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

The Legislative Commission held its sixth meeting in Calendar Year 2018 on Wednesday, December 19, 2018. The meeting began at 9:30 a.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada, and was videoconferenced to Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada.

COMMISSION MEMBERS PRESENT:

Assemblyman Jason Frierson, Chair
Senator Kelvin D. Atkinson
Senator Nicole J. Cannizzaro
Senator Moises (Mo) Denis
Senator Heidi Seevers Gansert
Senator Pete Goicoechea for Senator Ben Kieckhefer
Senator Scott T. Hammond
Assemblyman Richard (Skip) Daly for Assemblywoman Teresa Benitez-Thompson
Assemblyman Chris Edwards
Assemblywoman Robin L. Titus, M.D. for Assemblyman Al Kramer
Assemblyman Jim Wheeler
Assemblyman Steve Yeager for Assemblywoman Maggie Carlton

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Rick Combs, Director
Rocky Cooper, Legislative Auditor, Audit Division
Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis 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
Kevin C. Powers, Chief Litigation Counsel, Legal Division
Michael J. Stewart, Research Director, Research Division

Jan Brase, Research Policy Assistant, Research Division
Janet Coons, Manager of Research Policy Assistants, Research Division
Sylvia A. Wiese, Executive Assistant, Director's Office

Items taken out of sequence during the meeting have been placed in agenda order.

AGENDA ITEM I—ROLL CALL

Chair Frierson called the meeting to order.

AGENDA ITEM II—PUBLIC COMMENT

Bradley Crowell, Director, State Department of Conservation and Natural Resources, spoke regarding R167-18, which relates to fees for piers and buoys on navigable bodies of water within Nevada. He requested legal interpretation and guidance in adjusting the regulation to avoid unintended consequences. Mr. Crowell explained the need to implement incremental increases in fees for the privilege of having a pier or buoy on state-owned lands. He said fees have not been increased in more than 25 years and noted the current fee for a buoy on Lake Tahoe is $30 and $50 for a pier. Continuing, Mr. Crowell stated the regulation reflects input from five stakeholder workshops, public comment, and an actuarial process determining an appropriate fee structure. Mr. Crowell urged the Commission to recognize a need to update the fee structure and noted the proposed fee structure will represent the lowest among neighboring states.

Jan Brisco, Executive Director, Tahoe Lakefront Owners' Association, submitted written comments regarding R167-18 (Agenda Item II).

AGENDA ITEM III—APPROVAL OF MINUTES OF THE OCTOBER 25, 2018, MEETING

MOTION: Senator Denis moved approval of the minutes of the October 25, 2018, meeting. The motion was seconded by Assemblyman Yeager and passed unanimously.

AGENDA ITEM IV—LEGISLATIVE AUDITOR

A. Summary of Audit Reports Presented to Legislative Commission's Audit Subcommittee (NRS 218G.240)

Rocky Cooper, previously identified, drew the Commission's attention to a letter dated October 29, 2018, from Assemblywoman Teresa Benitez-Thompson, Chair, Audit Subcommittee of the Legislative Commission (Agenda Item IV A-1), indicating that on that date a meeting of the Audit Subcommittee was held in which four audit reports were presented. He provided a summary of each report, as follows:

Division of Forestry, State Department of Conservation and Natural Resources (DCNR) (Agenda Item IV A-2)

The focus of this audit was to evaluate controls over certain contracts and cooperative agreements and administrative controls over the Nursery Program. The Division can improve controls of contract administration over Conservation Camp Program projects and Wildland Fire Protection Program interlocal agreements. For example, Conservation Camp project agreements could not be provided for 17 of 56 projects requested. Without a properly executed contract in place, the state is liable for injury or damages caused by Conservation Camp crews and could result in lost revenues to the Division. Additionally, nonreimbursable and reduced rate projects were often not properly approved or did not include supporting documentation. Nursery Program operations can be improved to provide more consistent practices and enhance fiscal sustainability in southern and northern Nevada. Sales discounts were often given without adequate documentation establishing the appropriateness of the discount. In addition, pricing practices were not consistent or adequately documented. Controls over cash receipts need to be strengthened. The Division accepted the 12 audit recommendations.

