washoe County on August 21, 2014, Pursuant to Subsection 2 of NRS 704.069
4. State Gaming Control Board's Report on Forfeiture Account Funds Distributed to the Clark County School District Pursuant to NRS 179.1187
5. Regional Transportation Commission of Southern Nevada, Fiscal Year 2014 Bidder Preference Annual Report Pursuant to Subsection 7 of NRS 338.0117

Chair Kirkpatrick asked for testimony regarding Agenda Item VI. B. 2.

Chuck Callaway, Director, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department (Metro), introduced Richard Hoggan, future Chief Financial Officer, Office of Finance, Metro.

Senator Settelmeyer pointed out the following about the reports: (1) the City of Henderson indicated the amount of money generated and the number of officers employed; (2) North Las Vegas identified the amount of money generated only; and (3) Metro identified the number of officers employed but not the money generated from the tax. (Please see [Exhibit FF](#).)

Mr. Hoggan explained that Metro's report identifies information for the life of the fund. Calling the Commission's attention to FY 2014, he pointed out the revenues totaled \$64,307,399 with total expenditures of \$66,718,664, which indicates a deficit of almost \$2.5 million. Mr. Hoggan said FY 2014 ended with 449 paid officers, which equates to approximately \$123,000 per officer.

Senator Settelmeyer asked Mr. Hoggan to identify the line on the report that illustrates the money generated from the 25-cent sales tax.

Mr. Hoggan directed the Commission to look at the column titled "FY 2014 Actual"; the row titled "Total Revenues," which indicates approximately

\$64 million in revenue; and the row titled "Total Expenditures," which indicates approximately \$66.7 million in expenditures.

A discussion ensued between Senator Settelmeyer and Mr. Hoggan regarding Metro's \$64 million in revenue. Mr. Hoggan confirmed the 25-cent sales tax generated the \$64 million, and the fund paid for 541 officers at the end of FY 2014. Mr. Hoggan added that currently, Metro has approximately 600 officers paid for from the fund, including recruits.

Assemblyman Hansen questioned the cost of the 37 additional officers in FY 2014.

Mr. Hoggan said Metro spent \$59 million for 504 positions in FY 2013 and about \$66.7 million for additional officers in FY 2014. Due to the decline in revenue, Metro reduced its expenditures by deferring its contributions to the workers' compensation fund and contributions to its building fund for a few years. These expenses were picked up in FY 2014, which explains some of the higher costs than in previous years.

A conversation took place between Chair Kirkpatrick and Mr. Callaway regarding the history of the report. Chair Kirkpatrick stated the Nevada Legislature has passed a bill almost every session regarding this report since 2005. The 25-cent sales tax was to pay for officers for the life of the positions. Mr. Callaway agreed the intent of legislation was to build the fund to the point where the 600 officers hired under the initial sales tax would be sustained throughout the sunset of the tax. Chair Kirkpatrick pointed out that in 2007, North Las Vegas hired 50 officers based on a large, projected amount of revenue, but when the economy dropped, the city could not pay for them. She noted Metro did not hire new officers every year. Mr. Callaway confirmed Chair Kirkpatrick's assessment.

Senator Settelmeyer recommended a letter be sent to the City of North Las Vegas requesting the number of officers hired.

Chair Kirkpatrick added that the Clark County Treasurer should also receive a letter.

## **PUBLIC COMMENT**

Chair Kirkpatrick asked for public comment; however, no testimony was provided.

Subsequent to the meeting, information requested by Senator Settelmeyer regarding future allotments of the Disproportionate Share Hospital (DSH) program was provided by Sarah Spohn, Management Analyst, Rates and Cost Containment, Division of Health Care Financing and Policy, DHHS. (Please see [Exhibit GG.](#))

There being no further business to come before the Commission, the meeting was adjourned at 1:24 p.m.

Respectfully submitted,

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Janet Coons, Secretary for Minutes  
Legislative Commission

APPROVED BY:

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Assemblywoman Marilyn Kirkpatrick, Chair  
Legislative Commission

## LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda,” dated December 22, 2014, provided by Sylvia A. Wiese, Executive Assistant, Administrative Division, Legislative Counsel Bureau (LCB).

[Exhibit B](#) is the attendance sign-in sheets dated December 22, 2014, from Carson City, Nevada, and Las Vegas, Nevada.

