



NEVADA LEGISLATURE JOINT INTERIM STANDING COMMITTEE ON GOVERNMENT AFFAIRS

(Nevada Revised Statutes [NRS] 218E.320)

MINUTES

May 30, 2024

The fourth meeting of the Joint Interim Standing Committee on Government Affairs for the 2023–2024 Interim was held on Thursday, May 30, 2024, at 9 a.m. in Room 4412, Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 3138, Legislative Building, 401 South Carson Street, Carson City, Nevada.

The agenda, minutes, meeting materials, and audio or video recording of the meeting are available on the Committee's [meeting page](#). The audio or video recording may also be found at <https://www.leg.State.nv.us/Video/>. Copies of the audio or video record can be obtained through the Publications Office of the Legislative Counsel Bureau (LCB) (publications@lcb.State.nv.us or 775/684-6835).

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblywoman Selena Torres, Chair
Senator Edgar Flores, Vice Chair
Assemblyman Max Carter
Assemblyman Reuben D'Silva
Assemblyman Richard McArthur

COMMITTEE MEMBER PRESENT IN CARSON CITY:

Senator Skip Daly

COMMITTEE MEMBERS ATTENDING REMOTELY:

Senator Ira Hansen
Assemblyman Bert Gurr (Alternate for Assemblyman Gregory Koenig)

COMMITTEE MEMBER ABSENT:

Assemblyman Gregory Koenig (Excused)

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Jered McDonald, Deputy Research Director, Research Division
Jennifer Ruedy, Research Director, Research Division
Maria Velazquez, Research Policy Assistant, Research Division
Heidi Chlarson, Chief Deputy Legislative Counsel, Legal Division

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

AGENDA ITEM I—CALL TO ORDER

Chair Torres:

[Chair Torres called the meeting to order and welcomed members, presenters, and the public to the fourth meeting of the Joint Interim Standing Committee on Government Affairs. She covered meeting guidelines and housekeeping information.]

AGENDA ITEM II—PUBLIC COMMENT

Chair Torres:

[Chair Torres reviewed public comment guidelines. She called for public comment; however, no testimony was presented in person or by phone.]

AGENDA ITEM III—APPROVAL OF THE MINUTES FOR THE MEETING ON APRIL 16, 2024

Chair Torres:

We will move on to the approval of the minutes for the meeting on April 16th, 2024.

ASSEMBLYMAN CARTER MOVED TO APPROVE THE MINUTES FOR THE MEETING ON APRIL 16, 2024.

ASSEMBLYMAN MCARTHUR SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

AGENDA ITEM IV—PRESENTATIONS ON THE USE AND OVERSIGHT OF ARTIFICIAL INTELLIGENCE IN GOVERNMENT SETTINGS

Chair Torres:

Our first presenter is a former colleague of ours, representatives from the Kenny Guinn Center for Public Priorities. It is great to have you back. Thank you, Ms. Tolles, for the presentation.

Jill Tolles, Executive Director, Kenny Guinn Center for Policy Priorities:

Good morning, Chair, Vice Chair, and Members of this hardworking Committee. I am joined today by Jaylin Hendricks, one of our Research Analysts, who has spent the better part of this year diving into AI, looking at uses, tracking legislative trends, and providing the backbone of the information we are going to present today. For those of you who may not be familiar with the Guinn Center, we were established in 2013—a little over ten years ago—and over that time, we have published over 100 reports and policy briefs. We are statewide, independent, nonpartisan, and we seek to advance evidence-based policy solutions for this Body to deliberate on and for the general public to consume. Our interest in this topic started in the summer of 2022, before ChatGPT hit the scene. We have an annual event called “Gallagher Dialogues” where we invite national speakers to talk about

relevant topics to the State and the nation. At that time, we invited Russell Wald, who is the Deputy Director of the Stanford Institute for Human-Centered Artificial Intelligence, to speak about emerging trends. Little did we know this would explode into a topic that everyone is talking about on a daily basis. As a result of that discussion, we decided to educate ourselves more on AI interplay with public policy and produce a series of briefs looking at, first and foremost, a general overview of what AI is. That was published last month and is available as of today on *Guinncenter.org*, our newly relaunched, redesigned website. Also, as of today, we have published our latest publication which will provide more detail than we are going to give you in the overview. We plan on releasing briefs on elections, workforce, education, and health care; check our website for additional briefs. Based on our discussion today, you may give us good fodder for things we would like to dive into deeper as you prepare for the next legislative session. ([Agenda Item IV A-1](#)) ([Agenda Item IV A-2](#)) ([Agenda Item IV A-3](#)) [Due to copyright issues, Items IV A-2 and IV A-3 are on file in the Research Library of the LCB, Carson City, Nevada. For copies, contact the Library at (775) 684-6827 or <https://www.leg.state.nv.us/Division/Research/About/Contact>.]

I want to talk about the background of AI so we can start on the same page using similar language. We are going to talk about government uses of AI, benefits, and considerations. Then, the legislative trends we are tracking at the Guinn Center, keeping in mind we are not going to be providing evidence-based recommendations today. This continues to be an emerging issue. As we watch legislative trends across the United States, we recognize that many legislatures are still in session and concluding their sine die this spring or later this summer. Keep checking back for updates as we track this legislation through its terminal decision point.

Let us start with a brief overview of the history of AI. Even though it has been all the rage lately, this concept is not new. In fact, some would argue that dating back to 400 B.C., we have been talking about automation with the ancient Greek societies. In 1950, Alan Turing was the first to bring this to the modern stage in his seminal work on computer machinery and intelligence. In 1956, John McCarthy was the first to coin the term at an international conference. In the '50s, '60s, and '70s, programming language, machine learning, and the first chatter bot, now affectionately known as a Chatbot, was invented. In the 1980s, we had our first driverless car, then in the 90s and 2000s, we saw the introduction of AI agents, including International Business Machine's (IBM) Deep Blue and Apple's Siri. Then of course, it exploded in interest when OpenAI's ChatGPT was introduced in November of 2022.

Let us lay out a few brief definitions. The federal definition for AI is a "machine-based system that can make predictions, recommendations, or decisions influencing real or virtual environments." The U.S. General Services Administration added to that definition to point out that AI mimics behavior through technologies combining math, computer science, and cognitive science. There is an exhaustive list of key terms and concepts in our General Overview Brief, but we wanted to focus on a few since these are the technologies most frequently utilized by State and local governments. Those are machine learning—which studies how computer systems can improve perception—knowledge, and decisions. Examples of machine learning might be product recommendations or email automation and spam filtering, and computer vision, which enables computers to derive and provide meaningful information from various virtual inputs. Examples of that would be the use of facial recognition or medical imaging. Natural language processing, which processes and enables compliance and digital devices for recognition, data analysis, and predictive text—we might see those in data analysis or text summarization technologies. Last but not least, generative AI—which has gotten most of the attention—which is where models can predict

or generate text, images, and other content based on unlimited training data. Those examples might be virtual assistance and image creation. It is important to take a moment to look at the difference between automation and AI, because those two are confused often. Automation is quite simply when you train a device to do a specific task for routine and repetitive functions. Artificial intelligence makes predictions, plans, and solves problems. You can see there is an overlap often because you can have a device that is automated that also employs AI. A simple way to look at it is the difference between a thermostat and a Nest Thermostat. A thermostat you tell directly when to turn on or off at a certain time of day or set at a certain temperature. A Nest Thermostat starts to learn your patterns of when you typically like a temperature at a certain level, and it predicts and changes accordingly.

How have State governments leveraged AI? We will start in Nevada with our Office of the Chief Information Officer (OCIO)—you are going to be hearing from them next—they will go into much more detail. I wanted an opportunity to highlight our State OCIO, Tim Galluzi, who has received national coverage by one national publication, *GovTech.com*, on Nevada's use of AI, particularly at Nevada's Department of Employment, Training and Rehabilitation (DETR) and processing unemployment claims. We have also seen the introduction of a bilingual chatbot at the Department of Motor Vehicles (DMV), and Clark County's use of AI signature verification with human oversight by State elected officials or State elected election workers. You will also likely hear—not only in our presentation, but also in their presentation—the uses of AI in emergency responses, fire detection, and healthcare. As our analysts looked at different uses by State and local jurisdictions, we categorized these in five main buckets specifically for this Committee and for this report. There are many uses of AI in areas like education and healthcare, but we focused mainly on the uses most pertinent to State and local governments. Starting with customer support, administrative processes, transportation and infrastructure, crime detection, and emergency services. I would like to introduce Jaylin Hendricks, our Research Analyst. She has been with the Guinn Center for three years and spent the better part of this year focusing on AI, gathering background information, reviewing literature, and tracking uses and legislative trends across the U.S.

Jaylin Hendricks, Research Analyst, Kenny Guinn Center for Policy Priorities:

I want to start by covering the first category of uses we have seen across the country by State governments: customer support tools. We have seen examples related to chatbots used within Nevada and other State agencies across the country. Currently, they are primarily used to provide information to people filing unemployment insurance claims or seeking to access educational services. We also see chatbots that offer supplemental features such as language and document translation—we have seen that at the federal, state, and local governmental levels. Our next category of identified uses relates to administrative processes. We see AI used to support the processing of unemployment claims, as well as large data sets. In relation to unemployment claims, here is an example from Wisconsin in which the Department of Workforce Development utilized AI in collaboration with *Google.com* to clear a backlog of claims that had accumulated during the initial stages of the pandemic. They cleared their backlog—at least as of December 30, 2020, getting through what had accumulated throughout that period. The process they utilized consisted of AI applying confidence scores to applications, then staff used those confidence scores to inform final decisions. A trend we will see with additional uses as well as legislation is emphasizing the idea of human-in-the loop, having a human assisting or utilizing AI as a tool. In addition to unemployment claims, we have seen AI be able to provide support in processing large data sets. Here, we have highlighted examples from Illinois and Pennsylvania, where we see caseworkers use software to help filter large sets of case notes helping caseworkers flag early signs of opioid abuse and assisting with case

transfers. The next category of uses we identified relates to transportation in terms of traffic monitoring. We have highlighted an example from Maryland in which they have implemented AI software-controlled traffic lights. These utilize dynamic timing based on real-time road conditions, like the number of vehicles on the road and traffic collisions. They can control traffic lights based upon real-time conditions as opposed to preset timers. In addition to traffic monitoring, we are also seeing AI provide support with infrastructure maintenance. Vermont is using AI-powered modeling and predictive analytics to understand the longevity of road treatments, as well as to predict bridge deterioration. Artificial intelligence is also used in relation to crime detection, highlighted in this example from Michigan's Unemployment Insurance Agency where AI was utilized to help detect fraudulent claims. The AI used verification of claimants' wages and identity. They experienced initial issues with the rollout of this AI, as they initially did not involve human oversight, and there were issues in terms of data transferability and data analytics. There were nearly 20,000 false fraud accusations. The issues in relation to their initial rollout has since been attributed to different data issues as well as lack of human oversight—they have incorporated human oversight and worked on the model to improve issues. As of last year, they have adopted a new model they are utilizing in that service. We are also seeing uses of AI for facial recognition. The Federal Bureau of Investigation (FBI) and police departments across the U.S. are utilizing facial recognition technology to help identify criminal suspects. The way this technology works is by comparing photos and videos to images available in a public databases. We are seeing improvements and identification accuracy of criminal suspects as well as speed, but there are concerns related to research related to accuracy, bias, and civil liberty concerns, specifically regarding the accuracy of facial recognition technology across all demographics and populations.

Our final category of identified uses relates to emergency services. With relation to assistance in 911 call centers, we have highlighted several States who utilize AI to support call centers to filter and direct non-emergency calls to appropriate resources. Emergency calls are still going to physical human staff; AI is just being used to support non-emergency calls. We have seen benefits there. We have heard of shortages within 911 call centers, so it is helping provide support during those shortages and alleviate burden on staff. The use of AI applications is also used to support fire detection in multiple States, including Nevada—in particular, the application of the ALERTWildfire camera network is used for early detection and emergency response. That AI system was developed in collaboration between the University of Nevada, Reno (UNR); University of California, San Diego; and the University of Oregon.

In summary, in terms of benefits, we are seeing reduced response times related to 911 call centers, resource optimization, enhanced access, and improved information access. Chatbots equipped with translation services improved efficiency, reduced human error, and streamlined processes. We highlighted considerations related to potential risks and ways to mitigate those risks related to potential inaccuracies and liability biases—specifically with facial recognition technology—potential job displacement, security and privacy concerns, and then highlighting the importance of having human oversight or a human-in-the-loop.

How are state legislatures responding to AI? For this portion of our research, we analyzed bills and have categorized them based upon trends extracted from them. To briefly cover those trends, we have bills that require inventories or studies, create governance bodies, establish state guidelines, guidelines for school safety, criminal penalties definitions, and required disclosures by state agencies. For the first identified category of legislation, we have bills that require inventories or studies in relation to inventories. California and Texas require inventories of AI usage within state agencies. California has AI specifications related to high-risk automated decision systems. In reference to studies, we have examples of bills

from North Carolina and Rhode Island. Rhode Island requires studies of the use of automated decision-making systems by state agencies. North Carolina requires a study to research the feasibility of using AI-generated storm water permits. Those are instances where AI is being used in broad research versus more specific topics.

Our next category of legislation relates to the establishment of various government bodies. These are two examples we have highlighted—our brief contains a longer list. Here we have the establishment of the Office of Algorithmic Innovation in New York, which sets standards and policies ensuring algorithms are safe, fair, effective, ethical, and conducive to promoting algorithmic innovation. We have the establishment of a generative AI and Natural Language Processing (NLP) Task Force in Illinois. Another example of New York having a broader focus, whereas the Task Force in Illinois focuses specifically on two subsets of AI, generative AI and NLP.

Our next category of bills relates to guidelines for state purchases and school safety uses. Our initial bill example in New York amends state finance laws regarding the purchase of products that adhere to responsible AI standards and are or contain an algorithmic decision system. The example we have listed related to school safety in New York is a bill that has other provisions related to school safety, but the component related to AI provides for the installation, where appropriate, of security cameras supported by AI in coordination with school administrators and local police.

Following up on applications related to safety, we have bills which relate to criminal penalties and definitions. We have identified bills which would establish various criminal penalties related to AI. This Minnesota bill relates to penalties related to nonconsensual dissemination of a deep fake, and it has clarifications in the bill ranging from misdemeanor to felony, depending upon the particular circumstances around that dissemination. In Washington, we have a bill which would make it an unlawful discriminatory practice for a covered entity or a Washington governmental entity to operate or install equipment incorporating AI-enabled profiling in certain public spaces under specified circumstances. In relation to definitions, we have highlighted a bill from North Dakota which notes the definition of a person in the *North Dakota Century Code* does not include referenced AI, among other considerations. This is another trend we are seeing both between uses and applications. There is a lot of foundational layering, as AI is a new and evolving technology.

Finally, we have bills that require disclosures by state agencies. New York has a bill that regulates the use of automated decision-making systems and requires state agencies to disclose their current uses of automated decision-making systems, as well as prohibits agencies from using unauthorized systems. Illinois has a bill related to procurement, which requires a vendor who contracts for government services, grants, leases, or purchases of software or hardware to disclose if AI technology is, has been, or will be used in the course of fulfilling the contract, or in the goods, technology, or services being purchased. Another trend we have highlighted is related to bills that are looking specifically to study or analyze uses and applications of AI in the past or currently. For instance, with this bill in Illinois, it includes provisions related to entering into a contract with a vendor that is not currently utilizing AI. If at some point they do, there would then be a requirement to disclose that information as it evolves.

Ms. Tolles:

In summary, we discussed the uses in state and local jurisdictions, from customer support, administrative processes, transportation and infrastructure, crime detection, and emergency

services. We also looked at benefits, including improving response times, increasing access, streamlining processes, and risks and considerations in regard to bias, inaccuracies, and the need for human oversight. Finally, legislative trends from inventories and studies, a trend we are seeing across the U.S., and governance bodies as well as state guidelines, penalties, definitions, and disclosure requirements by state agencies.

If you would like to learn more, we have listed the sources we turned to for this research. You can follow the links available on our website through our Brief. If you would like more general information or to keep track of new briefs, please go to Guinncenter.org or use the quick response (QR) code on the screen to be directed to our reports. That concludes our presentation. We welcome questions.

Chair Torres:

Thank you for the presentation and the detail that went into putting together this report and presentation. It will be helpful because we have had many policy conversations throughout session, including 911 calls, but also making sure to keep private information private. It is nice to see what other states are doing and have conversations about what makes sense for Nevada. Are there any questions from Committee Members? Assemblyman D'Silva.

Assemblyman D'Silva:

Thank you for this fascinating presentation. It is one of the most important conversations we are having within the State and country—AI and the effects it has on society. I have a more tailored question dealing with the dissemination of deep fake images. It is a big issue. I am a schoolteacher; it is a growing problem. I know you are not here to give legal advice, but when it comes to actual policy formation, what do you think could be an approach to dealing with the issue? Would it be an extension of child pornography laws or revenge porn legislation that is already in place, or would we have to create an entirely new set of policy codes to address the issue?

Ms. Tolles:

You are right, there has been alarming examples both in sexually explicit images that have been generated and voice technologies that imitate individuals. Then of course, there is growing concern over the impact that will have on our elections as we head into campaign season. We have seen examples where that technology has been misused and has created harm. There is everything from certain security measures that are being considered, from watermarking images to other types of verification tools that can be used with technology, as well as disclosures. We are seeing trends where states are requiring that if any computer-generated image (CGI) is used, for example, in campaign literature, that there is a disclosure of it on the campaign materials. Also, penalties for crimes—everything from increasing and enhancing penalties, for example, of child-related pornography images that are CGI, revenge porn being utilized with CGI, and campaign use of deep fakes. Do you want to add anything to that?

Ms. Hendricks:

That is a good point to differentiate. Again, the bill that we referenced was related to the nonconsensual dissemination of a deep fake, and it had specific provisions related to the content of the deep fake, whether that was related to depicting sexual acts or intimate parts. There is a variety of other considerations related to deep fakes. For instance, regarding elections. Within that bill related to nonconsensual dissemination of a deep fake under those sensitive circumstances, they had outlined specifically ranging from

misdeemeanor to felony. Whereas, there also was a provision in that bill related to deep fakes related to elections, and I believe those were categorized differently to be certain on specific details, but there is a distinction in how different legislatures are approaching those penalties.

Chair Torres:

Any additional questions in Southern Nevada? Are there questions in Northern Nevada or online? Does Senator Hansen or Assemblyman Gurr have questions?

Assemblyman Gurr:

Not really a question, just a comment. It certainly was a great presentation. It is helpful to see the direction this is going so we can come up with a bipartisan program that will help the State advance AI and its uses and penalize those who use it maliciously.

Chair Torres:

It does not look like there are additional questions from Members, but I have a couple. Can you talk about the work states are doing to form coalitions and task forces and what Nevada has done to ensure we are having conversations about AI and what more we could do?

Ms. Hendricks:

We have dedicated a portion of our Brief to the establishment of different governance bodies. We are seeing a variety of task forces and different Committees relating to either broadly AI and considerations for states and state agencies, or considerations in particular with that task force in Illinois, related specifically to generative AI and NLP. We are seeing the establishment of that. It is something you might be able to talk about more. There is work being done at the OCIO related to the establishment of either a committee or task force related to that. We have also been in conversations with academic institutions throughout the State, and they are establishing forces and groups to look into this issue.