Division of State Parks, DCNR (Agenda Item IV A-3)

The focus of this audit related to the collection of park fees. In general, when parks do not staff fee booths, approximately 30 percent of visitors do not pay the required day-use fees. A detailed analysis of park visitation and revenue data revealed an estimated $1.2 million loss of revenue in Fiscal Year (FY) 2017 due to visitor noncompliance with payment of required fees. The Division could increase fee revenue by offering different methods for paying park fees. Installation of an electronic fee station at Sand Harbor State Park contributed to a 70 percent increase in entrance fee revenues between October 2017 and February 2018, compared to fee revenues for corresponding months in the prior year. The electronic fee station paid for itself after the first month of installation. The Division could improve enforcement efforts by conveying visitor fee expectations and consequences for nonpayment. The Division needs to significantly improve fuel-card use and oversight. Fuel-card documentation was either incomplete or did not exist. The Division accepted the seven audit recommendations.

Information Security, Department of Taxation (Agenda Item IV A-4)

The purpose of this audit was to determine whether the Department has adequate information security controls. The Department needs to strengthen its information security controls to ensure sufficient protection of information systems and the data process. By taking action to address control weaknesses, the Department can better protect its physical resources, minimize security vulnerabilities, and ensure continuation of mission critical services. Control weaknesses included: (1) inadequate

monitoring of security updates for the Department's 113 laptop computers; (2) inadequate protection of four of five server and telecommunications rooms; (3) incomplete backup and recovery documentation; (4) noncompliance with annual security awareness training requirements; (5) not adequately monitoring network users, including 33 network accounts not deactivated after employees transferred or terminated; and (6) not routinely monitoring building access cards. The Department accepted the 17 audit recommendations to improve information security.

Adult Mental Health Services Community-Based Living Arrangement Homes Residential Services Payments, Division of Public and Behavioral Health (DPBH), Department of Health and Human Services (Agenda Item IV A-5)

This audit is a follow-up to an audit issued in January 2018 regarding the living conditions for clients in community-based living arrangement (CBLA) homes. For this audit, we tested controls over payments to providers of CBLA arrangement services. We found that oversight of provider payments was not adequate to protect from overbilling by providers. Based on a statistical sample of 45 monthly billings for provider homes, we estimated the Division was overbilled by approximately $1.5 million in FY 2017. Overall, we found an error rate of 11 percent of the sample of tested payments. The overbills resulted from providers billing for more hours than those recorded on staff service logs and payroll documents and billing for duplicate services. In addition, the Division paid different rates for similar services in northern Nevada compared to southern Nevada. We estimated the state could have saved more than $600,000 in FY 2017 with improved oversight of provider pay rates. Profitability of providers' homes vary significantly. Some providers find it difficult to make a profit while others generated annual profits of $100,000 per home. The more profitable homes house clients with greater numbers of service hours. In addition, providers use a wide range of payroll practices, some of which may have violated labor laws. Many providers were unable to provide basic employment records such as timesheets. Some employees are paid rates below the required hourly minimum wage of $8.25. The Division accepted the 12 recommendations. Many provider homes have been closed, and the Division is working to ensure all billings are accurate. The Division has expanded investigations of larger providers and is in the process of hiring contractors to recover overpayments.

Mr. Cooper stated the Audit Subcommittee recommends the Commission accept the four reports.

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)

Referring to a second letter dated October 29, 2018, from Assemblywoman Benitez-Thompson, Chair, Audit Subcommittee of the Legislative Commission

(Agenda Item IV B), Mr. Cooper stated the letter identifies five, six-month reports regarding the implementation status of audit recommendations reviewed on October 29, 2018. The DPBH partially implemented seven recommendations regarding CBLA homes. The partial implementation of recommendations reflects the magnitude of the problem rather than DPBH's efforts at implementation. Of 37 homes examined by the Audit Division, DPBH has closed 15, or about 40 percent, of the homes. Two additional homes are pending certification denial or decertification. The DPBH has successfully placed clients in alternate living arrangements. Four of the partially implemented recommendations required amendments to regulations *Nevada Administrative Code* (NAC) 433. Those regulations are addressed in R134-18, which is included in the current Legislative Commission agenda. Because all recommendations have not been fully implemented, an update will be provided to the Audit Subcommittee at a future meeting.

Mr. Cooper stated the Audit Subcommittee recommends the Commission accept the six-month reports.

MOTION: Senator Denis moved approval of the Audit Division's four audit reports and the five, six-month status reports. The motion was seconded by Assemblyman Yeager and passed unanimously.