[Exhibit C](#) is a list of State agency regulations to be reviewed by the Legislative Commission, dated December 22, 2014, furnished by the Legal Division, LCB.

[Exhibit D](#) is the Adopted Regulation of the Division of Health Care Financing and Policy of the Department of Health and Human Services (DHHS), LCB File No. R086-13, effective December 22, 2014, submitted by the Legal Division, LCB.

[Exhibit E](#) is the Adopted Regulation of the Administrator of the Manufactured Housing Division of the Department of Business and Industry, LCB File No. R112-13, effective December 22, 2014, furnished by the Legal Division, LCB.

[Exhibit F](#) is the Adopted Regulation of the Department of Education, LCB File No. R035-14, Sections 1–14, 16–19, 21–30, 32–38, 40, 42, 44, 46, 48–53, 55–58, 60, 62, 64, 66–70, 72, 78, 80, and subsection 1 of Section 79 become effective on December 22, 2014; Sections 15, 20, 31, 39, 41, 43, 45, 54, 59, 61, 63, 65, 71, 73–77, and subsection 2 of Section 79 become effective on January 1, 2020; and Section 47 becomes effective on July 1, 2020, submitted by the Legal Division, LCB.

[Exhibit G](#) is the Adopted Regulation of the State Board of Education, LCB File No. R036-14, Sections 1, 3, 4, and 5 become effective on December 22, 2014, and Section 2 becomes effective on January 1, 2020, furnished by the Legal Division, LCB.

[Exhibit H](#) is the Adopted Regulation of the State Board of Education, LCB File No. R061-14, Sections 1, 3, 4, 6–18, 20, 22, 24, 27, 29, 31, 33, 36, 38–41, 43, 44, 46, 48, 50, and subsection 1 of Sections 54 and 55 become effective on December 22, 2014; Section 53 becomes effective on January 1, 2015; and Sections 2, 5, 19, 21, 23, 25, 26, 28, 30, 32, 34, 35, 37, 42, 45, 47, 49, 51, 52, and subsection 2 of Section 54 become effective on the date on which the high school proficiency examination is no longer administered pursuant to Sections 44 and 44.3 of Assembly Bill 288 (Chapter 506, *Statutes of Nevada 2013*), at page 3296, submitted by the Legal Division, LCB.



[Exhibit I](#) is the Adopted Regulation of the State Board of Education, LCB File No. R075-14, effective on December 22, 2014, presented by the Legal Division, LCB.

[Exhibit J](#) is the Adopted Regulation of the State Board of Education, LCB File No. R076-14, Sections 1 and 5 become effective on December 22, 2014; Section 2 becomes effective: (1) on December 22, 2014, or the date on which LCB File No. R035-14 is filed with the Secretary of State, whichever occurs later; and (2) only if Section 48 of LCB File No. R035-14 or a substantively equivalent provision of that regulation is adopted by the Department of Education and LCB File No. R035-14 is filed with the Secretary of State; Section 3 becomes effective on January 1, 2020, only if Section 48 of LCB File No. R035-14 or a substantively equivalent provision of that regulation is not adopted by the Department of Education or LCB File No. R035-14 is not filed with the Secretary of State; and Section 4 becomes effective: (1) on the date on which LCB File No. R035-14 is filed with the Secretary of State or January 1, 2020, whichever occurs later; and (2) only if Section 48 of LCB File No. R035-14 or a substantively equivalent provision of that regulation is adopted by the Department of Education and LCB File No. R035-14 is filed with the Secretary of State, furnished by the Legal Division, LCB.

[Exhibit K](#) is the Adopted Regulation of the State Board of Pharmacy, LCB File No. R137-14, effective December 22, 2014, submitted by the Legal Division, LCB. (The provisions of LCB File No. 138-14 are included in this regulation.)

[Exhibit L](#) is the Adopted Regulation of the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation, LCB File No. R139-14, effective January 1, 2015, presented by the Legal Division, LCB.

[Exhibit M](#) is the Revised Adopted Regulation of the State Library and Archives Administrator, LCB File No. R107-13, effective December 22, 2014, furnished by the Legal Division, LCB.

[Exhibit N](#) is a memorandum dated December 21, 2014, to the Chair and members of the Legislative Commission, from Rick Combs, Director, LCB, regarding the transmittal of budgets of the LCB and the Interim Nevada Legislature.