Ms. Tolles:

I am excited the OCIO is presenting because they can speak more to what they have accomplished with the State Technology Governance Committee, as well as the State Information Security Committee, which they have established to look at these issues in Nevada. Trends we covered briefly in our presentation and additional ones you can read about: California created an inventory of all high-risk automated decisions; Texas created an AI Advisory Council to develop and employ procedures by state agencies, including appropriating funds to help conduct the inventory of AI use; North Carolina appropriated \$100,000 in general funds to North Carolina State University to conduct a study to evaluate the quality and accuracy of AI-generated stormwater permits; and in Rhode Island, the Department of Administration and Division of Information Technology made recommendations for the use of AI-automated decision making. That is an area of particular concern we are seeing across the State, whether there is human oversight or the amount of substance of the decisions being made by AI on things like hiring, housing, lending, criminal justice, and legal interpretations.

You asked specifically about committees. In Pennsylvania, there is a Legislative Budget and Finance Committee relating to 911 emergency communication services. In Illinois, they have developed the Department of Innovation and Technologies Act, specifically looking at generative AI and NLP creating a task force; Connecticut is looking at creating an AI Bill of

Rights under their Office of Policy and Management; New York has proposed creating a state office of algorithmic innovation to ensure algorithms are used in a safe, fair, effective, and ethical manner; in Massachusetts, there is a proposal to establish the Massachusetts Executive Office of Technology Services and Security; and Pennsylvania is looking at a study on the impact and potential future impact of AI in the state. Those are all included in our Brief you can find online.

Chair Torres:

You mentioned job displacement. What are states doing to address the issue of job displacement as AI becomes more prevalent?

Ms. Hendricks:

Job displacement is an extremely relevant topic within AI and something that we—there is a bit of research related to predictions for job displacement. The approach of many states and research institutions has been to try to identify industries and areas more likely to suffer from job displacement. Although job displacement is a large concern, we are not seeing job displacement per se, more so jobs starting to require some amount of knowledge and ability to utilize AI in their job descriptions—that is what we are looking at in the short term, that training and potential upscaling. In the long term, we are looking at potential job displacement, as there may be retraining or a shift into different industries. That is not something we are seeing quite yet. There would definitely be an interest in future analysis related to and particularly considerations related to Nevada. The approach of different states has been to look at what industries they have and identify various levels of risk for job displacement. For instance, the example we highlighted of AI being utilized in 911 call centers, that is an area in which we are seeing an example an industry where AI has been able to help support staffing shortages experienced at call centers. That is an industry where there is not a high—currently, at least—risk of job displacement, as they are experiencing shortages. We are seeing the ability to help alleviate those shortages and freeing workers to do other work. It is very industry specific, and that is evolving, but certainly something we are keeping our eye on.

Chair Torres:

Any additional questions? It does not appear that there are any. Thank you for making the trip to join us and thank you for putting together this presentation.

Next, we invite the representatives from the OCIO, Office of the Governor, to present.

David Axtell, Chief Technology Officer, OCIO, Office of the Governor:

We are happy to have the opportunity to present what the OCIO has been working on and to share accomplishments and efforts that have been taking place within State government.

Michael Hanna-Butros Meyering, Chief Communication and Policy Officer, OCIO, Office of the Governor:

I am Michael Hanna-Butros Meyering, the Chief Communication and Policy Officer, and the Chair for the Emerging Technology and AI Working Group within the State Technology Governance Committee. We are excited to present today.

Mr. Axtell:

Our efforts with AI are focused on modernization of State operations to improve efficiency, accuracy, and service delivery. We are currently implementing AI in various capacities across multiple State agencies to streamline processes and enhance decision-making capabilities. Additionally, we emphasize creating a regulatory framework to ensure AI is used responsibly. This includes establishing guidelines and policies that can protect citizen data, promote transparency, and ensure ethical AI practices. Artificial intelligence technologies are helping us automate repetitive tasks by reducing manual effort and freeing up staff to focus on more strategic initiatives. For example, AI-driven chatbots handle common inquiries, allowing human agents to tackle more complex issues. We are committed to a governance model that ensures compliance with relevant regulations. This involves audits compliance checks and collaboration with legal and ethical advisory bodies to maintain the highest standards of operations. ([Agenda Item IV B](#))

Mr. Meyering:

In October 2023, we shared a link with general guidelines to ensure AI technologies were being implemented methodically and responsibly. These guidelines cover areas such as data privacy, security, ethical use, and transparency. We also work closely with experts in the legal and ethical fields to review and update AI policies, regulation, and guidance. This is in line with how fast AI is advancing and evolving. What we know today may not be necessarily the same thing we know tomorrow, because of how quickly it is evolving. A little throw to the Guinn Center, they helped explain what AI is at the AI Summit that was hosted in Carson City earlier this year, which received great feedback. Jill Tolles from the Guinn Center mentioned a few examples regarding our State—DETR used generative AI in enhancing unemployment claims, which received national recognition. This technology helps analyze claims data quickly and provides interactive guidance to users, improving both efficiency and user experience. We also have pilot programs in various areas, including: traffic management, where AI optimizes traffic signals to reduce congestion; and public health, where AI analyzes data to predict and respond to health emergencies more efficiently. Incorporating AI into government operations offers numerous benefits, but it is essential to underscore the critical role of human oversight. Human oversight ensures that AI systems operate within these ethical boundaries and align with public values. This oversight is crucial for several reasons, and I will retain them to four. First, preventing errors and bias. Human oversight helps to identify and correct errors and biases in AI algorithms, ensuring fair and equitable outcomes. Second, maintaining accountability. It ensures there is a clear line of accountability which is necessary for public trust and transparency. Third, ethical decision making. Humans can make ethical judgments that AI systems may not be capable of, especially in complex situations where moral considerations are paramount. Lastly, adaptability and responsiveness. Human supervisors can adapt AI applications to new information and changing environment, ensuring the technology remains relevant and effective. As a reminder, AI is a tool, and it needs to be taught how to use that tool; that is the primary focus.

Mr. Axtell:

Going over benefits and risks, AI automation allows us to handle tasks with greater speed and accuracy, leading to better service delivery. Employees benefit from reduced repetitive work, allowing them to engage in more meaningful and fulfilling activities. However, the integration of AI does bring challenges, particularly around data privacy and security. We address these by implementing robust data protection measures, regular security audits, strict compliance with privacy regulations, and ensure sensitive information remains secure.

In this vein, our CIO has recently added a function, the Chief Data Officer for the State. Many agencies have various levels of data maturity, but up until now, we have not had a statewide view on data, and that is something the CIO is bringing to the State to bear. We are providing continuous education and training for our workforce to adapt to AI. Artificial Intelligence provides tools, but without the training, it is challenging to ensure that we get what we want out of those tools. This includes workshops, online classes, and hands-on training sessions to keep our staff up to date with the latest AI developments.

Mr. Meyering:

This is going to be a team effort. Artificial Intelligence is new; from a bird's eye view, it is monstrous and could be used for good just as equally as bad. As a team, sustained legislative support is vital for the success of AI initiatives. This includes providing necessary funding and enacting policies that support the ethical and effective use of AI in government operations. We need continued investment to scale our AI projects and ensure they are implemented effectively. Supportive policies will help us navigate the challenges of AI adoption, ensuring we maintain public trust and achieve our strategic goals. These types of decisions should never be done in a vacuum. That is why our Emerging Technology and AI Working Group has members across State agencies that contribute. We have one important thing that is very sticky from last week. Lieutenant Colonel Nikita Belikov mentioned there are other states implementing this, and their efforts should not be going to waste. Let us look at other states; let us meet with other states and figure out what they are doing and where they are finding success and what their challenges are. That way, we can build off their challenges while discovering our own challenges to help feed the solution we need as a collective group. In summary, AI has the potential to transform state government operations by improving efficiency, accuracy, and service delivery. Our current AI applications, such as those at DETR and other pilot programs, are already showing promising results. To fully realize the benefits of AI, we need your continued support. This includes not only financial investment but also your commitment to policies that foster innovation and ensure the ethical use of AI. Thank you for your time and attention. Let us continue to push the boundaries of what is possible, making Nevada a leader in smart government operations.

Chair Torres:

Any questions? Assemblyman D'Silva.

Assemblyman D'Silva:

There was a mention of a task force in place. Who is on that task force? What kind of issues and concerns are you addressing on that task force?

Mr. Meyering:

We have an Emerging Technology and AI Working Group under the State Technology Governance Committee. The first thing we addressed in trying to identify how to approach this was establishing a foundation of understanding of what page we need to be on. The lack of definitions regarding this new technology was very apparent right off the bat. Our first milestone is finding the definitions needed to help shape what we need to regulate. Defining what synthetic content or data is, what is the classification of the data used? What is improper use? There is a list of definitions—we are using examples from other States. One executive order from Maryland has a great example of what to look at, that was something we discussed. We are looking at several States to see what is being proposed

and what other definitions are out there. In regard to the members, there are a total of nine members. I can follow up with a list, if you need it.

Chair Torres:

Any additional questions? Go ahead, Senator Daly.

Senator Daly:

This may be an off-the-wall question. I asked the same question at the Joint Interim Standing Committee on Legislative Operations and Elections meeting during a presentation on AI that was not as in depth as today's. We had a presenter talk about taking minutes, et cetera. Are you looking at how to kill AI when it loses control? If you ask AI how to kill AI—I am afraid of what the answer might be, because there must be a way. I reminded people of a movie quote from the first Jurassic Park movie when they said, "You are so busy figuring out can we do this, that you never stopped to ask the question, 'should we?'" He went on to say, the type of control you are trying to implement is not possible. I do not know if we have asked that question properly. How do you kill AI once it becomes conscious and you lose control of it? Has anyone asked that question? I do not think it would be a crime to kill AI.

Mr. Meyering:

That is a great ethical dilemma, and surely something outside of my expertise. We do not have a magical USB drive we can plug in somewhere to accomplish that, but the cat is out of the bag. It is also a question that people within open AI are asking, did we let out something we were not supposed to? I do not have the answers for that, but it is out there now. We need to figure out our next steps. That is the best foot forward regarding this.

Mr. Axtell:

One of the key areas is not specifically how to kill AI, but how we can monitor and guide it in the right direction. That involves liberally involving humans in decision-making, investing on learning what is possible, and being able to identify how to use it for good. The cat is out of the bag, and it has huge potential to help not just State government, but constituents and society in general. It is important to understand how we can control, to some extent, the proliferation, but the key area is to make sure we incorporate humans in the process at all different levels.

Senator Daly:

I agree on both statements. The cat is out of the bag. What do we do from here, then, having that oversight. I made this quote at the Legislative Operations meeting, going back to the movie *2001: A Space Odyssey*. Hal the computer tells Dave "I am putting myself on the fullest possible use," which is all any conscious entity can ever hope to do. Another quote they use is "they are foolproof and infallible." With that type of control, at some point, I do not know who will be guiding who, but we will push forward, I guess.

Chair Torres:

One question I had on the presentation, slide 7 spoke about commitment to workforce training and reskilling. Can you give more detail about what training looks like, where we have seen the need for reskilling, and what that looks like?

Mr. Meyering:

As a State, there is a new tool being introduced. There are known resources all State employee levels have the ability to access that include AI training. The one caveat to that is how fast AI is evolving, and the content and training that needs to follow suit. I will be honest, I do not think it could catch up to how fast this technology is advancing—that is a challenge. That is why as part of the AI Working Group, we are trying to discover what we need to do next, figure out what the best toolsets are, and what guidelines to use to help shape training for employees. There are several free resources. I would casually look online and find resources, but as fast as this is evolving, some training could be a day old and already be outdated. That is a challenge with something that is evolving as fast as it is.

Mr. Axtell:

One thing I would add is that we have drafted within OCIO guidelines and guardrails. One of the things we are looking at is how to train people to use AI. To Senator Daly's point, we are not in a position currently where AI is going to take over the world and make choices for us. As long as we continue to increase the knowledge and guardrails in using AI, we will be in a better position to be on the right path and not on the terminator path. That is where we need to look moving forward.

Chair Torres:

In slide eight, we talked about the importance of continued legislative backing. Can you give more detail about what that looks like or what you think needs to be done by the Legislature in order to support the work the Technology Governance Committee is doing?

Mr. Meyering:

Having this is the type of work in action, like what is happening now by being invited to this Legislative Body. That is an example of how support can look. Having this facilitated conversation where we all come to the table together. That is how we envision collaborative work looks. I invite this collaboration to continue, and I would love Committee Members to join us in our meetings and have this collaborative effort together. It is a team sport; we want to figure this out together.

Chair Torres:

If you can get your meeting information to our staff, we can share that with our Committee Members. Thank you for the presentation.

Our next presenter is Heather Korbolic from GetInsured in Carson City. Whenever you are ready, you may begin.

Heather Korbolic, Vice President, Policy and Communications, Vimo:

My name is Heather Korbolic, I am the Vice President of Policy and Communications with a company called Vimo. We do quite a bit of work in the State of Nevada. Vimo is the parent company of two subsidiaries named GetInsured and Change and Innovation Agency. GetInsured runs and operates the state-based exchange technology for eight states including Nevada. Change and Innovation Agency is a consulting arm of our firm. They have done and do work in the light blue States you see on the slide—so more than half of the country. They are consultants committed to improving agency operations in health and human services specifically. Together, our two companies have put together solutions

tailored to human service organizations. Today, I want to share information about the work we are actively doing in the State with our AI tools, and things we are currently building. Right now, we are working with the Nevada Health Link, or the State of Nevada's Health Insurance Exchange, and have deployed three things that are active now: our virtual agent is effectively a call center representative who is actually an AI robot; we are working on robotic process automation, that is not new technology, but AI has amplified its uses; and an agent-assisted chatbot. ([Agenda Item IV C](#))

In terms of the virtual agent, the first time we deployed or put this into production was during the open enrollment period, which started in November of 2023. Nevada Health Link was the first State organization in the country to get Centers for Medicare and Medicaid Services (CMS) approval to use an AI interactive virtual agent in their call center. We use a natural language model for this, and it is a closed model—there are open language models and closed language models. We built these tools specific and closed off from public information and public access in order to leverage the eight-plus years we have been doing this work. We trained the robots entirely ourselves based on the policies and rules we know about and the most common reasons people call our call centers. We narrowed our use cases and wanted to pick the lowest hanging fruit. We helped Nevada Health Link choose the three most frequently called cases, password reset, unlock your account, and activate your account, and we were able to answer and satisfy up to 15 percent of calls through the virtual agent. That is a huge number during open enrollment periods; there are a lot of phone calls that come during that time of the year. I am proud to say that Nevada Health Link was able to win an award for that deployment. I want to mention that at any time throughout a call during normal business hours, a caller can get access to a live agent; that option is available throughout the entire call. We are happy this offers the ability to get your most frequently asked questions addressed 24/7. In a state like Nevada where people work uncommon hours, that is a critical component. In terms of robotic process automation, we are working on putting together different use cases. In exchanges and Medicaid, there is an enormous amount of mail that comes to our organizations. What we have been able to do with robotic process automation both for Medicaid across the country and in Nevada, is work on training a robot to process that mail by reading it and recognizing what it relates to and addressing it in the system. That has been a time-saver and allows workers to be free from tedious tasks and enables them to focus on more human-centered complex tasks. This frees up and augments their abilities. With our agent assist spot, I will share that the seasonal call variance that happens in call centers, specifically in an exchange landscape, is incredibly dynamic, and it fluctuates. It is almost impossible to staff with humans to peak calls that happen during open enrollment. What we have been able to do is find a way to rapidly train call center employees with a chatbot that will help them while they are on a call. It will provide them with the most applicable information related to the call and answer that question as effectively and efficiently as possible.

We have a few things in progress that I want to share. We are working on putting together a quality assurance and control bot that actively listens. Right now, we use humans to do quality assurance on call center calls. We select a few or a randomized sample, then we do quality assurance and use that information to train employees or improve our policy manuals. We are now building a bot that will be able to analyze and listen to calls and will rapidly be able to determine which call center representatives are doing a great job, who needs more training, and where we need to streamline our interactive voice response or other great improvements. Another thing we are doing for a state we work with is putting together policy manual AIs. We are taking giant documents, for instance Medicaid manuals, and making them searchable, allowing for robots to identify and make necessary updates with federal or state rule changes. Finally, we are working on a worker assistant. This is an

interface that allows for complex questions to be answered quickly for case workers or customer service representatives and enables them to get rapid access to supervisors.

I want to share a bit of thinking from our perspective as a vendor in the State on how AI can impact the workforce. Our operations allow us to automate routine tasks, and that means you can retool, retrain, and re-resource your existing workforce to ensure the most important human interaction is happening in a timely way. We are able to offer 24/7 around-the-clock accessibility and help states optimize and maximize their budgets by allowing them to provide efficient, effective service to customers who wait for those services sometimes in excess of 45 days. There is a great opportunity to upscale and allow states to use employees in different and more effective ways and augment their existing skills. I will add that we built our AI deployments with a focus on fairness and interactions, and that is an important component to federal regulators who we are required to comply with and receive authorization from. Our bots were built on process-based protocols. Rather than allowing them to think, we are telling them that A leads to B leads to C—this is the process, and this is how you follow it. It helps to ensure there is an unbiased response from the bots. Our robots are culturally and linguistically diverse; they can say Nevada correctly; and they recognize different dialects and can speak multiple languages.

I will skip ahead and say that as a vendor working in the State of Nevada, we encourage the Legislature and State agencies to help us understand, set guidelines, tell us what that ethical framework is from your vantage, and bring us to the table. We have a lot of experience in different states and can lend a perspective on what tools are out there and what will work for the State in the short and long term—at least from our perspective. We want to be held accountable. We want you to think about how to build scalable and sustainable solutions, and we would love to be at the table for that. I am happy to answer any questions.

Chair Torres:

Thank you and thank you for making sure AI is pronouncing Nevada correctly. Are there any questions in Northern Nevada, Southern Nevada, or on Zoom? Seeing none. Thank you for the presentation and for showing us how AI works here in Nevada.

AGENDA ITEM V—PRESENTATIONS ON THE RECENT ACTIVITIES AND ISSUES AFFECTING COUNTY AND CITY GOVERNMENTS IN NEVADA

Chair Torres:

We will start with the Nevada Association of Counties (NACO).

Vinson Guthreau, Executive Director, NACO:

I appreciate the invitation to speak this morning, and thank you for the opportunity to present about NACO. I want to touch on a few things and talk about what NACO is. I will touch briefly on how we are governed, the diversity of our membership, what makes up the collective county voice in Nevada, and the services they deliver. I also want to talk about how NACO interacts with the Legislature, our role during the legislative session, and ongoing policy issues—solutions and our positions on those. Also, a peek at the 2025 Session and what we will be working on. ([Agenda Item V A-1](#)) ([Agenda Item V A-2](#))

I have been in this role for about three years. Prior to that, I served as the Deputy Director. In total, I have been with NACO for seven years. We are the statewide association that

represents all 17 counties. We currently have a 100 percent county membership; we are the collective voice of counties and represent them at the Legislature—among other things. We also provide resources and support to our members throughout the year, and we serve as a forum for collaboration for county officials. We were formed in 1924. For those of you keeping track, this is our 100-year anniversary. We are celebrating a century of service at our annual Association of Counties conference this September; that will be held in Carson City.