C. Request for Approval to add an Audit of the Public Employees' Benefits Program to the Basic Audit Program Approved at the Meeting Conducted on August 30, 2018

Referring to a letter dated December 13, 2018, from Rocky Cooper, Legislative Auditor, Audit Division, Legislative Counsel Bureau, (LCB), (Agenda Item IV C), Mr. Cooper stated the letter requests to add an audit to the list approved by the Commission on August 30, 2018. The need to audit the Public Employees' Benefits Program (PEBP) has arisen because PEBP has denied the contract auditor's access to records necessary to perform the Single Audit for the State of Nevada. This denial has caused problems with the Single Audit and threatens the ability of the Audit Division to conduct future audits. The records requested relate to the state's liability for retirees' health insurance, which is estimated at $1.3 billion. Auditors are required to test the reliability and accuracy of census data submitted to PEBP's actuary for calculating the state's liability. Although PEBP allowed the Audit Division access to protected health information when performing audits in 2005 and 2012, the current executive officer has restricted the legislative auditor's access to protected health information. After the Division requested information related to the type of audits that PEBP would allow the legislative auditor to perform, the executive officer indicated that he would be submitting a request for an opinion from the Office of the Attorney General to determine whether the legislative auditor can access protected health information when performing future audits. Because many audits require access to protected health information, the Division has serious concerns about

PEBP's interpretation of the Health Insurance Portability and Accountability Act (HIPAA) privacy rule. Without access to HIPAA information, the Audit Division would not be able to provide accountability to the Legislature regarding health care programs. The Commission's approval of the audit of PEBP would expedite the process in reaffirming the legislative auditor's access to information at PEBP.
Responding to a question from Chair Frierson, Mr. Cooper explained PEBP has denied the Division's contract auditor access to HIPAA information, which, by extension, denies Division access. Mr. Cooper discussed the consequences of these denials and delays, including additional costs and a need for legal review.

Responding to Senator Gansert, Brenda J. Erdoes, previously identified, reported the Legal Division has reviewed the issue of confidentiality and will continue to provide guidance to the Audit Division.

MOTION: Senator Denis moved to approve the Audit Division's request to add an audit of PEBP to the list of audits approved by the Legislative Commission on August 30, 2018. The motion was seconded by Assemblyman Wheeler and passed unanimously.

AGENDA ITEM V—LEGISLATIVE COMMISSION POLICY

A. Review of Administrative Regulations Submitted Pursuant to NRS 233B.067.

The list of regulations (Agenda Item V A-1) can be assessed electronically at: https://www.leg.state.nv.us/App/InterimCommittee/REL/Document/13666.

The following regulations were identified by members to be held for discussion: R036-18; R060-18; R072-18; R075-18; R076-18; R091-18; and R172-18.

MOTION: Senator Denis moved approval of R073-17; R133-17; R037-18; R043-18; R062-18; R-068-18; R084-18; R086-18; R100-18; R133-18; R134-18; R139-18; R143-18; R-167-18; R190-18; R191-18; R194-18; and R196-18. The motion was seconded by Assemblyman Edwards and passed unanimously.

Regulation R036-18

A REGULATION relating to education; requiring a large school district that reorganizes to establish a dispute resolution process to address issues relating to organizational team members; requiring local school precincts to enter into service level agreements when acquiring services from such a large school district; authorizing local school precincts to use money allocated as they deem appropriate; clarifying when money is considered allocated for the use of a local school precinct; and providing other matters properly relating thereto (Agenda Item V A-2).

Assemblyman Daly questioned provisions of subsection 1, Section 1 of R036-18, which provides for discretion in the use of money allocated to local school district precincts.

Steve Canavero, Ph.D., Superintendent of Public Instruction, Nevada's Department of Education (NDE), explained that this section of the regulation addresses service-level agreements between school districts and schools, which were created to transfer responsibility and funding for an action that is typically maintained by the school district. He said the regulation further provides that funding for activities covered by service-level agreements would be retained at the school precinct level in the event agreements are cancelled. Dr. Canavero clarified that once money is transferred, schools will be authorized to expend project funds at their discretion.

Senator Hammond inquired about the notice requirement in changes to service-level agreements.

Dr. Canavero stated specific details are included within the joint implementation plan between NDE and the Clark County School District as required by Assembly Bill 469 (Chapter 11, *Statutes of Nevada 2017*). He said because the system represents a significant change in the way services are planned, funded, and delivered, schools will be allowed latitude in notice requirements.

MOTION: Senator Hammond moved approval of R036-18. The motion was seconded by Assemblyman Edwards and passed unanimously.