[Exhibit O](#) is a letter dated December 2, 2014, to the members of the Legislative Commission, from Assemblywoman Maggie Carlton, Chair, Audit Subcommittee of the Legislative Commission, regarding the audit reports of the Legislative Auditor submitted for approval, presented by Paul V. Townsend, Legislative Auditor, Audit Division LCB.

[Exhibit P](#) is a document containing the highlights of the performance audit report on Information Security of the Department of Transportation, Report #LA14-23, issued on December 2, 2014, submitted by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit Q](#) is a document containing the highlights of the performance audit report of the Office of the Director, Department of Public Safety, Report #LA14-24, issued on December 2, 2014, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit R](#) is a document containing the highlights of the performance audit report of the Department of Education, Report #LA14-22, issued on December 2, 2014, furnished by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit S](#) is a document containing the highlights of the performance audit report on the Fiscal Costs of the Death Penalty, Report #LA14-25, issued on December 2, 2014, submitted by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit T](#) is a letter dated December 2, 2014, to the members of the Legislative Commission, from Assemblywoman Maggie Carlton, Chair, Audit Subcommittee of the Legislative Commission, regarding the six-month reports on the implementation of audit recommendations made by the Legislative Auditor, offered by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit U](#) is a document titled "Legislative Auditor Analysis of Six-Month Reports Presented to the Audit Subcommittee," dated December 2, 2014, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit V](#) is the Nevada Silver Haired Legislative Forum's (NSHLF) *Summary Report to the Legislative Commission and the Governor*, dated September 2014, presented by Herbert E. Randall, Ed.D., President, NSHLF.

[Exhibit W](#) is a document containing information regarding the appointment of members to the Committee to Consult with the Director (*Nevada Revised Statutes* [NRS] 218E.225), submitted by Rick Combs, Director, LCB.

[Exhibit X](#) is a document containing information regarding the appointment of members to the Gaming Policy Committee (NRS 463.021), presented by Rick Combs, Director, LCB.

[Exhibit Y](#) is a document containing information regarding the appointment of members to the Advisory Board on Maternal and Child Health (NRS 442.133), shared by Rick Combs, Director, LCB.

[Exhibit Z](#) is a document containing information regarding the appointment of members to the Advisory Council on Mortgage Investments and Mortgage Lending (NRS 645B.860), submitted by Rick Combs, Director, LCB.

[Exhibit AA](#) is a document containing information regarding the appointment of members to the Nevada Commission on Minority Affairs (NRS 232.852), furnished by Rick Combs, Director, LCB.

[Exhibit BB](#) is a memorandum dated December 22, 2014, to Rick Combs, Director, LCB, from Mary Shope, Coordinator, NSHLF, Administrative Division, regarding the appointments to the NSHLF.

[Exhibit CC](#) is a document titled "Reports to Legislature or Legislative Committees or LCB Director, 2007, 2009 and 2011 Reports," dated December 16, 2014, presented by Rick Combs, Director, LCB.

[Exhibit DD](#) is a document titled "Review of Reports Enacted in 2007–2011 Pursuant to § 2 of Assembly Bill 350 (2013 Session)," presented by Rick Combs, Director, LCB.

[Exhibit EE](#) is the written testimony of Caitlin Brady, Research Analyst, Constituent Services Unit, Research Division, LCB, titled "Presentation on Nevada's Legislators Back to School Program to Legislative Commission," dated December 22, 2014.

[Exhibit FF](#) is a collection of three reports regarding the "More Cops" revenue and expenditures, pursuant to Sections 13.5 and 13.7 of the Clark County Sales and Use Tax Act of 2005, for the City of Henderson, the City of North Las Vegas, and the Las Vegas Metropolitan Police Department, furnished by Rick Combs, Director, LCB.

[Exhibit GG](#) is a chart titled "DSH Allotment Projections: SFY 2014–SFY 2017," submitted after the meeting by Sarah Spohn, Management Analyst, Rates and Cost Containment, Division of Health Care Financing and Policy, DHHS.

<p>This set of "Minutes of the Legislative Commission" is an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits are on file in the Director's Office of the Legislative Counsel Bureau, Carson City, Nevada.</p>
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