A bit about how NACO is governed—we have a 23-member Board. Every county has at least one member on our Board. Some of our Board membership is made up of our affiliate members—you will hear from a couple of them today—it is our local elected county officials. They are your recorders, clerks, assessors; the ones that deliver those day-to-day services at the local level. I report to an Executive Committee. We work hard at NACO to strive for balance in our membership and representation. Our current Board President is Supervisor Giomi from Carson City. They are a consolidated municipality; the only one in the State. They are a member of Nevada's League of Cities and Municipalities. He currently serves as our President, and Elko County Commissioner Delmo Andreozzi serves as our President Elect. We have past President Commissioner Higbee from Lincoln County, Commissioner Kirkpatrick serves as an at-large member, and Commissioner Gardner from Douglas County is on our Executive Committee. We have suburban, urban, and rural membership.

Our counties are unique and diverse. We range from over 2 million residents in Clark County to less than 1,000 residents in Esmeralda County. Our counties are often described as 2 urban centers and 15 rural centers. We have suburban counties now evolving—you look at the North with its burgeoning technology industry. Lyon, Carson City, and Churchill, I would count as more suburban in a way. Key industries that lead to growth in our counties are, of course, a world-class tourist destination. We lead the nation in technology and data innovation, outdoor tourism, and domestic mining operations. Those are set to explode with the green energy economy and lithium development. There is also agriculture and other natural resources-based economies in rural areas that are an economic driver.

What do counties do? Every county, regardless of size, provides for regional services and maintains transportation hubs and roads—75 percent of road miles in the State are managed by counties; first responders and public safety, that includes public lands; administer elections; deliver indigent defense; they are Nevada's social safety net; provide county human services; deliver on local tax and revenue collection; marriage licenses; or land use—a litany of things. In the unincorporated area, we provide municipal services and an emergency frontline response during the Coronavirus Disease of 2019 (COVID-19) pandemic. They are the first responders to local communities. I provided a handout that talks about the services we provide at the local level, infrastructure, and that type of thing. You can refer to that to see the services counties provide.

I want to speak about our legislative engagement. We are a shared constituency; I would like to remind legislators of that. Your constituents are our constituents. As I mentioned before, NACO is codified in NRS. We get five bill draft requests (BDRs) we submit to the Legislature. We do not always use all five, but we did last session. We are flushing out a lot of those proposals now, we will have plenty of time to discuss that when they make their way through our Board. We must file those by September 1st of the preceding year, so they will come to you. We interact with this Committee quite often, but we also interact with the Judiciary and Health and Human Services Committees. During session, NACO is here day in and day out, not only to advocate for our agenda, but to also be a resource for Legislators.

Last session, NACO tracked over half of the bills if they touched counties in some way, whether administrative or fiscally.

I would like to discuss legacy issues and the problems we face. Ultimately, through our conversations with Legislators, session turned out decent, but there were impacts to urban counties, especially on the fiscal side. Many of those unfunded mandates—we continue to have conversations with Legislators on throughout session. Our longstanding position at NACO has been that you are welcome to initiate new policies, but when you stand up new initiatives or expand existing services, that you either provide a corresponding revenue source or please have discussions with us early on. We will be initiating those with you as part of our advocacy so you can understand how we administer those programs. Counties and other local governments you will hear from today—we are not able to raise our own revenue; we are not able to generate new revenue sources. Often, local governments are closing budgets during session. If there are dramatic changes to services at the local level that involve service reductions and clawbacks, we have to reopen those budgets and look at existing revenue sources. It is a lengthy process because of the public nature of it. We ask Legislators to talk to us if they have proposals around abatements of existing revenue sources because our goal is to preserve existing sources, primarily property and sales tax to local governments. In the past, NACO has led efforts on small tweaks and reforms to property tax, including a reset on sale for depreciation, which is a very complicated process regarding how property tax bills are assessed. The 2021 Session brought a sort of floor—some local governments have not fully recovered from the recession when it comes to property tax, but we see an increase in demand for services at the local level. We see an expansion of service delivery needs from federal mandates also. One of the things we caution at NACO is a reliance on sales tax. We see it as an unpredictable source of revenue to some degree. You can see sharp declines in sales tax when we have national emergencies or reductions in tourism. Above all else, consider NACO a resource on those collective county issues. We are always happy to speak to Legislators about impacts to local government on policy. Even if you have the votes to pass something, you can still make it better, and we are happy to be a partner on those issues.

Next session, we are going to address—NACO worked on it pretty extensively in 2023. During session, there were amendments NACO brought to existing bills. There was also an emergency measure the Assembly passed—local elected official salary compensation increases. We see it as bringing equity to this process. These salaries have not been addressed since 2015, and things have changed since 2015. We are looking to bring equity there. We have criteria and are working with a Member of this Committee—we have had early conversations; I would not say working with them. I want to remind Committee Members that not one dollar of local elected official salaries impacts the State budget; local revenue funds those. We have not addressed salaries since 2015. Because NACO believes it is a matter of local concern, I empathize that it is not an easy vote for Legislators to take. We believe it is a local matter. Last session, we proposed tying it to cost-of-living increases for State employees, so as we move forward we will not have to keep revisiting the local elected official salary issue.

I have Andy Heiser, the Assessor for Humboldt County in Carson City, and in Clark County is Amy Burgans, the Douglas County Clerk-Treasurer. They are elected officials in the State. With your permission, they will be giving their perspective on salary equity. Do you want to start in Las Vegas?

Chair Torres:

It looks like the elected official from Southern Nevada is ready, so we will begin in Southern Nevada, then go to Carson City.

Amy Burgans, Clerk-Treasurer, Douglas County:

Thank you for allowing me to speak on a potential bill for the upcoming legislative session and to address a topic that is hard to talk about, but one that is vital to the stability of our counties and the State. I want to start by explaining the duties and responsibilities my title covers. You may be aware that the majority of Clerks in Nevada have multiple titles and therefore oversee multiple offices. Some of us are Clerk-Treasurers, such as myself. Some are Clerk-Recorders, and some are also Clerks to the Court. With additional titles come additional responsibilities. For example, in the Clerk's Office, our duties include a wide range of statutorily required tests to include clerking board meetings, writing minutes, drafting agendas, processing marriage licenses, accepting fictitious firm names, and bond filings. In Douglas County, we also run a DMV office and a passport acceptance office. My Treasurer title reflects the statutory responsibilities of the billing, receiving, and processing of property tax payments, overseeing the County investment accounts, daily depositing, and balancing all accounts for all the departments within the county. Additionally, rural County Clerks have the responsibility of running the county's elections office. This is not just an every-other-year job of overseeing the actual elections. Conversely, it is a vital daily responsibility of paying close attention to the voter registration within my county by ensuring that voter rolls are clean, improving workflows policies and procedures, and effectively implementing new legislation as it applies to elections. The elections aspect of my job duties consumes more than 50 percent of my daily tasks and workload, and that percentage of time increases significantly during an election cycle. Currently, we are also in the process of implementing a top-down voter registration system alongside the Secretary of State's (SOS) Office. As you can see, each of the mentioned roles and titles include responsibilities that could be considered a full-time job independent of the others. In the last legislative session, we were not able to agree on and pass a pay bill to support the elected Clerks in the State and protect the experience and institutional knowledge that retention of election elected officials brings. Though pay is not the only factor in why we do what we do, the ability to support our families while performing vital services for the county is materializing into a major factor in keeping experience in place. ([Agenda Item V A-3](#))

During the 2015 Legislative Session, Senate Bill 482 was passed that addressed elected official's pay with increases annually through Fiscal Year (FY) 2018–2019. Since 2019, county elected officials pay has not increased due to the lack of legislation to allow for it. Unlike the nonelected county and State employees, county elected officials do not receive an annual Cost-of-Living Adjustment (COLA) increase or an annual merit increase, which keeps our pay stagnant on account of not having anything in place to allow for it. On account of necessary substantial increases in county employees pay the last several years, all the management staff in my office receive an entry-level rate of pay that starts at \$7,000 to \$12,000 more than me annually, and that will continue to increase. This upside-down compensation was not the case in 2019 during the last FY, where officials' pay increased. At present, I am not the only elected official in the State who has employees who are making more than them. Consequently, this is becoming a potential hurdle across the State, and the longer we wait to address the topic, the bigger the hurdle becomes. Across the nation over the last several years, inflation has led to an increase in costs in all aspects of our daily lives at a historic rate. Last month, the U.S. Congressional Joint Economic Committee released a report that outlined the increased costs Americans are paying. The cost they evaluated are only associated with goods and services, if our intention is to keep

the same standard of living that we had in January of 2021. Broken down by States, the Committee found that the average Nevada household requires an increase of almost \$1,200 a month to pay for goods and services just to maintain the standard of living from three and a half years ago.

Why is the pay bill important to address? Let us talk about experiencing succession within elected offices. If I were to step down as Clerk-Treasurer of Douglas County, what would be the incentive for my experienced management staff, who have firsthand knowledge of the various duties, oversight, and management of the office I am charged with? What would their incentive be to take on the vast responsibility of running for office? Currently, if you ask them, there is not one. My experienced staff would be required to take a pay cut to become the elected Clerk-Treasurer of the County and would be tasked with not only more responsibility but would also be open to public scrutiny in every aspect of their job and life, as you know. This opens the door for someone with little to no experience to come into the office having to gain an understanding of the responsibilities of that office from the ground floor, and to work towards familiarizing themselves with a wide range of duties that takes years to become proficient in yet are vital to the enhancement of the quality of life of those living in our county. Fundamentally, this topic is about professional leadership and management of not just the office we hold, but of the county. Something is out of balance when appointed administrators within the county are compensated 20 to 40 percent more than the publicly scrutinized, elected officials who are accountable for protecting and enhancing the quality of life our counties offer to residents.

I will leave you with one final thought. If the pay of county employees continues to increase as it has in the past several years in order to keep up with inflation and to retain experienced and skilled employees, we need to ensure the pay of the elected officials overseeing those employees is given the same consideration and elected official's pay increases at a similar rate moving forward. Thank you.

Chair Torres:

Thank you for joining us and making the drive. I know we have somebody else in Northern Nevada when you are ready.

Andy Heiser, Assessor, Humboldt County:

I was asked us to come up with some data. I am an assessment assessor, so I am more data driven, but I want to talk about Humboldt County and our elected officials. Our Clerk is in her sixth term, and she is currently topped out in her salary. She has not had a raise since July 2018 since the last salary bill ended. That is the third time she has been topped out where she has not received a raise since 2001. In 2001, she was topped out. The Legislature passed a bill in 2007, and she was able to get an increase, then again in 2015. She is in the bottom third of salaries in our county. She is just the head of the Treasurer, Recorder, Assessor, and Human Services Director. Of the 12 managers that have a higher salary than her, 9 of them are two years or less in their position. We are seeing that swing, where brand-new management hires are coming in earning higher pay than a six-term Clerk who spent 22 years in our county as the Clerk—31 years total. Same thing with our Sheriff; he has been in Humboldt County's Sheriff Department 22 years. He is a first term elected official, and his Undersheriff, two Captains, Sergeants, and Deputies all have higher salaries than him. All first term elected officials at this time will not receive a raise until 2027. Our District Attorney (DA) took an \$18,000 pay reduction to become the District Attorney. He was previously in the Office for 15 years. His Deputy District Attorney (DDA) currently makes more than him, and his three other DAs and DDAs will eventually make more than

him. One next year, and two more the following year. Our Treasurer has been in Humboldt County for 20 years. She is the third highest paid manager in Humboldt County at this time, just ahead of the Recorder and the Assessor. She was in the Assessor's Office when she was appointed to Treasurer, had she had remained in the Assessor's Office, she would have had a 30 percent increase instead of the 8 percent increase she just received.

The Recorder and I are the lowest paid managers in our County. Our base salary is lower than any other base position in our County. Equally, we will not receive a raise until 2027. From 2015 to the present in Humboldt County, the General Unit and appointed managers and directors received a 45 percent increase. Elected officials like Amy are at 12 percent.

Thank you for your time.

Mr. Guthreau:

That concludes our presentation. I'm happy to take any questions you or any Committee Members may have.

Chair Torres:

Thank you for the presentation, for making the trip, and taking the time to testify in front of our Committee. I think this will help lay the groundwork for something to be done to address the concerns during session. Do any members have questions? Senator Daly, do you want to begin in Northern Nevada?

Senator Daly:

I heard these issues in the Legislative Operations Committee on Clerk-Treasurers, election issues, and the disparity. It is a Statewide issue. The same thing happens in Clark County with the Sheriff, DAs, and a variety of other positions that are set statutorily not being able to keep up. I am planning on, and I spoke with Mr. Guthreau on sponsoring your bill; I have a several ideas. My comment and question to the Director of NACO is—I am not going to hear any issues about unfunded mandates. I am halfway joking on that, but I do not want to hear any issues on unfunded mandates. The question is on the property tax issue, the reset has been talked about for a long time. I do not necessarily disagree with it. My understanding is it takes a constitutional amendment, uniform and equal in order to address that—it is a long process. I think it would be helpful if were working together to have bipartisan support. We would need support from the Governor, so it is not only one side of the equation saying, "Hey, we need to do this on behalf of the counties," then get kneecapped later for it. Any comments?

Mr. Guthreau:

Let me be clear, we are not proposing that at this meeting, a reset on sale. I was simply highlighting that those have been discussed in the past. You are right, I think there was a constitutional amendment resolution batted around. I do not think it passed the second time. You are correct, I think it should be bipartisan if we were working towards that; we are not at this point. We are always open to those discussions. I think it would have to be a bipartisan effort, to agree with your question.

Senator Daly:

I remember the late, great Carole Vilardo used to tell me, "People do not understand property tax. You cannot do that because no one would understand it." By that standard, we

should get rid of the whole process because you could put a man on the street, and if 3 out of 100 people who walk by could tell you even the basics of it, I would lose the bet. I am just saying there are a lot of things. We have the assessed value limited at 35 percent. You could look at making small increases to that, which would help every municipality in the State. There are some cities in Northern Nevada that have talked about the reset, they would like to have it. I know you are counties, but it is the same thing with counties. There is an offset issue—at least in Washoe County—and there is a provision that says the county, you are too blocked by when you hit the statutorily artificial cap from the *Constitution* at \$3.64. There are many things to be looked at, as far as that goes, to help local governments provide the services closest to the people. I get asked all the time, “Can I fix potholes?” No, your local government does that. If there is not bipartisan support, we are just making waves, and nothing is going to happen. As far as that pay issue goes, I am going to bring a bill on that—as you and I discussed—I have a few ideas, and I think we will make progress.

Chair Torres:

Thank you, Senator Daly. Are there any additional questions? [There were none.]

Thank you for presenting today. At this time, we will continue with the NLCM in Northern Nevada.

John Sheridan, President, NLCM:

I want to thank everyone for allowing the NLCM to present. I am stepping in today for our Executive Director. I want to talk about the background of the NLCM and cover what it is. Then, I will go into concerns that have been raised amongst membership, specifically around the Nevada Public Records Act (PRA).

The NLCM was originally incorporated as the Nevada Municipal Association in 1959. It originally had 16 member cities, and its first office was in Carson City. Prior to 1959, in 1944 it was published in the *Fallon Eagle* that the NLCM—the Nevada Municipal League at the time—was already holding organizational meetings for the purpose of incorporating. The original goals and objectives of the first league are the same that were adopted by the Nevada Municipal Association in 1959, and they remain true today. It is to foster periodical conferences for city officials, disseminate knowledge of municipal affairs in government, to circulate publications on municipal affairs, to secure harmony of action among cities, and to render technical information and other services to cities. In 1995, the legal bylaws were amended to include membership from affiliates, such as unincorporated towns and general improvement districts. Thus, the name was changed from the Nevada Municipal Association to the NLCM to include us all. We are governed by a Board of Directors. Every member city is a board of director, a voting member. There is also a seven-member Executive Board laid out by the President, Vice President, Treasurer, and at-large positions.

The philosophy of the NLCM is strength and unity. We believe strong cities build a strong league, and a strong league builds strong cities. Our guiding principles are the vitality of cities is dependent on their fiscal stability and local autonomy. Our mission is to create a unified association for every municipality in Nevada, for member autonomy, fiscal prosperity, mutual aid, and political strength. As you may be aware, each legislative session, the NLCM is allocated five BDRs. Like NACO, we do not always fulfill all five, but last session we did. We work around those legacy issues, property tax, for instance, and preemption on local government. We are constantly working on where we can build consensus amongst our membership. The cities who are members are vastly different. We

have large cities in excess of 1 million in populations such as Las Vegas, and we have cities as small as 1,000 in population. Their needs and perspectives are very different, so whenever we can find commonality amongst each other, we utilize our strength and unity to work together.

Shifting gears, I want to talk about the PRA. This has been a concern amongst membership, and it has been expressed to us. I want to start by thanking the Committee and the Chair for allowing the NLCM to present today, and to start the conversation early on regarding the PRA. We do not know where this Committee stands on a possible BDR in relation to addressing this topic, but we are here to provide input and aid in any way we can. I also want to place a disclaimer that neither I nor membership have answers to the suggested solutions on this topic. We understand the PRA is a very important foundation of transparency in government. Nevada's Public Records Act is codified in NRS Chapter 239. It plainly establishes that the purpose of the PRA is to foster democratic principles by providing members of the public with prompt access to inspect, copy, or receive a copy of public books and records, and such books or records are presumed to be open to the public unless declared confidential by law. The PRA allows citizens to obtain routine documents for individual use but also facilitates citizens' review of governmental action as written.

However, the PRA may be prone to abuse and misuse. The PRA may be prone to abuse because there are no procedural safeguards in place to prevent requesters from submitting requests that intentionally or unintentionally abuse the legislative purpose of the PRA. In its current state, the PRA gives nearly unfettered rights to the requester and grants governmental entities limited avenues to avoid requests that are not designed for a legitimate objective consistent with the spirit of the PRA. By enacting language that prevents or mitigates against the abuse or misuse of the PRA, the PRA is then strengthened because there is more equal opportunity for all persons to request and receive public records when government resources are not disproportionately spent on responding to vexatious requests. In other words, the purpose is not to suppress access to the records or to make the process more convenient for government or public servants. The purpose is to mitigate against log jams and workflow caused by vexatious and unreasonable requests that monopolize limited budgets, resources, and personnel time at the expense of government's ability to provide other important services to our community.

Now, I want to talk about concerns that have been expressed from membership, specifically regarding the 2019 changes in legislation. Many member cities are interpreting cost recovery around records requests very differently. Some cities believe the 2019 changes prevented cities from recovering any costs. There has been discussion that the broad language that was incorporated in the 2019 legislation created more problems than it solved, and there was very little clarity on the cost recovery warranted to taxpayers; this can significantly consume time and resources. From my research, there are still five actual billable costs, but from what I understand, no staff time is billable. I want to provide concrete examples—and I do have city clerks with me today, I want to recognize them. I have Ms. Huntsman from the City of Reno, Ms. Hunderman from the City of Sparks, Ms. Holmes from Las Vegas, and Ms. Burgess from Douglas County. If you have any questions, they are available to testify today. Concrete examples—I will use some from the City of Sparks, as most recently, they had a 5-million-page records request. They have spent over 6,000 hours over the past year on public records requests, 7,000 to 8,000 hours in attorney fees, and 2,500 hours creating a drive of e-records that was never picked up from the City of Sparks. The significant resource dedication is concerning when the requests are vexatious. Many solutions have been proposed by membership. Again, we do not have the answers, but there have been solutions proposed. Some are to strengthen the language to include protection for cities against vexatious requests. The burden placed on cities to

work with requesters at all measures—and an example I have been provided is even if the wrong date and time are provided to a city on a request, the cities must make every attempt to steer them in the direction of the records they are requesting. However, never are the requesters required to assist in narrowing the search to save on resource allocation. To add to the complications are amongst anonymous requesters—and we do want to keep that provision in there—but again, anonymous requesters can request something that is going to consume an enormous amount of resources. This anonymous requester can choose to remain anonymous and not work with the city in any way. Again, these searches would alleviate wasted resources if we can work together to narrow down these searches. Other proposed solutions are a third-party agency or individual, so an ombudsman appointment that could determine if requests are vexatious. Another solution that has been proposed is that no request be fulfilled beyond the Records Retention Act purge requirements, even if cities have not purged those documents. Then, we need to clarify billable staff hours, specifically attorney hours, as the number of hours invested in records requests are significant.