Regulation R072-18

A REGULATION relating to Oriental medicine; establishing restrictions on certain salaries to which certain officers of the State Board of Oriental Medicine may be entitled; providing for Board approval of schools and colleges of Oriental medicine under certain circumstances; requiring certain licensees to maintain, and provide proof to the Board of, certain certification; revising the deadline by which an applicant for a license to practice Oriental medicine must submit an application, fees and other documents to the Board; revising requirements for proof of qualification for licensure; requiring an applicant for licensure to pass certain examinations; establishing a minimum score for an applicant to pass the Test of English as a Foreign Language Internet-Based Test; revising provisions relating to the practical examination of an applicant for a license to practice Oriental medicine; revising provisions governing the approval of certain courses of continuing education; providing for the proration of the annual fee for the first renewal of certain licenses to practice Oriental medicine; revising requirements for the reinstatement of a cancelled license; revising certain fees; revising certain acts which constitute unethical and unprofessional conduct; and providing other matters properly relating thereto (Agenda Item V A-3).

Assemblywoman Titus questioned provisions of Section 4 of R072-18, which change licensure requirements for practitioners whose licenses are issued after December 31, 2018. She noted the regulation outlines a requirement to maintain board certification. Dr. Titus expressed concern that this is not required by other health care related boards in Nevada and that maintaining board certification can be prohibitively expensive.

Merle Lok, Executive Director, State Board of Oriental Medicine (SBOM), explained R072-18 requires licensees to periodically complete an examination administered by the National Certification Commission for Acupuncture and Oriental Medicine (NCCAOM), which tests for a uniform standard of practice and is not a formal recertification process. She noted state-licensure requirements have been adjusted to align with NCCAOM structure.

Assemblywoman Titus agreed health care professionals should be required to maintain and demonstrate competency in their fields. However, she reiterated her concern that requirements of R072-18 may be costly and burdensome.

Ms. Lok explained, while testing is expensive, Board members have determined the importance of requiring licensees to adhere to nationally recognized practice standards.

Senator Gansert inquired about the differences between examinations and certification requirements among other health care professions and oriental medicine.

Ms. Lok offered to research and provide information to the Commission at a future date.

Senator Denis asked whether the SBOM had surveyed licensees regarding the proposed regulation.

Ms. Lok said all licensees were surveyed and their concerns addressed through workshops and individual contacts. She noted the examinations will not be required of existing licensees.

Assemblyman Edwards expressed concern regarding certification and standards disparities between new and existing licensees.

Chair Frierson noted the process of updating regulations often results in differences among impacted parties. He said the purpose of R072-18 is to align those licensed under SBOM with national standards.

MOTION: Senator Denis moved approval of R072-18. The motion was seconded by Senator Cannizzaro.

Prior to the vote, Senator Gansert expressed her opposition and reserved her support until clarification is provided.

MOTION: The previous motion by Senator Denis to approve R072-18 and seconded by Senator Cannizzaro passed. Senators Gansert and Goicoechea and Assembly Members Titus and Wheeler voted no.

Regulation R075-18

A REGULATION relating to public works; revising provisions relating to certain preferences for a local business owned and operated by a veteran with a service-connected disability; revising provisions governing the qualification of bidders and subcontractors on state public works; and providing other matters properly relating thereto (Agenda Item V A-4).

Regulation R076-18

A REGULATION relating to public works; revising provisions relating to design standards for buildings and structures of the State; requiring certain bids to be submitted by qualified bidders in order to be considered; requiring the Deputy Administrator of the Public Works - Compliance and Code Enforcement Section of the State Public Works Division of the Department of Administration to determine the amount of a fee for checking of plans and specifications of certain projects by a third-party contractor; and providing other matters properly relating thereto (Agenda Item V A-5).

Assemblyman Daly questioned whether R075-18 and R076-18 were written to comply with recently approved legislation. He suggested that subsection 2, Section 17 of R075-18, which relates to construction managers at risk and subcontractors, may conflict with statute as outlined in subsection 9(b) of *Nevada Revised Statutes* (NRS) 338.16995.

Ward D. Patrick, PE, Administrator, State Public Works Division, Department of Administration, offered assurances the Division will work to provide clarification.

In response to Assemblyman Daly's question regarding R076-18, which updates standards for the design and construction of buildings, Mr. Patrick indicated the regulation relates only to building codes and does not contain significant changes or adjustments to current practices.

MOTION: Assemblyman Daly moved approval of R075-18 and R076-18. The motion was seconded by Senator Cannizzaro and passed unanimously.

Regulation R091-18

A REGULATION relating to the Nevada Transportation Authority; authorizing the Authority to suspend or revoke a driver's permit in certain circumstances;

imposing a fee for the replacement of a lost driver's permit; revising provisions governing practice before the Authority; imposing a fee for a replacement tow plate; and providing other matters properly relating thereto (Agenda Item V A-6).

Assemblyman Daly requested information relating to subsection 4, Section 34 of the proposed regulation, which authorizes the presiding officer of a formal hearing before the Nevada Transportation Authority (NTA) to strike the testimony of a witness deemed to lack specific experience, expertise, or direct knowledge of the matter under consideration.

David Newton, Commissioner, NTA, Department of Business and Industry, explained the language is consistent with current practice. He stated that during the hearing process, the presiding officer regularly makes determinations of witnesses' credibility.

In response to Senator Denis's question regarding subsection 2 of Section 47, Mr. Newton explained the regulation is an attempt to identify property agents who are authorized to request a vehicle tow and to clarify required notifications.

Senator Denis indicated that he has proposed legislation to address the issues during the upcoming legislative session.

MOTION: Senator Denis moved approval of R091-18. The motion was seconded by Assemblyman Yeager and passed unanimously.

Regulation R172-18

A REGULATION relating to devices; revising certain fees charged by the Division of Consumer Equitability of the State Department of Agriculture for testing and licensing certain weighing or measuring devices; imposing a late fee for certain payments due to the Division; revising the period during which a license to use a weighing or measuring device as commercial weighing and measuring equipment is valid; and providing other matters properly relating thereto (Agenda Item V A-7).

Senator Goicoechea expressed concerns about increased fees for the repair and retesting of weighing and measuring devices. He asked whether R172-18 provides authorization to mechanics who repair scale devices to certify the scales' regulatory compliance.

Cadence Matijevich, Administrator, Division of Consumer Equitability (DCE), State Department of Agriculture, explained NRS and NAC provide such authorization. Ms. Matijevich stated that when a device that has been tested by the DCE is found to be out of tolerance, depending on the degree of error, it will be tagged for repair and may either be taken completely out of service or operated on a temporary basis.

She stated that because DCE is ultimately the regulatory authority, a service agent who is registered with DCE is required to perform adjustments and repairs. Ms. Matijevich explained the service agent then submits a "placed in service" report. If the report contains that all required components ensure the device is operating correctly, it may go back into use immediately; and the DCE will perform an inspection, and affix a state certified seal, as soon as practicable. She noted subsection 3, Section 3 of R172-18 provides that only a fee for tests prescribed by NAC 581.210 will be charged if the test can be made during a scheduled trip for inspections in the vicinity. Ms. Matijevich said every effort has been made to minimize the cost of compliance.

Senator Goicoechea expressed concern that while a scale may be certified as in compliance, buyers may refuse to complete transactions if a state-authorized sticker is not affixed to the device.

Responding to Senator Goicoechea's concern, Ms. Matijevich confirmed DCE is proposing incremental fee increases with a final increase, which will be effective on July 1, 2021. She noted fees have not changed since 2000, and an increase is required to sustain the Division's operations.

Senator Goicoechea indicated he would support approval of the regulation but expressed his opposition to further fee increases until the DCE addresses the need to allow mechanics to certify repaired scales as legal for trade in advance of a retest by the Division.

MOTION: Senator Goicoechea moved approval of R172-18. The motion was seconded by Assemblyman Yeager and passed unanimously.

Regulation R060-18

A REGULATION relating to electric utilities; requiring a resource plan submitted by an electric utility to contain certain information concerning the reduction of consumer exposure to the price volatility of fossil fuels and the potential social cost of carbon; establishing the method for calculating the social cost of carbon; requiring an electric utility to hold a meeting with certain parties and interested persons before filing a resource plan or an amendment to a resource plan; establishing requirements for providing notice of such a meeting; and providing other matters properly relating thereto (Agenda Item V A-8).

Senator Hammond questioned language in the regulation relating to "societal costs" of carbon and noted the term was not used during deliberations of the enabling legislation.

Donald Lomoljo, Esq., Utilities Hearing Officer, Public Utilities Commission of Nevada, explained Section 6, subsection 5, paragraph (e) of Senate Bill 65 (2017) provides for diverse electricity supply portfolios, which reduce customer exposure to the price volatility of fossil fuels and the potential costs of carbon. He stated that the utility industry recognizes two categories of costs: (1) compliance costs, which are internal to utility companies; and (2) societal costs, which measure costs resulting from carbon emissions including impacts on health and the environment. Mr. Lomoljo noted utilities filing integrated resource plans provide their own assessments of the societal costs of carbon.

Senator Hammond restated his concern that the term "societal costs" was not expressed during discussion of SB 65 during the last session and that the phrase does not reflect the intent of the bill. He said for that reason he cannot support R060-18.

MOTION: Senator Denis moved approval of R060-18. The motion was seconded by Assemblyman Yeager and passed. Senator Hammond and Assembly Members Edwards, Titus, and Wheeler voted no.