Lastly, members of the NLCM look forward to working with this Committee and the Chair on discussions regarding proposed changes to NRS 239, burdens placed on public entities. Many of our members felt they had no support in 2019, and they are looking for any support available to alleviate this burden, especially addressing vexatious requests. Many have suggested the elimination of criminal penalties on employees, and the one I have heard of the most about is retaining a no shot clock. Cities put a requirement on themselves after 2019 for a five-day response to requester to work with them within reasonable limits. We need to be good stewards of public records, and we need time to obtain and review those records, so the shot clock is a big one for all cities.

Thank you for allowing the NLCM to present today and for listening to our members' concerns around the PRA and its current format.

Chair Torres:

Members, any questions? Seeing none. I will thank you for being clear with concerns and proposed solutions because ultimately, the reason we drafted this as an agenda item is to find solutions and figure out where we can work together. I know we discussed public records earlier in the interim. I think it is helpful so we can find ways to work together on issues that are impacting public record law, like those overly voluminous public record requests that never get picked up. I appreciate it and thank you for making the time to join us today.

At this time, we will go to the next presenter on the agenda. Mr. Warren Hardy, thank you for joining us today.

Warren Hardy, Representative, Nevada Urban Consortium:

We are far less formal than the two previous presenters. They have statutory recognition, charters, boards of directors, those sorts of things. We are an informal organization in the Nevada Consortium. We represent the five largest cities in Nevada: Las Vegas; Reno; Sparks; Henderson; and North Las Vegas. There are a couple reasons we came together. We recognize that many times—most of the time, perhaps—the issues the Legislature considers, debates, and processes are generally similar to those of large cities' positions on the same issues. We thought there was synergy there, but more importantly, we formed the organization to be more effective, productive, and helpful in the legislative process. Rather than having all five cities come testify before your committees and lobby you individually,

we have one organization in the Urban Consortium that can do that. There are still differences at times, and you will hear from various members on those issues. But our objective as an organization is to meet beforehand to review legislation, resolve any conflicts or concerns in the presentation so we can bring you collective responses to those issues. We found in the last few sessions that it has been very helpful. We want to bring you solutions or at least a unified concern. We also want to be a resource to Legislators and to the Legislature. Madam Chair, I want to thank you because you have caught the vision of what we are trying to do in the Consortium when you asked us early on to put a task force together to deal with language access, which has been very successful. That was a suggestion you had for us when we met earlier. That is what we do; that is our mission. We do not do conferences; we do not do training; we do not do social events. We are focused on legislation and making sure we are represented. On a personal note, one of my frustrations when I served on that side of the dais, was that people, industries, and local government tend to bring their fights to the Legislature and ask you to be referees. That is not fair to you. I did not like that when I was a legislator—go out of the room, work it out, figure it out, bring us a collective solution, or a collective opposition. Think it through. Do not bring your fights to the Legislature. That is the reason the Urban Consortium exists, to ensure we are being as productive as possible in the process.

The Urban Consortium is made up of the five largest cities. Just under 52 percent of the population in the State of Nevada resides in one of our member cities. The main thing we want to impress upon you today is that we want to be your partners. There is a lot of conversation—I have heard this throughout my legislative career—that is a local government issue. What does that mean, that is a local government issue that should be dealt with at the local level? That is a legitimate thing to say. Firstly, we are all creations of the Legislature; the Legislature is the entity that created us as an organization. The Legislature has a very legitimate and vibrant role in everything we do. Secondly, if we want to say, “that is a local government issue that needs to be resolved at the local level,” you have to have the confidence in us to do that. Just by the very structure of our legislative makeup and our city makeup, this effort with the Urban Consortium is an effort to give you confidence. We have what we call task forces, but they are more so working groups. We have a legal task force, one for public lands, and after our conversation with Chair Torres, we put one together on language access to address those individual issues. That is why we do it, to gain your confidence so you see us as partners. Hopefully, at some point, when a piece of prospective legislation is brought forward, the first thing that will enter your mind is, is this something that rightfully belongs to the Legislature, or should this be done at the local level? Then we can have conversations about how to deal with it as partners. Your overall vision is important, and you can mandate that vision onto us, but if you do, shame on us. We should have enough coordination and competency to be able to deal with these issues in a way that is comfortable to you and inspires confidence in us. That is one of the requests we will make, that when you look at these issues, you ask yourself if this should be at the legislative level or the local level.

Madam Chair asked us to talk about issues of concern, what keeps us up at night. I think it goes without saying that homelessness and mental health are two issues that are occupying our time significantly. The Consortium is playing a role in bringing that together. We have all known in the back of our minds, but now we are really starting to understand and grasp the fact that homelessness and mental health go hand in hand. If you resolve mental health, you resolve a great portion of our homelessness problem. The one thing we are recognizing, and I think we have known this in the back of our mind, is that this is going to take a holistic regional approach—a regional solution. I say regional and not statewide, because what is needed in Northern or rural Nevada is very different in Southern Nevada. That is why we must have effective local governments who are trusted by the Legislature, a

one-size-fits-all approach does not always work. On issues like this, I would go as far as saying that it does not usually work; it requires a regional approach. We are committed to that. We are working with our regional partners to come to some solution. We are also working with the private sector, philanthropists, and others to address this issue. There will likely be things we ask the Legislature for and ask the Legislature to do to enable us to effectively address these issues. We are going to work hard with you to do it.

Affordable housing—it used to be affordable housing, now it is just housing. The challenge we have with housing, again, is a regional approach. One thing we have identified that we can do better is leveraging federal dollars. That may require some collective legislative effort, but we want to be your partners in addressing that because that keeps our constituents up at night as well. I will touch on public records for a minute. I would associate myself and our organization with what the NLCM said. I should indicate that they are great partners. The NLCM are great partners; NACO is a great, and that is our effort. It is not just the five large cities, we want all the cities, counties, and government entities to be assets to the Legislature as it does its work. I would associate myself with what they said, but that is an issue that has been debated as long as I have been here, which at last count is about 34 years—it is a challenge.

I want to provide a different perspective for you. The League articulately identified what the on-the-ground challenges are for us, especially in terms of running out the clock. I get a little frustrated that in the debates with the public—and particularly the media—we are looked at as a group of entities that are trying to withhold information and are adversarial to public transparency. It frustrates me that we never get around to helping the public understand what type of information we are trying to protect. We, by virtue of the type of business we are in, potentially have information like dates of birth, social security numbers, and credit card data. When you pay for a county or city service on a credit card, we have the credit card data. We have information about your children and grandchildren, because you are signing them up for youth programs, the addresses where these children live, medical records—we may have your medical records potentially. Personal data from people who receive water, sewer services, other government services, and employee records for active and retired workers. Here is the thing you need to consider: any email between a constituent and the mayor or any other elected official is potentially a public record that could be accessed. We do not know what is in those. I am assuming you received many of the same emails I received, and some of that is personal information. People text or email you about financial troubles; they email you about a problem they are having at work. I even received emails about domestic violence issues and how the Legislature and we could help. That is information that will potentially become public record. Another interesting thing is we might have blueprints for businesses and homes.

We need to collectively consider a broad policy. As a Legislator, it is not an easy issue because the other side always talks about if you push back at any level, you are not in favor of transparency; you have something to hide. You look at the media series, *What Are They Hiding?* We are not hiding anything. We are protecting information. I have told some of the cities out of frustration, just release it. Release the information. Just give it to them, that is what they want, and the problem with that is it creates liability; it creates challenges for the individuals. Most members of the public do not understand the type of information that is in play. This is extremely important because of AI and cybersecurity things happening in Nevada. We do not know what the future of AI is. We do not know what AI will look like tomorrow. We do not know what it will look like next week. We do know the types of requests we are getting in our cities, "We want all information, all the emails that have been provided between the public and all City Council; we want that on an ongoing basis." That

was a request one of our members received. Clearly, that is to go into the analog of the database of some AI effort.

We want the Legislature, as we look at these issues—everything the NLCM brought up is extremely important, but we have been talking about it for many years. I would respectfully submit that what we need from the Legislature is a more global look, a more global approach to public records in light of new technology, in light of what is happening. Is it appropriate? I am asking this question rhetorically to the Legislature. Is commercial use a request that is in the public's interest, and is it something we should allow people to have access to public records for? We saw a huge problem with this. With the public records, we could clearly identify the public records requests that ultimately became part of COVID-19 fraud. That is the only place they could have gotten the information that led to COVID-19 fraud. From a policy perspective, is it important, that commercial use? That is one of the main things we get. I do not have a position on that. I have a position on it, but I am not suggesting a position. I am suggesting that the Legislature look at this because AI is making the stewardship we have over these records, over your constituents and our constituents' records existential. It is critical, and what we need from the Legislature is better direction, and it is not going to be easy. It is not going to be easy to put it in statute and determine what is a public record. The structure we have now says everything is a public record except the following—well, some things are clear they are not public records, and we can invoke those things and foreclose on that request. Most are unclear and lead to lawsuits. They lead to challenges and our personnel having to make a judgment. It would be better if once and for all, the Legislature said these things are public records; when somebody requests them, you provide them, instead of this shell game where we try to guess whether that exemption applies or not. We need the Legislature to check in on this.

Again, tough discussion, because the opposition continually says that any attempt to thwart or withhold is because you want a lack of transparency. We do not care what the Legislature says is a public record and needs to be provided. We will provide it; it is not our job to decide. We are being forced into that job, and it is not going well. These are the types of things we potentially have access to that I do not think your constituents want that provided to anyone. We get requests to public utilities all the time because somebody has a product they want to sell. So, again, policy question for the Legislature, but on the public records front, I think we are going to continue to do and talk about the same thing we have talked about forever. We need systemic changes in public records law to give clear directions to elected and local governments on what is a public record. Not, what is not a public record, because that leads to challenges and interpretations. We need you to tell us what a public record is, and that is going to take time. We want to be your partner in working through that, so we can protect our joint constituency. I appreciate what NACO said about the point of a joint constituency, because sometimes I think we lose track of that. It is not a similar constituency; it is the exact same people. I started to do an analysis on this—I think there might be one or two exceptions—but virtually every legislative district touches into one of our cities. These are shared constituencies.

Another issue you may have heard about in the media we want to potentially come to the Legislature on is copper theft. I compliment the Legislature on its action on catalytic converters last session. It virtually stopped catalytic converter theft in its tracks. I work with the Las Vegas Metropolitan Police Department (Metro). I work with all law enforcement agencies on a scrap metal working group. I represent folks in that industry, and we are starting to see catalytic converters show up in dumpsters. What does that mean? That means people are stealing them, realizing they have nothing to do with them, and will be felons if they get caught with them. They are getting rid of them, throwing them in dumpsters. We have solved that problem. We now have to turn our attention to copper

theft, which is more complicated. The copper wire theft you have read articles and probably heard from constituents about—it costs tens of millions of dollars when someone steals a \$30 row of copper wire. There are city ordinances we are debating, but we have put together a working group with Metro, all agencies, and all utilities to try to address this. This is a huge problem for our local governments. When I talk to our member entities, this always comes up. We have got to resolve this. We may likely be coming to the Legislature for legislation to deal with this globally.

The other thing I would add is the need for a state revenue study. I am not here to advocate for a change in the commerce tax. I am not here to advocate for change in the sales tax. I am not here to advocate for anything, because I do not know what to ask for. The first document I read when I was elected to the Legislature in 1989 was a Price Waterhouse study on the revenue structure in Nevada. I dusted that off a bit and looked at it a few of months ago; everything has changed. It did not contemplate anything like online sales, streaming, or fuel taxes. It did not contemplate electric vehicles in 1989. We only saw that on the Jetsons—some of you are too young to remember the Jetsons—but nobody contemplated this. It is always interesting to me, and I have often said throughout my career that in Nevada we do tax by adhococracy—what are we going to tax this year? It is a hard issue. It is a difficult issue. I know this is not an issue that is under the jurisdiction of this Committee, but the impact on the individuals you have jurisdiction over are significant. We need a comprehensive tax study to make sure we modernize our tax structure, so our revenue system matches our economy and matches where we generate revenue. Our tax structure is in our *Constitution*. It might even require a constitutional amendment, but we are running out of time to deal with this. I am not prepared to tell you what the answer is until we do a comprehensive study. It is something we can fund and have done by an independent third party that can look at the basic question of, does our tax structure match our economy and the services we provide in Nevada? I would offer that.

The last thing I would double back on is this concept of government roles. We want you to have confidence in us so you can look at every piece of legislation and say no, that should reside at the local level. I remember my first term in the Assembly in 1991. Many of you remember Senator Joseph M. Neal, Jr. He brought a bill that made it illegal for you to be able to hear a car stereo outside of your car. I decided I was going to lead the opposition of that by saying that it was a local government issue, and it should be addressed and dealt with at the local government level. I had a hard conversation with Senator Neal about whether it should be at that level, and ultimately, he came around and agreed, but he told me he did not have confidence in the local government to do it. We want to build that confidence. That is why the Urban Consortium exists. We want you to say, that issue should be solved at the local government level and have the confidence in us to do it and be your true partners.

Madam Chair, you asked us to comment briefly on our experience with language access with the Office of New Americans (ONA). We brought ONA into our working group, and they were very helpful, very big participants in that. There were things that were extracurricular to the legislation they put in there that we have struggled to get our arms around and figure out what exactly those requirements are. The relationship and interaction with ONA has been has been very good, however.

Chair Torres:

Thank you. I will go to questions starting with Assemblyman Carter, then to Senator Daly.

Assemblyman Carter:

Simple question: I dealt with it last cycle with DMV—during investigations on a bill I carried, we discovered they are making about \$11 million a year selling personal data. Is that going on with any of your members, where government entities are boosting their budgets by selling citizens' personal data?

Mr. Hardy:

The only money accepted for fulfilling of public information—that is a different program. That is something they advertise; it is like Facebook. Facebook sells the data they get. That is what that is. We do not do that. We charge to the extent we are permitted by law to pull up the information. The League of Cities did a good job of articulating how that works, and why we are significantly underfunded on that. We have cases where people asked for records that took six months to put together that were never picked up. That is a different issue. It is a great question, but that is a different issue. That is a revenue generator. In our case, we do not generate any revenue in that way, that I am aware of. I will let you know if I find anything different.

Senator Daly:

On the public records issue, you are saying we need to tell you what a public record is, rather than telling you what it is not. Our system is set up to err on the side of giving out information, not trying to hide things. I understand that creates problems. There are 160 exceptions listed in statute in NRS 239. There is probably another 100 in regulation indicating which documents are not public. Regarding liability, there is already an exemption that if you distribute information in good faith, the entity is not liable. You did not purposely give out somebody's personal information or medical records. If it was done in good faith or was an error, there is no liability. Then of course, you have limitations on liability for government agencies to begin with.

Have you seen the other side of the equation when you are the requester? In my personal experience asking for records in a rural county in Northern Nevada, they asked me two questions. They said, "Well, who are you?" I responded that I was the public, John Q. Public, none of your business. They asked what I wanted it for, so I answered both their questions, and they gave me the information, but those are questions that should never be asked. If we had a system set up to tell you what a public record is, it would be just as limited; it would have just as many loopholes and questions as we have now. I am not sure we can solve it the way you are thinking. I am happy to have the discussion.

As far as voluminous record requests, there must be a way to solve that. I looked it up. It says you can charge actual cost, and everybody is on a different page. Perhaps Legal can chime in and tell us what is included an actual cost. Just the paper, just the ink, or can you include time spent during the six-month long request nobody picked up?

Mr. Hardy:

I would respectfully disagree that this would not solve the problem. I am not an attorney; I just play one on TV. We have something judges and courts look at called clear on its face, and very little in our public records law is clear on its face. It leads to these challenges of putting folks in this position of having to decide—we have this balancing test we have to waiver. That is subjective. How do you stop a lawsuit? Public records, transparency, and open government are the cornerstone of representative democracy. We must have it, and it is hard. I have often said democracy is hard. We understand this is hard, but I would submit

that the records of law we have now is not hard; it is impossible. Every person and entity that works on this is trying to get it right. They are trying to do the right thing. We have made their task so much more difficult. If we were to specifically say what is an exemption—why not look at what is critical for the public to have as part of the transparent open public records law? Let us put that in the law—the following 50 things are records. When somebody makes a request, you provide it because it fits in that category. I believe that will make it significantly better.

Senator Daly:

With the current law, if it is a document in the possession—unless it is exempt by one of those statutes, that is the clear face—and a public record, you have to make the effort to disclose. Your balancing test is not in the statute that was implemented by the courts; you have to go to court to figure that. If you deny a record, the other person has to get that—potentially you have liability if you are wrong. The balancing test, and other things regarding what is or is not a public record is external. The law says if it is not exempt, it is a public record if it is kept in the normal course. That is clear on its face right there. Now, are there issues? Yes. I am willing to work with you or talk to you about it. I do not know how to clear that up, but I do not think it is as bad as you are making it out.

Chair Torres:

Thank you, Senator, and Mr. Hardy, for having this conversation on public records. The NLCM mentioned it too; it is a conversation we will continue to have. Later today we will look at requesting bills from the general public and the Consortium. If you have those draft requests, you can send them our way. Public records is a topic we discussed earlier this interim, and we will continue to have this conversation via a BDR of some sort for us to consider in August. It is a conversation we can take offline but will have in the next few months before the August meeting.

Mr. Hardy:

Thank you, Madam Chair, for having us and letting us provide this information.

Chair Torres:

You are not off the hook yet. Are there any additional questions from Senator Hansen or Assemblyman Gurr? Go ahead, Senator Hansen.

Senator Hansen:

You and the last two presenters mentioned the situation in Washoe County with the individual who asked for a very voluminous public records request and never picked it up. That is the only situation I am aware of, where somebody has grossly abused the process. I had an experience with a government agency when I asked for a request while I was an Assemblyman. They sent me a long letter claiming they did not have the records, and I had to pay \$11,000 for them to hire Kelly Services Inc. to research my request. It turned out it was bogus; they were lying through their teeth. I found out and got all the information with a few clicks of a computer, so it goes both ways. I had a literal government agency—I will not mention which one—but they jerked me around on this public records thing, and I was an elected official. I cannot imagine how they treat the average person who might make a simple request. Can someone give me an example, other than the example I am very familiar with—I know the individual who did it—where this process has been abused?

Mr. Hardy:

That is the most egregious example. I can provide examples where this type of thing has happened, but I also want to agree with you, Senator Hansen. I have had the same experience. Senator Daly talked about what is in the courts, and what is not in statute. The balancing test came about because of questions around trying to figure out how to interpret what the statute means. It would be easier if we said, here is what a public record is, and you have to provide it. I know we do that, but there is some appropriateness to erring on the side of openness and transparency. I think we have done that; we have done this experiment long enough to know this idea of everything being public record unless it is exempt is not working. We have court rulings because of confusion in the law. The balancing test is what the courts came up with to address it. It is time for the Legislature to get a hold of this issue and address the things you are talking about, Senator Hansen, because it is frustrating. I cannot speak for each individual person. Maybe there was someone with an axe to grind. Generally, they are trying to interpret and understand the law, but they are scared to death.