B. Approval to Transmit Budget for Legislative Counsel Bureau and Interim Nevada Legislature to Office of Finance

Rick Combs, previously identified, submitted a memorandum, which outlines proposed budgets of the LCB and the Interim Nevada Legislature (Agenda Item V B-1). He discussed operating budgets for the various LCB divisions and the Legislative Commission.

Referring to a worksheet outlining proposed projects to be funded through legislative fund reserves for the 2019–2020 Legislative Interim (Agenda Item V B-2), Mr. Combs explained the Legislative fund balance has been utilized in the last two interims to complete projects that are necessary to continue providing services to the Legislature. He said the decision was made to utilize these funds rather than to draw from the State General Fund because the projects are relatively expensive and total approximately $3 million.

Mr. Combs submitted a request for an audio mixer upgrade in Carson City and Las Vegas. He said the current equipment is 11 years old, is beginning to fail, and will no longer be supported under a maintenance plan. He stated the project would cost $112,009. Mr. Combs explained further improvements would be necessary to address the issue of synchronizing audio feeds between Carson City and Las Vegas.

Mr. Combes said the Broadcast Production Services Unit of LCB is requesting $74,256 for the replacement of old projectors, monitors, and screens throughout the

Legislative Building, in committee hearing rooms, and at the State Printing Office training room.

Continuing, Mr. Combs requested funds to replace all the concrete in the mall area of the legislative grounds and to repair concrete in areas to the north and west side of the Legislative Building. He said that, while approximately $600,000 to $700,000 will be required to complete needed repairs, the requested $302,100 would represent the first phase of the project and address safety hazards.

Mr. Combs requested information technology funding including: (1) $853,100 for a full replacement of the core switches supporting the network in Carson City, which is on an eight-year replacement cycle; (2) $879,000 to replace controllers, servers, and switches associated with the storage area network in both Carson City and Las Vegas, which are on a four-year replacement cycle; (3) $356,300 to update database software to ensure the ability to support internal and third-party software; (4) $67,600 to replace seven-year-old audio and video encoders used in the legislative chambers and committee rooms; (5) $301,000 to replace chamber voting equipment, which was designed in-house in the 1990s to provide communication between interfaces and improve in-chamber administration; and (6) $85,263 to replace antivirus and cloning software and to replace both the Symantec and Ghost software with a Microsoft system-centered configuration manager.

Finally, Mr. Combs requested $51,675 for a new vehicle to be used by the Legislative Police for dignitary protection and transportation. He said the request also includes funding for emergency vehicle equipment.

Concluding, Mr. Combs reiterated the requested funds will not be included in the budget request made to the governor, but will be drawn from the legislative fund balance, which has adequate resources.

Senator Denis questioned funding for a video conference system and asked whether any changes have been made.

Mr. Combs said this is not a change to current systems: instead, the goal is to allow members to attend meetings at locations nearest their homes, or with sufficient funding, to attend interim meetings at the primary location.

Responding to Senator Denis's questions regarding requested funding, Mr. Combs: (1) offered to provide additional information relating to requested data systems' upgrades; (2) explained that the Secretary of the Senate and the Chief Clerk of the Assembly will be consulted when making changes to legislative chamber voting equipment; and (3) indicted that some, but not all, projector screens in hearing rooms will be replaced.

Chair Frierson requested the Commission consider including a request for a 5 percent increase in salaries for LCB staff, specifically, division directors, division chiefs, the chief clerk of the Assembly, and the secretary of the Senate. He indicated there have been no increases for these staff members for ten years.

Mr. Combs noted it is important that salaries reflect an appreciation for their efforts and support of Nevada's Legislature. Responding to inquiries from Commission members, Mr. Combs explained that, based on current information, the cost of the proposed salary increases would be approximately $72,000 per year, or $7,000 to $9,000 per position.

Discussion ensued regarding comparisons with other state legislatures' salary schedules. Chair Frierson observed that, even with the proposed increase, Nevada would remain behind many other states in compensation.

In response to Assemblyman Edwards' suggestion that the Commission consider a larger increase, Chair Frierson noted that a 5 percent increase would be a meaningful first step.

Responding to Senator Gansert's inquiry, Mr. Combs explained the request is to support including salary increases in the proposed budget for the LCB and Interim Nevada Legislature (Agenda Item V B-1) for transmission to the Office of Finance, Office of the Governor, for inclusion in the *Executive Budget*. Senator Gansert expressed her support and said she will review updated information during the upcoming session.

Mr. Combs clarified some technical adjustments may be needed to accommodate changes in the *Executive Budget* relating to base salary adjustments.

MOTION: Senator Atkinson moved approval of transmission of the proposed budget for the LCB and Interim Nevada Legislature including a request for an increase in salaries for selected LCB staff, while allowing for technical adjustments. The motion was seconded by Assemblyman Edwards and passed unanimously.

AGENDA ITEM VI—PROGRESS REPORTS AND APPOINTMENTS

A. Summary Report of Major Studies in Progress Pursuant to Rule No. 6 of the Rules and Policies of the Legislative Counsel Bureau

Rick Combs, previously identified, requested approval of a summary report of major studies in progress (Agenda Item VI A).

MOTION: Senator Denis moved approval of the submission of interim study reports. The motion was seconded by Senator Cannizzaro and passed unanimously.

B. Appointment of Members to Various Committees and Similar Entities:

1. Gaming Policy Committee (NRS 463.021)

Mr. Combs noted statute requires the Legislative Commission to appoint members to various committees and similar entities. Concerning the Gaming Policy Committee, Mr. Combs explained the Commission appoints two members, one from each house of the Legislature, and terms begin on the first day of the legislative session. The current members are Senator Tick Segerblom, Senate District 3, and Assemblyman Steve Yeager, Assembly District 9. Mr. Combs said, typically, members who are appointed are the chairs of the Senate and Assembly Committees on Judiciary (Agenda Item VI B-1).

Chair Frierson nominated Assemblyman Steve Yeager, Assembly District 9, and solicited nominations from members for a representative from the Senate.

Senator Atkinson nominated Senator Nicole J. Cannizzaro, Senate District 6.

MOTION: Senator Denis moved approval of the appointment of Senator Cannizzaro and Assemblyman Yeager to the Gaming Policy Committee. The motion was seconded by Assemblyman Edwards and passed unanimously.

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

Mr. Combs said the Commission is required to appoint one nonvoting member from the Senate and one nonvoting member from the Assembly to serve on the Advisory Board on Maternal and Child Health (Agenda Item VI B-2).

Chair Frierson nominated Assemblywoman Daniele Monroe-Moreno, Assembly District 1, and solicited nominations from members for a representative from the Senate.

Senator Atkinson nominated Senator Marilyn Dondero Loop, Senate District 8.

MOTION: Senator Denis moved approval of the appointment of Senator Dondero Loop and Assemblywoman Monroe-Moreno to the Advisory Board on Maternal and Child Health. The motion was seconded by Assemblyman Edwards and passed unanimously.

3. Advisory Council on Mortgage Investments and Mortgage Lending (NRS 645B.019)

Mr. Combs explained that of the five members appointed to the Advisory Council on Mortgage Investments and Mortgage Lending, three members' terms will expire

on December 22, 2018 (Agenda Item VI B-3). He indicated that two current members, Janis Grady and Winston McGregor, have expressed interest in retaining membership on the Council. The Commission has been provided a list of candidates to fill the remaining opening (Agenda Item VI B-4).

MOTION: Senator Atkinson moved approval of the appointment of Janis Grady, Winston McGregor, and Jonathan T. Gedde to the Advisory Council on Mortgage Investments and Mortgage Lending. The motion was seconded by Assemblyman Edwards and passed unanimously.

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

Mr. Combs drew attention to a memorandum from Patrick B. Ashton, Senior Policy Analyst, Research Division, indicating several member seats are vacant and several members' terms have expired (Agenda Item VI B-5). Mr. Ashton requested, on behalf of the Forum, appointment of the following nominees:

- Dr. William Marchant, Senate District 5; and
- Liliam Lujan Hickey, Senate District 21.

On behalf of the Forum, Mr. Ashton requested reappointment of the following nominees:

- Betty Rumford, Senate District 6;
- Dr. John A. Yacenda, Senate District 16;
- Doris J. Ahrens, Senate District 19; and
- Fred L. Silberkraus, Senate District 20.

MOTION: Assemblyman Edwards moved approval of the reappointment of Betty Rumford, Senate District 6; Dr. John A. Yacenda, Senate District 16; Doris J. Ahrens, Senate District 19; and Fred L. Silberkraus, Senate District 20; and the appointment of Dr. William Marchant, Senate District 5; and Liliam Lujan Hickey, Senate District 21. The motion was seconded by Senator Denis and passed unanimously.