Senator Hansen:

No question we can clean it up a bit. Thanks. I would like more examples besides that one, if possible.

Chair Torres:

Senator, I will make sure we reach out. We will do some type of working group on public records and will make sure you are included. Assemblyman D'Silva.

Assemblyman D'Silva:

Mr. Warren, it is always good to see you. Senator Daly alluded to this, the hypothetical safeguards and clearer definitions you want to put in place would never disallow a court, court order, or a subpoena to look for more specific information, correct? You do not envision this becoming a hindrance in that process?

Mr. Hardy:

It would not be our intent to impinge or foreclose on the judicial process in discovery. That would not be our intent at all.

Chair Torres:

Thank you for the presentation. We will now go to the next item on the agenda.

AGENDA ITEM VI—PRESENTATION ON THE VIRGINIA & TRUCKEE RAILROAD COMPANY

***Cameron Gresh, Government Affairs Liaison and Public Information Officer,
Carson City:***

Good morning, Committee Members, I am joined today by Storey County Commission Vice Chairman Clay Mitchell, and Mayor of Carson City, Lori Bagwell. We are here to provide a brief overview of the Nevada Commission for the Reconstruction of the Virginia and Truckee Railway (V&T Railway), Carson City and Storey County's contributions to the development and restoration of this historic railroad, and the challenges our communities

face in achieving the Commission's objective and possible solutions thereto. ([Agenda Item VI](#))

The V&T Railroad is one of the most famous and oldest short line American railroads in the country. The line was created to serve mining communities like Carson City and Reno in the early days of our State, when transporting ore over mountains was incredibly difficult. After 100 years of operation, the railroad ceased functioning in its official commercial capacity. The Virginia City branch shut down in 1939, followed by the Carson to Reno service in 1950. In the early 1990s, railroad enthusiasts along with Storey County, Carson City, and State officials began studying the possibility of reconstructing the historic rail line between Virginia City and Carson City as a tourism driver and regional attraction. A financial study was commissioned, and it estimated the initial investment would require at least \$25 million. In 1993, Assembly Bill 696 established the Commission. The Commission was initially composed of five members which included the governments of Carson City, Lyon County, and Storey County. In 2001, the name of the Commission and its membership were expanded to assist the V&T Railway in becoming a more regional attraction. Representatives appointed by Douglas County, the State Legislature, and the Governor's Office were added to the Commission. In 2017, SB 57 revised the composition of the Commission by eliminating the additional Commission members added in 2001 and adding tourism representation through the Carson City Culture and Tourism Authority and the Virginia City Tourism Commission to add more tourism-focused expertise. Senate Bill 57 also allowed Carson City and Storey County to appoint commissioners from their own boards and commissions to the V&T Commission. Assembly Bill 696 provided each participating governing body with different ways to fund its obligation to invest in the railway's reconstruction. These options include the issuing of bonds and the imposition of taxes on things like rental lodging, retail sales, and property taxes. Participating entities in the Commission have the option to combine any of those methods to fund their obligation to the railway.

Lori Bagwell, Mayor, Carson City:

What did Carson City and Storey County do to help get this off the ground? What were the financing methods used, and how did we accomplish it? First off, Carson City provides legal services to this Committee. In 2002, our room tax rate was increased by 2 percent to pay for capital costs, including construction, administration, and retirement of bonds for that reconstruction project. In 2003, we issued \$4.1 million in room tax bonds for the project, which is being repaid by that 2 percent increase. In 2005, Carson City issued a \$15 million bond for the reconstruction of the railroad. We are using a one-eighth percent sales tax to make that repayment. From the initial \$25 million estimate, Carson City residents and tourists provided \$20 million and another \$9.3 million in interest and costs for issuing bonds. That was not in the initial estimate, but there is no free money.

Clay Mitchell, Commissioner, Storey County:

Despite claims to the contrary, I am not a deep fake. As you can see, I have normal hands. So on the Storey County side, our contributions include—as allowed by statute, we provide financial services to the Commission. That includes bookkeeping, accounting, and budget preparation and filing. Regarding funding, Storey County levied a 1/4 percent sales tax in 1995 for the restoration, construction, and operating costs. That was set to expire around 2010. During a discussion between the Commission and Storey County, an agreement was made to float a ballot question to extend that 1/4 percent sales tax for 30 years. In exchange for that, the Commission agreed to allow Storey County to potentially use funds for other rail-related projects within Storey County that were not specific to the railway's

work. In late 2010, that ballot measure passed; we are now halfway through that 30-year term at this point. In 2020, there was an acknowledgment for the need of better stability in funding sources. An agreement was made between the Commission and Storey County, stating that every year \$250,000 from that 1/4 percent sales tax would go to underwrite ongoing operations. If that was not sufficient, there could be a request for more funding from there. Local jurisdictions shoulder most of the financial burden, but there have been contributions by both the State and federal government. Some of those federal grants or funding sources came through in 2005, including a passthrough grant that came through the State, as well as \$800,000 from the U.S. Economic Development Administration and the State. The Legislature contributed \$500,000 in additional funds, as well as contributing a railroad bridge that was formerly used in Southern Nevada, which currently serves for the railway to cross U.S. Highway 50. In 2006, the Commission received over \$600,000 in funding from the Nevada Commission on Tourism. To summarize operations, milestones, and accomplishments, the tracks were completed between Gold Hill and Carson City, terminating at the Eastgate Depot in 2009. The tracks continue to Virginia City, but from there, they are owned by a private entity, the Virginia and Truckee Railroad. Not to be confused with the Virginia and Truckee Railway.

The Commission acquired and owns a 1914 Baldwin steam locomotive that was purchased in 2006, as well as the Eastgate Depot. However, the Commission has no facility in which to store this vehicle or conduct maintenance and repairs. If you think it is expensive to own a car, try owning a steam locomotive. The Commission contracts operations, the use of a diesel engine, and passenger cars with the V&T Railroad, which operates out of Virginia City. The train has operated for 12 seasons, excluding the 2020 season, and a partial season in 2021. The Commission operates trains from May through October, and special excursions occasionally. A long A-line train from Carson City to Virginia City returning later the same day is the main operation during the regular season. Since 2011, the Commission annually hosts the Polar Express train event which consistently rates among the top hosted Polar Express events in the country and sells out. That is a profitable segment for sure. There has also been a popular railbike offering; we are looking at ways to reintroduce that, but there are concerns. I will pass it back to Mayor Bagwell to discuss those.

Mayor Bagwell:

These are several concerns and reasons we are here today. Carson City and Storey County are in the position of trying to manage a business. It is an enterprise centered on tourism with no clear path for growth of the railway. We have no rolling stock besides that engine—we have one—no storage, shop, or repair facilities. With the help of subsidies from Storey County sales tax and Carson City room tax, the railway is not operating at a loss, but the governments of Carson City and Storey County do not have the means to complete the project as originally envisioned. The tourism revenue provided by the railroad in its current state is not enough to offset the costs of maintaining the aging structures or operating the historic locomotives. Carson City's obligation is almost complete, and the economic benefits that were initially projected have never materialized. While Carson City treasures this resource, the City is concerned the political will of our public and Board is not there to take it to the otherwise achievable next step. Carson City does not have the resources to continue funding. The City has been repaying the bonds issued for the project for over 20 years. With our growing infrastructure, needs for roads, courthouse improvements, and juvenile center needs, continuing to fund the railroad at this level is untenable. Since there is no staff assigned to this Commission, it has to contract out for all its services. It also consumes many hours from our legal teams and Storey County's financial teams.

Mr. Gresh:

Since pointing out problems without proposing a solution is called whining, we want to give the Committee an overview of potential solutions. Option one is the most severe and an option of last resort: it would simply be to dissolve the Commission and sell all assets. As you have just heard from the Mayor and Vice Chairman Mitchell, the railroad itself is not a complete pit. It is a historical resource and treasure for Nevada that we do not want to deprive our State of having. However, that is technically an option and should be considered as a last resort. Option two, provision of additional appropriations to maintain dedicated professional staff for the Commission. As the Commissioner stated, the amount of time spent by what are otherwise local governments with much more stringent obligations to their constituencies is quite severe. Simply having staff as other Commissions in the State do will alleviate a lot of burden and assist Storey County and Carson City with continuing to meet their obligations to the Commission, if that is the preferred method. Finally, option three, the reversion of the V&T Railway infrastructure and assets to the State of Nevada. As the Mayor pointed out, we are local governments attempting to manage what is really a regional tourism enterprise business. This is incredibly difficult to do for local governments. The State of Nevada and the Culture and Tourism Department have experienced personnel and the time to manage a historical resource in a way that would be more effective than two local governments. In this method, the State would be inheriting a well-maintained and profitable rail network that could complement existing State-run facilities and be part of a wider regional tourism push for the northern half of our State. That concludes our presentation. We are happy to answer your questions.

Chair Torres:

Members, are there any questions? It does not appear there are any. The Carson City Railroad Museum has a lot of interest in the local community. When I was in Carson City, my landlord during session was involved with the Nevada State Railroad Museum. What is the public's perception of possibly transitioning to this from being a Carson City and more regional railroad site?

Mayor Bagwell:

One of the issues you brought up is clear. I am not sure the public understands that one is the State agency-run railway, and the other is run by Storey County, Carson City, and a Commission. I do not think there would be any issue. One is in the middle of town, and one is out. It is not in one of the most favorable areas of our community because it is near a landfill, but there could be a huge synergy if they were run seamlessly by the same agency directing people to both activities. I think that is a lost resource, that we do not refer to one another. They host great events at your State-run and have a lot of volunteers. Last I heard, they had over 100 volunteers that help maintain that railroad. They were operating on Memorial Day. It is very popular. They had a big steam punk event a year or two ago. It is well done, and I do not think the community understands the difference between the two.

Chair Torres:

Ely has a train too. What is the proposal to have a model like what Ely has for their train? Is this completely different?

Mayor Bagwell:

I think there is an option for the State to capitalize on that. Are railroads a tourist attraction, and is that something we want to become famous for? We can say, "You can catch the railroad in Ely. You can catch the railroad in Carson City." The State is working on regional tourism and trying to recognize we are not individual tourists. What can we do that attracts across all governmental entities, because we all need help. Carson City wants help. Elko wants help in the airport arena. You are onto something. Anything we can do to consolidate across all regions would be an excellent idea.

Mr. Mitchell:

One of the key differences in the structure between the Ely railroad and the effort here with the V&T is that there was a complete system when it was converted from a working railroad into a tourism attraction. They had all the rolling stock, buildings, and repair equipment; they had everything. This is an effort to reconstruct a historic railroad that has fallen out of use and has been taken apart. We see a real economy of scale with being able to work between the State Museum and having a significant length of track that could potentially run the equipment in the State Museum and could support each other. In several ways, it is different in the basic structure with what is going on in Ely.

Senator Daly:

It has been a while since I rode on it. It starts in Virginia City and travels into Carson City. Does it go into the railroad museum now, or does it not go all the way down there?

Mr. Mitchell:

At the current time, the tracks continue past the Eastgate Depot, which is the Carson end of the line. They continue about two miles into the river canyon, then end at that point. As a railway commission, we have looked at how to expand, where the future is, and where it goes from here. It is overly optimistic to connect all the way to the railway museum. You have to cross an interstate freeway, and the right of way is not intact anymore. The State Museum has a small circular track you can ride on site, but it does not go anywhere. We are talking about 12 to 14 miles of track through several tunnels that have been reconstructed and significantly more ground to cover if that was in the mix. People have said it is hard to move steam locomotives around, but the owner of the private V&T Railroad often moves his equipment for film shoots—loads them on trucks and takes them around the country. I think there is a conceivable way to, for a season, take a piece of equipment from the State Railroad Museum, bring it onto the tracks, run it, and let people ride it on the rails more than the short facility they have available.

Senator Daly:

The termination does not go all the way in, and I know you would have to cross the freeway in order to get there. That would be a major endeavor because you go over Highway 50 at one point. I remember when they had to reconstruct and build that bridge several years ago. The railroad museum is just one small piece of what they have in Ely, which is a separate foundation where they have the track and trains. The museum does not have anything, whereas the museum in the north does. Interesting ideas. I would hate to see it go back into disrepair and lose that piece of the history—probably no chance of getting it to go back up to Truckee. That might enhance your appeal to people, but that may be for a future date.

Chair Torres:

I do not believe there are additional questions. Thank you for reaching out and taking the time to present on this issue. We look forward to continuing to collaborate with you.

At this time, we will go to the next item on the agenda. I will invite the representatives of the Nevada Office of Cyber Defense Coordination (OCDC), Department of Public Safety (DPS).

AGENDA ITEM VII—OVERVIEW OF CYBER SECURITY COORDINATION EFFORTS IN STATE AND LOCAL GOVERNMENT

Aakin Patel, Administrator, OCDC, DPS:

I want to thank the Committee for inviting me to present today. I am an informal presenter; I invite interruptions if those are allowed here. I come from a technical background and sometimes use terminology not everyone is familiar with, so I invite people to ask for clarification as needed. The OCDC is the main interagency cyber security group for entities within the State. We are responsible for coordinating cybersecurity across all state, local, tribal and territory (SLTT) entities. We do not have operational cybersecurity responsibility for any singular group, which means we do not manage any computer systems directly. We work with every information technology (IT) and cybersecurity group in the State to ensure everyone is on the same page regarding cybersecurity; that resources are being met; and to share resources, abilities, and information to strengthen the overall cybersecurity posture of the State. We have a few guiding principles: we work on helping identify areas of concern within IT infrastructure; identifying and eliminating cybersecurity threats in both the public and private sector; we are looking to create maintenance and response teams, relevant plans, and positive procedures to minimize impact and disruptions of services to the population of the State. We are working to create a statewide cybersecurity communication collaboration and information sharing network to improve the creation and development of cybersecurity workforce, assist DPS, conduct cybercrime investigations, and assist in creating a statewide cybersecurity plan. ([Agenda Item VII](#))

We have a several objectives we focus on as an organization. Our main one is to help with building programs across the State to help agencies build cybersecurity programs. Some of our groups across the State are very well-resourced and have very mature cybersecurity programs; others do not. There is a wide disparity in the level of cybersecurity posture across the State. We help groups who are not fully mature get to a higher level and coordinate with groups who are more mature. That way, everyone can benefit with the effort going on across the State. A big part of that is taking advantage of economies of scale. We work on buying tools, software, and a larger bulk license and helping share that across the board so people can take advantage of better buy prices for larger buy programs when they would not need it for their own group. We can take advantage of that by consolidating groups. We are working to strengthen cybersecurity, communications, and relations. Cybersecurity has traditionally operated in a vacuum, which is very problematic because many attackers do not operate in a vacuum. When the agency is attacked, they are often not the only ones being attacked. I have helped build a community and a network of information sharing so groups who are under attack will share that with everyone in real time. It is useful for everyone across the board to see an attack coming in and be able to block it quickly before attackers span out across multiple organizations. Organizations focus on different areas as priorities and develop policies and resources to focus on those areas. We have helped coordinate sharing, so if one group is developing an AI policy and another

is working on password policies, they share it and both groups can take advantage of both policies to reduce the workload on these very resource-strapped teams.

We are working with the Nevada System of Higher Education (NSHE) to create a cybersecurity workforce development program. Right now, we are working with the University of Nevada, Las Vegas (UNLV) to create a program so their students can gain real-world experience working with government entities across the State working on cybersecurity products. They will also gain real-world working experience before they enter the workforce, boost their resumes and job prospects, as well as benefitting the State in terms of getting resource aid and staff augmentation in the process. We are working on building our group to support these duties and functions. Our current staff—we only have three folks: there is me, a cyber threat intelligence analyst, and a cybersecurity engineer who is working on building tools we are using to share. We have a vacant position for an administrative assistant, but we do not have the budget to fund that position.

I want to quickly summarize of threats we have seen in the last year alone for the State. These are a few high-profile threats, not a comprehensive summary. I pulled from several types of attacks. Harry Reid Airport, Nye County, and the Truckee Meadows Water Authority have seen what we call business email compromise style attacks where attackers send cleverly crafted emails, which we call phishing, or malware attached to malicious documents. This creates an incident where malware gets into the network and credentials are compromised and attackers use that to gain access into the network. We have seen the City of Reno have issues with cybersquatting domains. Cybersquatting is an instance where they register an email domain that is very similar to a legit email domain. In this case, they register *Cityofreno.com* with a tilde over the end and basically duplicate the page. It looks like a legitimate site, but they are actually stealing the credentials of anyone who tries to log in, then they send emails with links to that site. We have seen ransomware—Universal Medical Center was a big example of that. We had an issue with the Clark County School District (CCSD) as well. That was a major ransomware threat. We have also seen a state actors attack, which is a targeted attack by a foreign nation. In this case, they attacked the State human resources (HR) system. That attack is used to try to gain some sort of advantage to the other country over the U.S. These were attacks to the SLTT.

Highlights on the non-SLTT side—everyone is aware of the threats to MGM and Caesars on the ransomware side. There have been multiple examples of IoT (Internet of Things) and Operational Technology (OT) threats in the cybersecurity world, which is when they attack smart devices on the network versus attacking computer systems. Things like water quality sensors or solar system monitoring devices. Not actual computers or servers, but other devices on the network that are not as well protected.

Here are things we have initiated and put in place. We have set up a communication and information-sharing network. We distribute a cybersecurity threat analysis newsletter to our partner groups. There are approximately 53 SLTT entities across the State we work with, and we have set up communication and back-channels for technical staff in these groups to hold real-time discussions about cybersecurity threats and share threat knowledge and solutions. We are working on a formal statewide threat information-sharing platform. We are coordinating with UNLV to get that going. The Security Operations Center (SOC) is where entities can send computer logs and event data for malicious activity monitoring. That is the program we are hoping will provide real-world workforce development experience for cybersecurity students. We are starting at UNLV and hope to expand to UNR and the College of Southern Nevada, as both groups have expressed interest.

We have multiple partnerships in place with groups to provide support. When a cybersecurity incident is detected, an organization can reach out for help if needed. We are working on cybersecurity assessments, as well as partnering with the groups who provide those to help organizations determine their cybersecurity posture and areas of improvement. We have a list of projects we hope to complete once resources and funding are available, which is help develop cybersecurity and cybersecurity software and tools and set up a formalized assessment process for all the SLTT entities and expand to private entities, if desired. We do not currently have the resources to offer assistance to private entities, even though that is within the scope of our NRS statutes. We plan to do more instant response, exercise, planning, and testing, so various groups can test their incident response plans and determine their reaction capabilities in the case of an actual incident. We are planning to work with schools on a solid internship program to work with various groups across the State to provide student internship assistance where these groups cannot fund internships themselves to work for interns, so they can gain staff augmentation through internships and help students gain real-world working experience and build policy libraries to assist with policy development across the board, because that is one of the most difficult jobs for organizations—not due to a lack of knowledge, but due to a lack of time. Staff is very resource constrained and too busy putting out fires to deal with things like developing cybersecurity policies. They need to help bring the organization to better footing.

One way we are looking at gaining funding for this is through the State and Local Cybersecurity Grant Program (SLCGP) offered by the Department of Homeland Security. We have applied for funding through the SLCGP to fund the following initiatives: the Security Operations Center (SOC) instant response team; and training programs for cybersecurity professionals across the State. We hope to increase that through additional State funding. The SLCGP is only available for a limited time. I believe next year is the last funding year for that grant. Our State budget is currently very small, to put it nicely. We were funded in 2017 when the only scope for the Group was as an intelligence group tasked with distributing an intelligence newsletter. We have grown in scope significantly since then. I took over this group a year and a half ago. I come from a very technical background, which is why I have been building technical initiatives, but at this time we do not have the resources needed to support those initiatives to meet the needs of the State. The cybersecurity landscape has changed severely since the group was formed, so there is a much greater need. We also hope to hire additional staff, because we do not have the staff needed to support our current scope of duties, much less where we need to grow.

I was asked to present on potential legislative thoughts and concerns. There is currently no reporting requirement for incidents, which is something the State should consider. I am not sure what those requirements should be, but that is something we need to strongly consider putting into place. There should be different reporting requirements for public organizations, utilities, and infrastructure groups because a lot of utilities, hospitals, and similar groups are private in the State, but are a public infrastructure regardless of them being private organizations with impactful scope, like our tourist groups, the gaming industry, and other organizations that have a larger scope to the finances and economy of the State.

There are cybercrime laws that need to be updated. There is currently no provision within State laws to address cyberstalking and online harassment, which has become a common problem in today's world. I work closely with Metro, the Reno Police Department (RPD), and DPS. When these cases come before them, their hands are tied because they have no authority to act on them. That needs to change, as it is a real problem for our population. This is a strange one, but it is something that RPD reached out on—the existence of Bitcoin ATMs within the State. These ATMs have been used to perpetuate fraud against our aging population. These are used as a form of ransomware and fraud crime where they direct

unsavvy and untechnical members of our population to withdraw money in a way that cannot be easily traced for the purposes of fraud. That needs to be addressed. Another item that was brought up earlier was public information requests. Currently, personal devices fall under many public information requests that come in, and that is something that should be addressed.

Chair Torres:

Are there any questions in Northern Nevada or on Zoom? Senator Hansen.

Senator Hansen:

With cybercrimes, you mentioned RPD and Metro. Are these typically handled on the federal level? What are the penalties for people that violate cybercrime laws?

Mr. Patel:

That is a major challenge of cybercrime. Many of these actors do not reside within the State. In that instance, it is handled on a federal level. The crimes I mentioned are usually the only kind we see handled at a local level. In those cases, they would go to either to the Division of Investigations under DPS, or if it spans the local jurisdiction, it stays within the jurisdiction like Metro or the equivalent in any other county. Most cyberfraud happens outside local jurisdictions, and often outside the State. It does usually fall to the FBI or the Central Intelligence Agency (CIA) to deal with.

Senator Hansen:

Are there currently people in Nevada State prisons who are there for cybercrimes? How do they catch these guys? How do you find it in the first place? It also seems that as fast as you come up with a way to combat it, there is an evolution in the process, and somebody comes up with a new way to scam people. We can pass laws all day long, but if they cannot be enforced at the State level, what engagement does the Nevada Legislature have in dealing with this?

Mr. Patel:

You are absolutely correct on that. A lot of these crimes cannot be traced at a state level, which is why the FBI and the CIA get involved. That is why I specifically mentioned cyberstalking and online harassment. Most of those can be traced at a local level and are easily investigated because they are not being done by organized criminals or professionally savvy individuals who hide their tracks well. They can be investigated. There is no scope for our law enforcement groups to investigate and prosecute those crimes, which is why there are not many criminals in jail for those crimes, even though it is a real threat to our citizens. There is nothing that can be done about them legally.

Senator Hansen:

When do we, as a legislative body, need to make changes in law to give them the legal authority they apparently—it is pretty rare. I have been on the judiciary committees the entire time I have been in the Legislature, and whenever a serious issue like this crops up, there usually is either existing laws in other States we model our policies after, but from what you are describing, it is as if we currently have no body of law that allows local jurisdictions or even State agencies to go after these criminals.

Mr. Patel:

Part of the issue is that online harassment is not defined within the scope of the laws that define harassment. Many of these laws define how this is a crime, but the online or digital component of it takes it outside the scope of the definition of crime based in the current law. What they are doing would be a crime if definitions were updated to include these new methods of performing an old crime.

Senator Hansen:

Bottom line, we need major input from Metro and other agencies, so we can modify definitions. Thank you for your presentation.

Assemblyman D'Silva:

Thank you, Administrator Patel, for the very timely and informative presentation. Senator Hansen asked many questions I had, but I had a second question about the HR issues. You said staffing this office and ensuring we have properly trained and accredited folks ready to do this very important work of protecting our citizens in the State. Can you shed light on pipelines you set up with the universities? How are those programs operating, how are they working, and how can the State Legislature help you in that endeavor?

Mr. Patel:

That is an easy answer because I am just starting to set these up. I cannot talk about how they are working because they are not in operation yet. I am still in discussions with UNLV about getting the program up and running, and there are discussions between UNLV legal staff and DPS legal staff on operational agreements and how we will get it up and running. Our goals are to create those statewide assistance programs I mentioned to help other SLTT entities and bring students in to work those programs in a way that will help them gain experience with real-world jobs. One issue we have come across is that many students who are graduating have basic theoretical knowledge but no actual experience with what real-world cybersecurity day-to-day work entails. They are surprised and woefully unprepared for that experience. What UNLV wishes to do is to amend their cybersecurity degree program to require one or two semesters of practical, which would require working with the programs the ODCD is setting up with the school to gain this real-world experience, so their students are better prepared. That is the model we are hoping to approach and the model we are hoping to spread to other universities and colleges within the State.

Vice Chair Flores:

In the presentation, you discussed potential legislation that we should consider as a Committee. In NRS 603A specifically, there is a disclosure required when there is a data breach. They have a specific definition for a data collector, and I wanted to understand. Is it your understanding that "data collector" does not encompass public organizations, utilities, or private organizations with impactful scope? Is that what you meant?

Mr. Patel:

For data collector, those usually seem to refer to a specific compliance standard, like Payment Card Industry (PCI), Health Insurance Portability and Accountability Act (HIPAA), or the equivalent. If an organization can determine the incident did not affect that data, they do not have an obligation to report.

Vice Chair Flores:

Understood. I had an opportunity to work on that section of the NRS in 2015. We were trying to be careful; we were cutting the line in a very precise place, so we were not overly burdening businesses, which is the biggest concern—particularly with small businesses. At the same time, we were being as intentional as possible when it came to an actual data breach. I would like to sit down with you. We can continue this conversation here, but there is no need. I would like us to sit down and see how we can expand the definition of data collector, and specifically personally identifiable information. Maybe expanding the scope of that, so we address your concern. The other question I have is—and this is something I can probably look up—but is the Technological Crime Advisory Board still meeting? Usually, the Attorney General (AG) would lead that conversation. Elected officials, and a lot of community members including law enforcement at the federal and State level were part of that. It usually served as a good—at least what I thought; you have a different perspective—but it was a good bridge for the Legislature to get hands-on information constantly. They met bimonthly or monthly—I do not recall. Do you know if they are still meeting? If that information is still making it is way back to the Legislature?

Mr. Patel:

I am unaware of that group. If they are meeting, I am not involved with it.

Vice Chair Flores:

Understood. It might be that they do not meet anymore, but I am curious. The other question is, and I think this is alluding to the question brought forth by Senator Hansen. So much of what we do is reactive. Unfortunately, we cannot respond—and I always try to find balance on who the responsibility should fall on. Should we be more aggressively demanding that small businesses and industries be proactive and have those investments in the front end? I feel as though a lot of what we do now is react. Something happens, we notify the victims, and that is where we stop. I am curious to understand that more from your perspective, if we should be having conversations where we put the onus more on the individuals, that this is part of doing business. You must have these investments early on to protect the data privacy of your customers, clients, et cetera.

Mr. Patel:

Yes. In today's day and age, it is negligent for a business to not spend time and effort securing their data. There was a time when it was difficult to gain an idea of the right way to proceed, the right way to build a secure infrastructure on the technology side. Information technology and cybersecurity best practices are very well published and common knowledge. There are a lot of standards and best practice documents fully available to everyone. Cybersecurity should be a core component of every IT person's job. I do not think it is too much to ask that businesses do things in a secure way. It is negligent, not just in the responsibility to the customers, but in the business's fiduciary responsibility to itself. Not doing it this way sets you up for a tremendous amount of risk, and you are not doing your business any favors or services by not working to protect your data.

Vice Chair Flores:

I appreciate that. We will continue the conversation offline. I would love to work on a piece of legislation like I did in the past; I would like to continue that.

Chair Torres:

Thank you. We will go to our Policy Analyst who can answer questions regarding the Technological Crime Advisory Board.

Mr. McDonald:

It appears the Technological Crime Advisory Board is defined in NRS 205A. They are existing, and the last meeting was held in June 2021.

Chair Torres:

It does not appear you would be a member of that Board, which may be worth revisiting and having another conversation about what that would look like. Go ahead, Senator Daly.

Senator Daly:

We brought that Board in front of the Sunset Subcommittee. We had conversations with the AG's office, and they are recommending it be terminated. They are planning to bring legislation to redirect those tasks to other boards and agencies to coordinate that. There is still work going on, I am assured by Chief of Staff Teresa Benitez-Thompson. That is something we will be looking at, but that Board completed its work and is not doing anything.

Chair Torres:

Thank you. Has there been or any coordination between this Office and the AG's Office on these issues?

Mr. Patel:

I worked with the AG's Office technical staff on cybersecurity initiatives they want put forth. I have not worked with the AG's Office directly on the legal side. I would like to; I just have not had the opportunity yet.

Assemblyman Carter:

I was looking at the list of examples you provided, and out of six, half are still not on the .gov domain as recommended by the FBI and the Homeland Security's cybersecurity department. What is being done to encourage State and local entities to transition away from .com and move towards .gov, which is much more secure?

Mr. Patel:

I am a big proponent of the .gov domain and moving all entities to that. I moved my organization to the .gov domain as soon as I took over the office. I am *ocdc.nv.gov*. I encourage every group I am in contact with to switch; some are in the process. Migrating email domains is a very disruptive task, and for some bigger organizations, it is a much harder task. For smaller organizations, the SLGCP grant—that grant included .gov migration as part of the grant funding to help hire consultants to help make that move easier. There is movement in that across the State, but it is a slower process than I would like, a slower process anyone would like, but that is the reality of a technical migration of that sort.

Assemblyman Carter:

I think it is telling that three of the top six were vulnerable. I do not know if that is what caused it, but University Medical Center of Southern Nevada (UMC) is still on .com, and Harry Reid International Airport is still on .com.

Mr. Patel:

Harry Reid International Airport, which I can speak to with some authority because I used to be their Cyber Security Officer (CSO) before I took over this role a few years ago, uses their .gov address internally. They have a public website on .com, but that is not what they use for their internal domain. Having that split makes them a little more secure.

Chair Torres:

What does the timeline look like for the SLGCP Grant?

Mr. Patel:

That grant was part of the National Infrastructure Bill, and it started issuing funds in 2022; it is a four-year bill. I think 2025 is the last year coming out. They just issued disbursements for 2022 last year. It is a reimbursement-style grant, not a proactive funding-style grant. Many of the 2022 and 2023 disbursements were just issued, and they are expecting the 2024 disbursements by the end of the year. I am assuming the 2025 disbursement will come at the end of next year. There were challenges in getting that spun up at the federal level because I do not believe the Department of Homeland Security has issued a grant through the Cybersecurity and Infrastructure Security Agency (CISA) before, which is the organization managing this grant.

Chair Torres:

Has there been any collaboration with the federal delegation to help advocate for this grant to come to Nevada?

Mr. Patel:

Yes, we work with our federal partners on this. The Department of Emergency Management is managing the grant for the State. They have a good relationship with the federal partners because they manage other grants as well, so we are getting a grant disbursement for the State. What they do is they give a bucket for the State, then let the State disperse it internally. That internal disbursement is managed by the Governor's Cybersecurity Task Force. We received about \$4.5 million in 2022, and approximately \$6 million in 2023. I do not know what the 2024 allocation is going to be.

Chair Torres:

Earlier in the presentation, you showed some of your staff members. Is that the comprehensive team for the Cyber Security Division?

Mr. Patel:

That is the whole team right now. We have one vacant position but do not have the budget to fill it. I would like to reiterate that we need substantially more people than what we have.

If there is anything the Legislature can do to help with that, it would be very much appreciated and very much needed.

Chair Torres:

Do you know how many staff members are generally part of an office like this in other States?

Mr. Patel:

I do not think there is an equivalent in many other States because many States are not as distributed as we are here. South Dakota, for example, just runs a service. Their cybersecurity group has oversight over all their local and county governments; they manage it all centrally. It is one big central system. There is a legislative mandate in the State that OCIO cannot manage cybersecurity for other groups, which is why my Office exists—to help coordinate between State and local entities. I cannot say specifically, but I do know that California has a cybersecurity incident response group with around 150 folks, for example. Our resources are significantly smaller than most other States. Part of that is because we are split up; the resource allocation has not been made yet.

Chair Torres:

Does the Office respond directly to incidents? I remember the CCSD incident where many teachers' personal information was stolen; I was one of those teachers. It caused student information to be released as well. Does your Office respond to those issues? What role does your Office play once an incident has occurred?

Mr. Patel:

I always reach out and offer my assistance. Some groups choose to take it, and some choose not to. In CCSD's case, they reached out to the insurance company, and the insurance company said they did not want my assistance at that time. They did have me come and sit in on interview panels to provide expertise when they were looking to hire their CSO, so I aided in that way. There are other groups who have reached out to me directly. Nye County has reached out to me when they have had issues, and I have worked with their staff to help investigate cases. If groups reach out or I hear about it, I will offer my assistance. If they choose to accept my assistance, we are there to help, but I am not going to obligate myself on anyone. That is not within my scope. I do not think that should be within my scope. I function better and am able to build better relationships and coordination by being an assistant of a requesting group versus an obligatory group.

Chair Torres:

I am very interested in this; it was a very helpful presentation. I do not know that you have been here before, at least not to our Committee. It is good information for us to have. Hopefully, we can target issues with cybersecurity within the State. How would you expand and help address the issues going on in the private sector that impact the public as well, like that MGM issue that occurred last year and again earlier this year? If you had your dream budget and staff, what would that office look like so it could address the scope of work that you wish you could address?

Mr. Patel:

While the incident response side gets a lot of public attention, a big focus on cybersecurity is on the preparedness side. I would have a good team to help build preparedness resources and infrastructure, resiliency resources to aid all groups across the State. As my day-to-day work—I would hopefully not be doing instant response day-to-day. That would mean we are in a terrible situation as a State. When an incident happens, I want to provide expertise that most groups would not be able to keep on staff because they do not have a day-to-day need for it. Most groups do not need a cybersecurity forensics expert on staff. They do not need someone to do low-level data recovery on staff day-to-day because that is not something they would need, except in the case of a cybersecurity incident. Hopefully they are not having cybersecurity incidents often enough to make having someone on staff worthwhile. That is the kind of expertise I could collect within my group and make available to different groups to tap into as needed. That is a good way to focus my resources in a more centralized way that helps alleviate the burden for different groups across the State. That is in the case of incident response.

Regarding preparedness—what we should do is where I have already started by providing tools and resources that can be shared across the board. One of the tools we stood up is an external scanner. We basically stood up access to a tool that lets us go through and scan all public websites for public groups across the State that wish to participate. We have approximately 500 to 600 Internet Protocol (IP) addresses, different computers, and sites across the site we are currently working with. We are open to looking at more to go through and scan those to see the things our attacker would see when they first look at that site. Then, we present that knowledge to the IT staff managing those sites so they can work to fix those holes. The deployment of those resources would benefit the State and is where I want to focus the energy of the group. I am not sure if that answers your question.

Chair Torres:

We will continue this conversation off camera, but that is helpful information. This Committee looks forward to continuing to work with you on those issues. I do not believe

**AGENDA ITEM VIII—PRESENTATIONS RELATED TO PUBLIC WORKS
ACTIVITIES IN NEVADA**

Chair Torres:

Our next presenters are The Associated General Contractors of Nevada. Begin when you are ready.

**Alexis Motarex, Director of Government Affairs, The Associated General
Contractors of Nevada (AGC):**

I want to start by giving a brief overview of the AGC and the economic impact construction has on Nevada. We were founded in 1939 as a statewide trade association to act as the collective voice for the construction industry in Nevada. The mission was simple then, and it remains today, to improve the quality of construction in Nevada and protect public interest with skill, integrity, and responsibility. We represent all aspects of commercial construction: heavy; civil; building subs; and specialty. While we were founded as a statewide organization in the late '80s, the Las Vegas chapter was founded and are now known as the Nevada Contractors Association. We represent everything north of Tonopah, and they everything south. The construction industry makes a sizable contribution to Nevada's overall economy. In 2023, nonresidential construction spending totaled \$10.6 billion and

contributed \$14 billion to the State's gross domestic product (GDP). We are the fifth-largest private employer in Nevada with over 120,000 currently employed in the industry earning an average wage of over \$31 per hour, which is roughly \$3 per hour higher than Nevada's average wage. Our members understand their employees are their greatest asset. Not only do they pay a wage that affords a middle-class lifestyle, but their safety is prioritized above all else. Every shift begins with a safety talk to ensure workers understand the job for the day, the risks and hazards involved, and the measures they need to take to mitigate those risks. Some obviously are out of our control, namely the behavior of the public in and around job sites, specifically on our roads and highways. We just launched a campaign to raise awareness for the driving public to slow down in work zones called "Respect the cone. My family needs me home." This is a partnership between AGC, our members, public agencies, and local labor organizations in Northern Nevada to save lives. We have also partnered with labor and other stakeholders on workforce development. The construction workforce has not rebounded from losses suffered during the Great Recession. We lost a lot of people during that time who either left the area to find work or changed career paths. Now, during a construction boom when we need more bodies, we are also competing against the growing number of manufacturing and tech jobs. To help combat this, we have created a workforce development committee whose focus is to find ways to get people interested in the trades. We work with the Washoe County School District (WCSD) and the Northern Nevada Apprenticeship Coordinators Association (NNACA) to host an annual Construction Career Day for Northern Nevada middle and high school students. We participate in career days at local schools. We work closely with Truckee Meadows Community College (TMCC), UNR, and we have a strong partnership with Ace High School, whose mission is to teach skills for careers through integrated academics with a focus on workplace readiness. ([Agenda Item VIII A](#))

As I mentioned, we partner with labor organizations on many things. The Agency has always represented both union and nonunion contractors and subcontractors. While we do not always agree, the relationship is symbiotic. Our member companies need employees to complete jobs, and unions need employers to put their members to work. Neither party benefits if one is working against the other. At the local level, we work well with our labor partners and have cultivated strong relationships with them over decades. We have also always been a proponent of prevailing wage. It creates fair competition, prevents a race to the bottom on bids, and protects employees and insurers. Workers are paid fair wages, and it attracts a more skilled and experienced workforce and creates a more equitable and stable labor market. In 2015, when Republicans had the majority in both houses and the Governor's Office, a bill passed early during session repealing prevailing wage. It was the Nevada AGC and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) who worked hand-in-hand to repeal the repeal and make sure it was put back into law by the end of that session. Existing law works to protect the employee and the public. Where we might disagree is on the expansion of prevailing wage. Proposed expansions that have been introduced over the last several years would have added significantly to the cost of compliance while not adding value to the taxpayer. To be clear, the cost is not in the wage itself; it is in the compliance, the documenting, and reporting. The contractors with me today can speak more directly to that, but the bottom line is that if the cost goes up to do public works projects, there will be fewer of them, thus fewer jobs created. Existing law allows for the greatest value for taxpayers and the highest number of skilled labor jobs. We have serious infrastructure needs in the State we have not been keeping up with. Nevada's Department of Transportation (NDOT) has a \$250 million per year shortfall. There are more of us, and we are driving more, but revenue cannot keep pace because our roads are funded primarily through the gas tax. This has a direct impact on every Nevadan. Our deficient roads cost every motorist roughly \$685 per year. We also see \$164 billion in goods shipped to and from sites in Nevada. We need quality roads for

commerce, safety, and efficiency. We have not raised the gas tax since 1993, and it is not indexed to inflation. So that 31-year-old dollar is equivalent to 44 cents today. The average fuel efficiency in 1993 was 17.3 miles per gallon. Today, it is 28, and we are seeing a growing number of hybrids and zero-emission vehicles on the roads. They contribute very little, if anything, to the Highway Fund. The Clark County fuel revenue indexing (FRI) is set to expire, which will be detrimental to the Regional Transportation Commission (RTC) of Southern Nevada's efforts to build and maintain roads here. We implemented FRI in Washoe County in 2010 without an expiration date, and it has contributed over \$700 million for roads to date. The State Public Works Division has hundreds of millions of dollars in deferred maintenance, and local governments are struggling and cannot make proper investments in infrastructure because our property tax system is broken.