AGENDA ITEM VII—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. Department of Health and Human Services, Division of Child and Family Services, Summary of Child Protective Services Cost Assessments Pursuant to NRS 432B.327:

   a. Carson City

   b. Churchill County

   c. Douglas County

   d. Elko County

   e. Esmeralda County

   f. Eureka County

2. Department of Public Safety, Director's Office, Report on the Department of Safety's Implementation of Assembly Bill 239 (2015)

3. Department of Veterans Services, Biennial Review of Preferences for Local Businesses Owned and Operated by Veterans With Service-Connected Disabilities Pursuant to NRS 417.105

4. Las Vegas City Council, Annual Redevelopment Agency Legislative Report Pursuant to NRS 279.685(2)

Chair Frierson asked Commission members whether there were any informational items they wanted to discuss; however, no items were requested.

AGENDA ITEM VIII—PUBLIC COMMENT

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

AGENDA ITEM IX—ADJOURNMENT

There being no further business to come before the Commission, the meeting was adjourned at 11:58 a.m.

Respectfully submitted,

Jan Brase
Research Policy Assistant

APPROVED BY:

Jason Frierson, Chair
Legislative Commission

MEETING MATERIALS

AGENDA ITEM	WITNESS/ENTITY	DESCRIPTION
Agenda Item II	Jan Brisco, Executive Director, Tahoe Lakefront Owners' Association	Letter regarding R167-18
Agenda Item IV A-1	Rocky Cooper, Legislative Auditor, Audit Division, LCB	Letter dated October 29, 2018, regarding audit reports
Agenda Item IV A-2	Rocky Cooper, Legislative Auditor, Audit Division, LCB	Summary Report: Division of Forestry, State Department of Conservation and Natural Resources (DCNR)
Agenda Item IV A-3	Rocky Cooper, Legislative Auditor, Audit Division, LCB	Summary Report: Division of State Parks, DCNR
Agenda Item IV A-4	Rocky Cooper, Legislative Auditor, Audit Division, LCB	Summary Report: Information Security, Department of Taxation
Agenda Item IV A-5	Rocky Cooper, Legislative Auditor, Audit Division, LCB	Summary Report: Adult Mental Health Services Community-Based Living Arrangement Homes Residential Services Payments, Division of Public and Behavioral Health, Department of Health and Human Services
Agenda Item IV B	Rocky Cooper, Legislative Auditor, Audit Division, LCB	Letter dated October 29, 2018, regarding six-month reports

Agenda Item IV C	Rocky Cooper, Legislative Auditor, Audit Division, LCB	Letter dated December 13, 2018, regarding request to add an audit to those approved by the Legislative Commission
Agenda Item V A-1	Legal Division, LCB	List of administrative regulations
Agenda Item V A-2	Legal Division, LCB	Adopted Regulation of the State Board of Education, LCB File R036-18
Agenda Item V A-3	Legal Division, LCB	Adopted Regulation of the State Board of Oriental Medicine, LCB File R072-18
Agenda Item V A-4	Legal Division, LCB	Adopted Regulation of the State Public Works Board, LCB File R075-18
Agenda Item V A-5	Legal Division, LCB	Adopted Regulation of the State Public Works Board, LCB File R076-18
Agenda Item V A-6	Legal Division, LCB	Adopted Regulation of the Nevada Transportation Authority, LCB File R091-18
Agenda Item V A-7	Legal Division, LCB	Adopted Regulation of the State Sealer of Consumer Equitability, LCB File R172-18
Agenda Item V A-8	Legal Division, LCB	Adopted Regulation of the Public Utilities Commission of Nevada, LCB File R060-18

Agenda Item V B-1	Rick Combs, Director, LCB	Memorandum regarding transmittal of budgets of LCB and Interim Nevada Legislature
Agenda Item V B-2	Rick Combs, Director, LCB	Worksheet of proposed projects funded by legislative fund reserves
Agenda Item VI A	Rick Combs, Director, LCB	Summary report of major studies in progress
Agenda Item VI B-1	Rick Combs, Director, LCB	Recommended appointments to Gaming Policy Committee (*Nevada Revised Statutes* [NRS] 463.021)
Agenda Item VI B-2	Rick Combs, Director, LCB	Recommended appointments to the Advisory Board on Maternal and Child Health (NRS 442.133)
Agenda Item VI B-3	Rick Combs, Director, LCB	Recommended appointments to Advisory Council on Mortgage Investments and Mortgage Lending (NRS 645B.019)
Agenda Item VI B-4	Division of Mortgage Lending, Department of Business and Industry	Letter and list of candidates for appointment to Advisory Council on Mortgage Investments and Mortgage Lending

Agenda Item VI B-5	Rick Combs, Director, LCB	Recommended appointments to Nevada Silver Haired Legislative Forum (NRS 427A.320)

This set of "Minutes of the Legislative Commission" is an informational service. Meeting materials are on file in the Director's Office of the Legislative Counsel Bureau, Carson City, Nevada.