We are already behind on what we need to build and maintain in this State. Making things more expensive by expanding the definition of "site of work," requiring prevailing wage to be paid on deliveries to a public works job site, broadening the definition of what a "public work" is, and additional apprenticeship requirements all add to the cost of a project at the expense of skilled-labor jobs. We have challenges and hope to be able to work with all our partners, Legislators, labor, and public owners to find solutions that make sense. We started with work zone safety. Last session, we partnered with labor to pass SB 107, which allows for ghost State vehicles to be parked on NDOT projects with flashing red and blue lights to slow traffic. Next session, we hope to work together to expand work zone safety efforts and try to pass allowing for automated traffic enforcement in work zones. As I mentioned earlier, we partnered with several public agencies, our Laborers Local 169, Operating Engineers Local 3, and the Plasterers' and Cement Masons Local 797 on the Respect the Cone awareness campaign that launched on Tuesday. They all gave sizable financial contributions to that, which we appreciate.

We have labor shortages. We need to work together on efforts to recruit and retain the next generation of construction workers. Legislating minimums of apprentices on public works will not fix the problem. If there are not enough people enrolled in the apprenticeship programs, we cannot put them to work if they are not there. We feel existing prevailing wage laws work. Many times, we hear testimony about terrible things that have happened to employees of contractors, how they have been abused and taken advantage of. We do not want those contractors operating in Nevada more than anyone else does. Last session during the bill hearing on AB 210, we heard about a contractor who stole wages and threatened employees if they spoke with city inspectors; those things are already illegal. That was a private project. Changing prevailing wage laws would not have done anything to fix that particular issue. For the record, we supported the double penalties for willful violations for improperly paying workers. We also supported the provision that would require employers to provide new hires information on where to find prevailing wage rates, so they can be fully informed and know their rights. We worked with the proponents on amending the bill and are thrilled that those provisions are now codified. We are advocates of following the law. We offer trainings with the labor commissioner, Occupational Safety and Health Administration (OSHA), legal experts, and others to make sure our members understand the law and how to comply with it. Companies have to apply for membership to our Chapter. If a company has a history of operating illegally or unethically, they will not be allowed to join. We pride ourselves on the skill, integrity, and responsibility of our members. What we need to do is work together to get the Office of the Labor Commissioner the resources they need to properly investigate and enforce existing laws.

Finally, we need to invest in infrastructure. We need to work together to find equitable and sustainable ways to fund our roads and highways. Every year we wait, we fall further behind. We need to make adequate investments in our own publicly owned buildings, and

we need to fix our property tax system so local governments can invest in and improve their infrastructure. These are all hard things to do, and they are not sexy, but they are necessary. Doing so will create thousands of well-paying skilled-labor jobs, which is a win for all of us.

Now, I would like to have my members who live and breathe this every day, who take the responsibility of owning a company and providing for the livelihood of their employees very seriously, talk briefly about their business and doing public works in this State.

Jarrett Rosenau, President of NV Operations, Clark/Sullivan Construction:

We are a general building contractor headquartered in Northern Nevada in our 50th year of business. We are also a union contractor, signatory to both carpenters and labor trades. As a general building contractor, we manage a much larger volume of subcontractors and vendors than our heavy civil contractor colleagues. We typically have over 40 subcontractors on each project, and as a rule of thumb, approximately 75 to 80 percent of those are union contractors. As a union contractor with a lot of union subcontractor relationships, we see labor organizations as partners and not adversaries. This would be a good time to touch on project labor agreements (PLAs). We have administered a number of PLAs, and we are not in favor of those. That might sound a bit counterintuitive since we are a union contractor, but our experiences there are typically unique to each project based on the location of the project and the negotiation of the PLA itself. It limits the market, increases costs through less competition, and they also create a large administrative burden as well. We are also big supporters of prevailing wage for all the reasons Ms. Motarex touched on. Our pressure points are not with unions, and they are not with wages. We simply want to do what we do best, which is build projects for our clients at the best value possible. Our pressure points are legislative actions that add administrator costs to the project we build. For example, consider any bill that expands the current framework of prevailing wage. We will have more time and resources to certify those requirements are correct, and so will the 40-plus subcontractors on all our projects. There is a drastic compounding effect that any additional requirements created, not to mention the additional resources needed at both the client and State levels to confirm final compliance with the law. Overall, this transferred budget that would have been otherwise manifested as brick-and-mortar construction to indirect costs to administrate the project. This reduces the overall number of labor hours the project can support, reducing the overall workforce that would have otherwise been on the project. This example represents the unintended consequence of legislation that could actually reduce construction jobs. The examples Ms. Motarex touched on also reinforced this illustration.

In closing, our goal is to maximize the taxpayer dollar and produce as many construction jobs as possible by creating the most brick-and-mortar constructions. This is best achieved by close collaboration between elected officials, representatives of labor, and construction industry leaders to safely grow our industry and grow a much-needed construction workforce. We look forward to continuing to partner with you with this goal in mind. Thank you for the opportunity to be here today.

Robert Sandoval, Vice President, RHP Mechanical Systems:

We operate in Northern Nevada and a bit in the northeastern rural areas. We have been in business since 1950, so longstanding in Northern Nevada. I want to talk about the expansion of prevailing wage. It is not an issue as far as the labor cost or the expansion of the labor rate for us. We are signatory to three different contracts: plumbers and pipefitters; heating, ventilation, and air conditioning (HVAC), and sheet metal workers. In

almost every instance, our craft employees are paid higher than the prevailing wage. For us, it is not the pay-rate issue; it is the ancillary administrative items that come along with it. Typically, those are not job creators; they hinder. Going back to what Mr. Rosenau said, it adds cost to the public project. We ask to be part of the conversation when discussing ideas to open prevailing wage. I appreciate your time.

Jeff Bean, President, Heavy/Civil Group, Q&D Construction:

Q&D is a union contractor that has been in business since 1964. We currently have more than 11 local union agreements, a regional agreement, and a national agreement. One hundred percent of our work is union-related, and similar to Mr. Rosenau's company, approximately 80 to 85 percent of our subcontractors are also union. I want to expand on the impact of PLAs. We have completed one building project, are currently building one, and have bid several projects. These agreements have similar impacts to the expansion of prevailing wage in that they reduce the value of the public dollar. We deliver less project for the same dollars because of the inefficiencies they bring. Each PLA is negotiated individually for projects, and every company who works under that PLA has to learn the intricacies of the new agreement. That typically leads to errors along the way, backtracking, and cleaning up issues that arise because it is not the standardized agreement normally applied to projects. At the very least, these agreements add complexity, and at their worst they revise the standard language.

We get less participation by subcontractors if it is a small subcontractor or an insignificant trade. It becomes difficult for them to participate if they are nonunion because they cannot keep the same staff on the majority of their projects, and they have to add staff to work on the PLA-managed projects. If it is a larger scope, we get reduced to only union contractor participation due to the inefficiencies associated with signing a PLA. Having to manage two staffs or two sets of payrolls, depending on what job an individual is on, results in local contractors becoming noncompetitive, and we see more participation from out-of-state contractors. In conclusion, in the Northern Nevada and rural counties, we do not see any issues, and I can only speak to that because that is where my experience lies. It is already difficult to get subcontractor coverage on many of these scopes of work, and by adding the complexity or oversight associated with PLAs, we are only going to reduce subcontractor participation, which leads to higher costs and less efficient public dollars. We look forward to working with everyone in the future to come up with solid solutions.

Chair Torres:

Thank you for the presentation. Are there questions in Northern Nevada? Go ahead, Senator Daly, when you are ready.

Senator Daly:

Just a few questions—I will not go into too much of it. I know everybody at the table. I have spoken with them on many issues over time. I disagree with some of the comments made on their evaluation and understanding of how PLAs work. Some of what they said, I would disagree with strongly and say it is not true, but everybody has their perspective. We will leave it at that.

My question is for Ms. Motarex regarding the expansion of prevailing wage. I know everyone has their opinion on that, but if you support prevailing wage—I am assuming that if a project is on public land, for a public purpose, and financed at least in part with public money, that you would agree prevailing wage would apply to those type of projects.

Ms. Motarex:

As existing law is written, yes, we support prevailing wage.

Senator Daly:

That was not exactly my question. People try to get around prevailing wage and build projects that have novel financing mechanisms that are for a public purpose, potentially not on public land but sponsored by a public agency—people use these novel ways to get around the basics of when prevailing rates should apply. As you said, the law as written is intended to for a public building, public use, public money. It should be covered whether or not people look at that as an expansion—people try to get around that all the time. Do you support the basic concept that public use and public money should be covered?

Ms. Motarex:

Yes. Novel financing issues—I know there was a bill last session that addressed that. We ended up being neutral on that. Any changes to existing law—as we all say, the devil is in the details—we would have to look at it. The basic premise of prevailing wage and when and where it is used—yes. The way that existing law is currently written, we are in full support of.

Senator Daly:

Understood, and I am not trying to trick you on anything. I know SB 226 was the Majority Leader's bill, and there were amendments to get it to a point where you would at least be neutral. Some things I think people have gouged—I do not want to put words in your mouth—as expansion are areas where it should be applied. It is a gray area, and people are trying to evade. I was trying to get a feeling on where you were on that.

Ms. Motarex:

We are advocates of following the law, and any efforts to evade and circumvent the law, we would not support. It is not the contractors who set up their financing for these projects; it is how the job is bid and how it is defined. Our members just bid the work.

Senator Daly:

I understand that contractors are not making those determinations. It is the owner or whoever is putting out the project for bid. To make sure we have the same understanding, I know there are additional costs for public jobs—the costs that were alluded to today—that are barriers or add to the cost of the job in order to comply with the law. When we are talking about public dollars, there is a reason we have public bidding, and there is a process that ensures there is not bid shopping and people have access to jobs. We can go through the whole history, but you guys know it already. Is that an issue you have on public jobs that you do not have on perhaps other jobs? Yes, but it is also there to protect contractors, local workforces, and public dollars. Same with the requirement to pay prevailing wage, which goes back to a federal statute—Davis Bacon in the early '30s—and it was adopted by the State of Nevada very shortly after and was also designed to protect local workforces. That law, and the whole idea and concept, was to establish a stable mechanism where workers are paid at an established rate in the community. We do not want that to be undercut by other people coming in saying they are going to compete, just on lower wages. Prevailing wage is meant to protect local workers, local contractors, and the local economy. Yes, that comes with administration to make sure it is complied with, public bidding,

et cetera, but I do not think those are bad things. I just want to make sure we are not talking past each other on these questions. PLAs are a different issue. You can like them or not, but the processes in place to administer public jobs, those laws are there for a purpose. If they add a bit to the cost and administration of it—it is there to protect the public as well as the contractors. Are we in agreement on that?

Mr. Sandoval:

Yes, I think we are on the same page; we may just be saying it differently. From what I was referencing earlier, we are a mechanical subcontractor. If you were to take a State of Nevada building and a building for a private business, and everything was the same—the design was the same, everything was the same. The labor would not change, the equipment would not change, and the commodities would not change. It is the process and record-keeping that go along with the public project versus the private project that have more restrictions put in place for that reporting, which adds to the cost of the job. The cost to perform and build that job in the field stays the same. It is the cost that is passed off to the public entity where it increases—if that makes sense. If I am not, please let me know and we can talk further on it.

Senator Daly:

I think we are saying the same thing, but the reason that cost—same design, same deal—you have a private owner, a public owner. A private owner has more flexibility; it is his risk, it is his dollars. How he wants to go forward and administer that and what requirements on reporting he may have is of private concern, because there are no tax dollars involved when you work on that same public job. The public has an interest in making sure that certain laws are followed through on, and that there is accountability and oversight. There is a cost to that, and it is not a negative cost when you talk about public dollars and the protection of the public and to make sure those dollars are not being moved somewhere else or not accounted for properly. It is an inherent cost of any public bidding. It is not the same way you are saying that public works cost more. There are reasons for that, and it is there to protect the public as much as the contractor. I think we are saying the same thing, but there are inherent costs for public contracts, because the public has put restrictions and rules, and there needs to be accountability and oversight that I think is worth the cost.

Ms. Motarex:

We agree, which is why we have always supported prevailing wage. We understand there is an additional cost to it, but we also want to make sure we maximize the value to the taxpayer and keep those costs reasonable while meeting all intended goals of prevailing wage.

Senator Hansen:

Backing up to the Highway Fund. Currently, I do not know what the percentage of electric and hybrid vehicles are, but they pay nothing into that fund, which is funded primarily by fuel taxes. Ms. Motarex, you and I have talked about this privately and for at least three or four sessions. Are there any States that have a good model you like where we can start taxing electric vehicles so people who drive conventional combustion engines are not picking up the whole tab?

Ms. Motarex:

There are pilot programs around the State that have interesting options. I believe Utah has an opt-in vehicle miles traveled tax. You can pay a flat rate or report your mileage. Hawaii just passed a bill that will transition all drivers to a vehicle miles traveled tax. They are uniquely situated in that they do not have a lot of out-of-state drivers driving across state lines to visit them. It was easier and cleaner for them to do that rather than trying to account for the tourism traffic like what we get in Nevada with out-of-state drivers and how to capture them once they eventually transition to a zero-emission vehicle. How are we getting them if they are not filling up at the pump here, which they currently are before they head home? We have challenges more similarly situated to the continental U.S.

Oregon has a pilot program, so there are little pilot programs all over the country. Nobody has landed on the answer, but we have been doing interim studies of this every interim that I have worked for the AGC. The most equitable and sustainable way is some sort of a vehicle miles traveled. What the details of that look like, what the rate is—but to slowly transition from taxing the fuel to taxing the miles driven, given that it is essentially a use tax. We have not found the perfect solution yet.

Senator Hansen:

So, the answer is no. For the prevailing wage argument on private versus public, I was intrigued. It is true that on larger private projects, I think one thing the Committee needs to understand is most of those jobs will still go to union craftsmen like you. I am a plumbing contractor—actually a full mechanical contractor—but I have a small crew, five to ten guys tops. Most of those bigger projects may need 20, 30, or 40 HVAC plumbing craftsmen in a one-month window. Even though it might not be officially a publicly funded prevailing wage project, it goes to the union because you are the only ones who have the base. You can go into the union hall and pull 100 guys if you need it, on one of those bigger projects for two or three months. That is my understanding, correct?

Mr. Sandoval:

Yes, Senator, that is correct.

Senator Hansen:

Well then, that is the point. The point you brought up is absolutely valid. The actual amount of money paid to the workers, the laborers, and the craftsmen is the same on a public versus a private project, because they are all working on a prevailing wage scale. Therefore, the reason there is a cost difference is exactly what you guys have brought up, that there is substantial overhead, a burden that is created by having excessive amounts of government paperwork on your projects. Is that correct?

Mr. Sandoval:

That is correct.

Senator Hansen:

Ok, good. I want to make sure the Committee understands that. We want to make sure because many times private jobs cost less, but it is not because they are paying the actual workers less. It is because of this administrative burden that is placed by the public. What percentage of Nevada's workforce is unionized in the construction industry?

Ms. Motarex:

I am not sure.

Senator Hansen:

I am going to guess 20 percent; one out of five maybe? Is it a little higher than that? Perhaps most smaller contractors like myself are the disproportionate numbers. Obviously, Q&D, Clark, and Sullivan RHP are the big guys, but most contractors are the smaller ones. The only reason I bring that up—and by the way, I do support prevailing wage. In fact, I am the Republican that back in 2015 saved that. I will give myself a little pat on the back and will explain why at some point, just not in this hearing. What I am driving at though, is if we are worried about public dollars—Senator Daly brought it up. The people paying the dollars being used on construction projects are not only union. The idea that you are only going to allow union people to work on a publicly funded project, I have a problem with that. Last thought, the PLA process. Does that not eliminate the competitive bidding process Senator Daly was talking about? The PLAs, do they not bypass the competitive bidding process? That is the idea, that you do not have to go through the bidding process. You were saying earlier that is why you do not like PLAs. If Senator Daly is worried about that aspect of the process, does this not eliminate that bidding process?

Mr. Rosenau:

I would not necessarily say that, Senator. In every public work project, you are going to have a competitive process. It is well documented and is part of those bid documents, so at least you are aware of the requirements as a bidding general contractor, bidding subcontractor, and vendor. There have been situations where that PLA comes into play and landed on the general contractors. It is a mixed bag. I think our point on it limiting competition is that you do not get to cast as big of a net to the subcontractor and vendor market due to the nature of the PLA because there is a certain amount of sophistication needed to navigate those requirements. We are not able to cast as large of a net and capture as many subcontractors and vendors who want to participate. If you have less people wanting to participate, you are limiting the competition on the project.

Senator Hansen:

Got it. Last question on apprenticeships. We passed a law two sessions ago requiring a certain percentage of apprentices to journeymen ratio-wise. Are you having a hard time filling the apprenticeship programs in the union halls nowadays? Are you having a difficult time getting enough apprentices to actually fulfill the legal requirements?

Ms. Motarex:

I am going to let these guys answer that part of the question. What I was alluding to in my comments was that there was a bill last session that would have required a minimum number of apprentices on public works projects be female. A law with which there was no way my members could comply because there are not enough women in the programs and there was no requirement on the part of the apprenticeship programs to recruit and retain women into the programs for then my signatory contractors to put to work. It is things like that where they sound good and are very well intended, just in reality they are either impossible to comply with or add such a burden to the existing burdens that it adds expense. That one in particular was passed with an amendment that put a rebuttable presumption in the language that said if you do not meet these requirements, it is because you could not. We felt it was bad policy to pass a law with which no one can comply.

Senator Hansen:

That is an important clarification. I would also point out that it is very rare that people talk about a glass ceiling in the plumbing industry.

Chair Torres:

Members, any questions in Southern Nevada? Assemblyman Carter.

Assemblyman Carter:

I am a little concerned because what I thought was a presentation on prevailing wage morphed into a bashing of PLAs, which are designed to protect workers' rights and local entities. Prevailing wage is supposed to take and provide standardized wage and benefits. Without PLAs, contractors throw that as cash on the check—the benefit portion—and we end up with a lot of out-of-state workers being a burden on the health care system on indigent care. That had to be fixed. The Legislature fixed that when it came to the Renewable Tax Abatement Program and had to mandate credible benefits be included for all levels of workers in order to battle the predatory practices of out-of-state contractors. What are your opinions on how to fix that so public dollars are creating benefits rather than burdens on government entities?

Ms. Motarex:

I am sorry you feel like this is a bashing of PLAs because it was not intended to be that. There are circumstances where they work. We are differently situated in Northern Nevada than you are down here. We do not have as many signed agreements, so it has the potential to have the reverse effect in Northern Nevada. If there are requirements for signatory subs, we would have to go out of state to meet the PLA requirement at the expense of local jobs. We are not advocating to our members that they find ways around prevailing wage jobs or providing for their employees. It is that we have challenges, so when there are blanket requirements for PLAs without consideration of what the job is and where it is located, those can oftentimes have the opposite effect of what is intended: to provide for those well-paying local jobs to help the local economy. They come in, do the work, and go home. Most likely to California, possibly Utah.

Assemblyman Carter:

How do we ensure that public dollars are going where they are supposed to and are creating genuine benefits for working men and women rather than ending up as cash on the check, like we are seeing with the rise of Google and everything else, whose health plan is indigent care? That should not be anybody working on prevailing wage. Their health plan should not be indigent care.

Mr. Rosenau:

I would say the current framework inside of the law is already intended to ensure that workers are not being disadvantaged. If it is a public project and a prevailing wage project, then we as the general contractor and subcontractors who are facilitating work have a certified payroll requirement to ensure the workers on those projects are being classified and paid correctly under the current prevailing wage rate that is published. That framework is already in place. Not to say there are no bad actors; there always are. If there is potentially a situation where somebody is being taken advantage of, we lean into it. We need to shake those guys out, find them, penalize them, get rid of them, and make sure

those workers are not being taken advantage of because these are qualified tradespeople who are very needed in our industry. We do not want them disadvantaged; we want them working. We just want to maximize as much value as possible and create those brick-and-mortar opportunities for them. I would say it is about doing the right thing, classifying them correctly, making sure we are certifying it, then the enforcement arm that balances. What we are doing on the construction side is handled with the client and with the State Labor Commission in this situation.

Mr. Bean:

You indicated there is an incentive for a contractor to put benefits on the check instead of paying for benefits. In fact, that is an anticompetitive position for a nonunion contractor. If a nonunion contractor is not offering—let us say their benefit package is \$4 per hour instead of \$15 per hour, which those are reasonable realistic numbers—they are going to pay Federal Insurance Contribution Tax (FICA), all taxes, and overtime on the \$11 per hour. If they have larger benefit packages, FICA and overtime are not applied to the benefit package. There is already an economic incentive in place to provide quality benefits under the current system.

Assemblyman Carter:

In my personal experience, it does not happen that way here in the south, unfortunately.

Ms. Motarex:

I have a union/nonunion percentage. For those firms doing public works, the number is higher, but about 35 percent of construction labor in Nevada is union. That includes pulls in residential construction, so if you take residential out, the percentage is higher.

Chair Torres:

Thank you. Members, any additional questions? Vice Chair Flores.

Vice Chair Flores:

Thank you for the presentation. You briefly mentioned creating a pipeline to get more folks into the industry. I will start by saying I had an opportunity to go to the luncheon in April, and I saw all the scholarships you were giving students. It was phenomenal, the number of scholarships you gave out. Contractors did a phenomenal work there and gave thousands of dollars to students. I am curious to know, what is the active agenda in terms of working on that pipeline? We often have this conversation here where we bring up the issue of us constantly trying to push individuals to higher education when we know that is not always the correct path, that there are alternatives like trade schools, et cetera. You must have a much deeper insight to that conversation.

Ms. Motarex:

We have always talked about it and have sort of thrown spaghetti on the wall to address the workforce shortage issue. It has been a problem since construction started to rebound after the great recession. The AGC very recently hired a dedicated person for workforce development efforts. We are in the process of refining what she is going to do and where she is looking. It is a combination of getting in front of younger kids and doing fun projects with them to introduce them to the idea of a career in construction and the array of construction careers there are. It is going into middle schools, high schools, and career fairs

with a slightly different message. College is not for everyone; the apprenticeship programs are a great opportunity to earn while you are learning. We are looking at that work-ready population as well where can we find people who may be in a lower-wage job who do not know about the opportunities in construction, have a preconceived notion of what that means, what the wage is, and have a perception of a boom-and-bust economy and trying to get in front of them. These things are a work in progress, but they have become a renewed focus. Mr. Sandoval and Mr. Bean are on the board of Ace High School. Their mission is the academic requirements the State puts on but with that work readiness component in construction, mining, manufacturing, and transportation. We are trying to get those kids out, but they only have so much capacity. I think they have 200 kids enrolled, but they have a 100 percent graduation rate. We are trying to feed those kids in and are trying to get a job shadowing program going for high school students, not just Ace necessarily, but to get kids out on into firms and on job sites. There are OSHA considerations that have to be factored in. Because it is always safety first, there are times we cannot get kids deep into a construction job before they are 18 or certified. Mr. Sandoval, do you have anything to add?

Mr. Sandoval:

All three of our companies are big advocates of finding labor. We fully understand that college is not for everybody, and for a long time college was pushed as the only path. I can tell you for myself, I did a five-year apprenticeship with the plumbers and pipefitters; I am a 16-year union member. Out of high school, that is the path I took. We are starting to see it grow and gain momentum. It would have been nice if it had done this ten years ago. From our standpoint for our employees, we have a 58 to 40, and early thirties and below. Down that middle of the road, they are not there. A lot of people either left construction during the recession, or they had such a bad perspective of construction at that time that nobody thought it was a viable path for a career. Along with the AGC, our separate companies are very much pro-labor and getting people into the trades.

Vice Chair Flores:

I know there is a huge problem with labor participation rate nationwide, particularly with small businesses. I own one, and we are having problems hiring and in general. I have tried to educate myself as much as possible on strategies that other folks in different industries are using to redesign what it means to be a good employer. Back in the day it was just compensation, but now there is this idea that it should include other emotional, mental, and miscellaneous aspects we should be providing to the employee. Has there been a shift in that conversation as well?

Ms. Motarex:

I would say that the national agency is much farther along in those efforts, and they are getting that information to their affiliate organizations. It is something we have talked about. Our concerted workforce development efforts are too young to try to incorporate everything, but it is certainly something we know is a reality. We know that working from home is not really viable for construction. There is a relatively short construction window in Northern Nevada, so we literally need boots on the ground. Some of that flexibility is harder for this particular industry, but yes. We are just not good at it yet.

Chair Torres:

Any additional questions? I do not see any. Committee Members, we still have a number of presentations, so if you could please keep questions quick and concise, we will move ahead. I am going to restructure the order a bit because the Labor Commissioner has been here all

day and has to leave at three o'clock. I invite Ms. Brett Harris to come and do her presentation next.

Brett Harris, Labor Commissioner, Office of Labor Commissioner:

I often joke that I am an NRS 338 concierge, which is the Public Works chapter. The Office of the Labor Commissioner is responsible for compliance for NRS 338.010 to NRS 338.130, so that gives us a big part of the chapter to ensure things happen. Things we do include surveying for prevailing wage and publishing prevailing wage in odd years. We also set up public works project numbers and keep a database of all projects including their status, contractors, subcontractors, amounts, et cetera. We also perform complaint compliance.

Traditionally, we perform complaint compliance in three areas. As you know, the Apprenticeship Utilization Act (AUA) changed, so we are mid-transition on that. We do prevailing wage compliance to ensure prevailing wage is paid to workers on public works projects and classification for those workers is appropriate, so an electrician is getting paid as an electrician and a laborer as a labor, et cetera. We do compliance on certified payroll reporting, so those have to be turned in within a certain number of days after the end of the month. We also do compliance on the AUA. Historically, we get about 125 complaints per type of compliance we perform. Senate Bill 82 from last legislative session changed the AUA from a complaint form to an annual reporting; that time period just opened up. It changed one other thing in a major way. The compliance for the AUA used to be required by project; it was triggered by the number of workers of a particular class. Now it is an annual requirement based on the number of hours. Contractors work in any particular classification over the course of a year. That means that where we got 125 AUA complaints, we now see something like 8,000 to 10,000 reports, if everyone turns in their report. I have been going around the State and have done about 40 presentations trying to spread the word about what that is going to look like.

On any given day, I spend a lot of my time answering questions on NRS 338. It can be confusing and difficult to navigate, and we are very aware of that. When I was invited to speak to you today, it was to give general background about prevailing wage. I am happy to provide history or education, but other people have already covered that. What I do have is a potential solution for what I think is the compliance gap. Our first line of compliance in any prevailing wage case is from an awarding body, so the public body who owns the project. Statute tasked them with auditing their certified payroll reporting, identifying any prevailing wage deficiencies, misclassification of workers—it used to be apprenticeship noncompliance, but now that will solely be an Office of the Labor Commissioner function. What I have found is that awarding bodies—the public bodies—vary greatly on their knowledge, ability, and resources to do that. It was told to me that someone did a public records request on one of the awarding bodies to see how many audits they had initiated themselves in a two-year period, and the answer was zero. Everything they did had been by third-party complaint because the other way compliance can be initiated in this realm is by third-party complaints. A lot of worker groups have compliance teams themselves. They will monitor their own compliance; they will make a complaint to the public body, and we would get a copy of that complaint. The public body then has a duty to do an investigation. I am not inside the public bodies. I do not know what that looks like. I can tell you that for some of them, there is as little as one person doing all of that for all their projects. That is for some of the biggest, if not the biggest, public bodies. I imagine the capacity for the other public bodies is even more difficult because they just do not have the resources.

The Office of the Labor Commissioner is a General Fund-ed agency. That limits what we can do in terms of expanding in any given year. We are in the early stages of working on a BDR

about potentially changing our funding model to a self-funding model where we would charge an issuance fee to issue the public works project number, which would be paid by the prime contractor. What I would propose is a very small percentage of a percentage—half a percent, a quarter of a percent—that is paid to our Office to perform compliance. If we did that, the Office of the Labor Commissioner could easily build out a public works compliance team that looks and operates more like our NRS 608 wage and hour claims. If you are not familiar, our primary responsibility as an agency is to get people in private employment in Nevada their paychecks. We get approximately 6,000 wage per hour complaints per year. That is a separate area of work we do. That practice runs like a machine with ten investigators, an auditor, and an administrator. What a self-funding model would do as an addition to growing our resources, it would give us the funds to add no less than an additional three investigators, two auditors, an administrator, and a chief in charge of that team in order to actually do the compliance. Then, what I would propose or—what I think might be easier on making it actually happen—is a referral system from public bodies to us, because it is a lot. The compliance portion is particular and very legal. If they could audit it to identify, then refer to us, we can do the investigation and treat it like our 608 wage and hour claims. I think that might be a more efficient way to perform the public works compliance. I am not the one to answer any contested questions about PLAs, collective bargaining agreements, or any of that. In terms of how compliance for it actually works and what we might be able to do to make that run smoother, that would be my proposal.

Chair Torres:

Members, any questions? It does not appear there are any questions, but we do appreciate the suggestions. We will consider those. As we are putting our BDR requests together, we can consider looking at how we can beef up the enforcement process for the Labor Commission and anything else you may need.

At this time, we will go to our next presenters. We have Rob Benner in Carson City with the Northern Nevada Building Trades and Greg Esposito with Southern Nevada Building Trades. Mr. Benner, you are going first in Northern Nevada. When you are ready, please begin. Mr. Benner, as we are looking over your presentation, a lot of this has already been hit on—like an introduction to prevailing wage, things like that. If there is anything you think has already been covered, please feel free to get right to what you think the statutorily needs of this Body are.

Rob Benner, Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada:

A lot of information in our presentation has already been covered, so I am going to try to skip over most of this to save us all time. I represent Northern Nevada Building Trades. Today, Greg Esposito is representing Southern Nevada Building Trades. We facilitate and promote state-of-the-art workforce training programs through our apprenticeships, furthering opportunities for construction career growth from apprenticeship to small business ownership. We provide a highly skilled workforce for local construction companies, partnering with local leaders and organizations to improve our communities. We also promote economic development here in Nevada. If the economic development in Nevada stops, then our members will not have jobs, and that would be bad. ([Agenda Item VIII B](#))

I will skip over a lot of this—we were going to go over what is prevailing wage and a bit about PLAs. One of our big issues is funding the Labor Commissioners adequately. I think we all know what prevailing wage is. When does prevailing wage apply in Nevada? This is

something that came up earlier. Pursuant to NRS 338, anything over \$100,000 is subject to prevailing wage. On the right hand of the slide are examples of what prevailing wage applies to.

Prevailing wage gets paid to any construction worker on a project. Exemptions are normal maintenance, janitorial work, landscaping that is not associated with the main project, emergencies—and anything that happened under emergencies—railroads, and any project under \$100,000. We also like to clarify that sometimes we see issues with entities trying to get around prevailing wage by letting out smaller contracts. For example, if they are doing a room remodel, they will break the contracts out for the flooring, painting, or framing, and put them out in the smaller contracts that all come out underneath \$100,000. When you add them all together—the room remodel requires all that—which would push them over the \$100,000 threshold.

Apprentices on prevailing wage projects are exempt; their wages are set in other means. They are the only ones on the project who are not getting the full-scale prevailing wage rate, which is one cost saving benefit when we use apprentices on projects. Not paying that full prevailing wage rate to everyone by having apprentices saves money on projects. Apprenticeship utilization saves money on projects, but design professionals, architects, interior designers, and service providers save also—like Sani-huts, et cetera.

Contractors must report subcontractors to Public Works within ten days after a subcontractor commences work. Contractors must determine compliance with SB 207, which is the AUA. Contractors engaged on public works must submit certified payrolls within 15 days of the end of the month. General contractors are responsible for the wages paid to workers, making sure they are paid the right wage rates. The contractor and any subcontractors must maintain payroll records, and contractors must comply with apprentice utilization requirements and submit required reporting documents of apprentices for public works projects.

Recent legislation—SB 226 was passed in 2023, last legislative session. It fixed the lease buyback loophole, but there are many other loopholes that exist which we would like to see closed. Many times, when a project is required to pay prevailing wage, we have to ask ourselves, is the project for the public good? For example, in the North, a developer received \$3 million in sewer abatements. It was \$3 million in taxpayer money they received in the form of abatements on a project, which ended up building apartment buildings that, for a one-bedroom apartment costs, \$3,000 [to rent]. We think prevailing wage should have applied on that project, and that is one of the loopholes we would like to see closed.

Assembly Bill 227 would have dramatically reduced worker misclassification in construction, but it is currently tied up in the courts. This bill was passed in 2021, and it had to do with using temporary workers to avoid prevailing wage. This bill was brought by the Nevada Contractors Board to close a loophole we did not know existed. There was a case in Tahoe on a private project—it was not prevailing wage. It was on a private project where a painting contractor was using temporary workers from another painting contractor based in Texas. Those workers were not getting paid by the supposed temp agency, which was another contractor who was not licensed in Nevada. The contractor who was licensed here was fined by the Contractors Board. They appealed, and the Judge who heard the case said the law was too vague. That was when the Contractors Board and Building Trades worked together on AB 227. It was passed, ended up in the courts, and has been sitting in a court in Northern Nevada for the last two years without any decision being made. We talked about SB 207 and SB 82 (2023), which is requiring registered apprentices on public works projects.

Project Labor Agreements can protect the public good. There is an example that happened with rural broadband in the North. One benefit of PLAs is the contractors going on to a project know exactly what they are in for, what job site rules are, what wages and benefits are going to be, what their apprenticeship and training programs are going to use, overtime, per diem—all that could be set in a PLA. We have a project in the North on rural broadband. The workers are not getting paid on the project because I do not think the contractor fully knew what he was getting into. There was an article from KOLO 8 [News] recently that stated the contractor did not realize he was going to have to pay per diem and prevailing wage. Right now, Uprise Fiber, who got the contract, has \$9 million from NDOT funding they are not willing to do anything with that could have potentially helped that project.

One of our focuses every session is making sure the Office of the Labor Commissioner is adequately funded. We heard from the Labor Commissioner on a BDR she is proposing. We put a couple points we have seen in the past—we are not necessarily endorsing these—these are things that have come up in previous sessions that could be potential problem solvers. For reference, California requires contractors to pay \$400/\$800/\$1,200 registration fees to bid on public works projects. Oregon and Idaho also have separate provisions for contractors to work on public works projects. There are ways to adequately fund the Office of Labor Commissioner. That is my presentation, I will turn it over to Greg Esposito to cover the South.

Greg Esposito, Owner, GE Consulting:

I represent the Nevada State Pipe Trades. Today I am speaking on several points for the Southern Nevada Building Trades. When a union representative comes to the table, speaks, and testifies, most people see the organization. I want you to get rid of that for a moment and see me as a worker, because that is who I am speaking for right now.

You are talking about businesses, multimillion dollar industries, et cetera. You must understand the conversation we are having is about workers, what workers need, and making sure they are safe. Wage earners are the backbone of Nevada—from the mines in Elko to the entertainment industry in Washoe and Clark Counties. None of us are here without that backbone. There are so few known protections for such a—Ms. Motarex mentioned the size of the construction industry—that is just the construction industry—and so few construction workers understand the protections they have; some have experienced the protections they do not have. I want to touch on those because I want to bring the human element into the conversation today.

If you walk into a big box store and walk out with a set of golf clubs, there is an entire system in place to track you, hunt you down, prosecute you, and put you through the court system. You call 911; it is very simple. There are detectives who will look at the video footage and a judge who will rule against you, but what if somebody steals your wages? What if you have gone to work, worked all week—your employer has a legal right to hold your wages for an extra week, which I do not understand. Now you are depending on that wage you earned two weeks ago to pay your rent, so your kid is not out on the street. When you get your check, you see they decided to short your wages, either the hourly rate or the number of hours you worked. You go ask, and they say, “I did not like your productivity last Thursday. If you say something about it, do not worry about coming to work tomorrow.” Now you are faced with the reality of, well, I am check-to-check, and I am either going to suffer this or I am going to be unemployed, searching for a job, and I am going to be out on the street. That is the reality for wage earners across the State. If you have not been a wage earner and you have never experienced it, let me tell you, it is

a horrible feeling. I have been a wage earner; I have experienced that. If you do not have backup, if you have kids at home, and you are on the brink, you just take it—because nobody knows who to call. If you were not in your positions, you would not know to call the Labor Commissioner.

I am going to go over some things to show that even if you did call the Labor Commissioner, it is an onerous process to get what you are owed. I had a friend who knew I was in the union and knew I knew labor laws. She was getting cheated by a fast-food chain, and she knew it. I had her start documenting everything she could. Documented the fact the labor law posters that were supposed to be hanging up were not there. Documented the fact the manager could easily change your time sheets when you punched in and out. When she did get fired and did not get paid her wages at all, I knew who to call; I knew where to file the forms. The investigator had me submit everything. Two weeks later, the company was able to submit what they wanted. Then two weeks later, we were allowed to submit answers. This went on for about two months. They wound up with a phone interview; my friend was on the spectrum and that did not quite go over too well, because some people do not do well in phone interviews. After two months, she wound up receiving \$550 from the company, which is about half of what she was owed because they cheated her on her wages. That is not uncommon.

The previous Labor Commissioner, Ms. Chambers, did a very brave thing one day and met with day workers who had been cheated. Unfortunately, she had to leave the meeting because the only answer she had for them was “I cannot help you; you did not have signed contracts. You do not have physical proof that you actually worked for these people.” There were other reasons she could not solve their problems. Here was the backbone of our community having gotten cheated. I appreciate the contractors and organizations that come talk about the fact that they are going to make a half million dollars less this year. They have to spend money on administrative costs, but when you think about the million-plus wage earners who are in this State, I think we need better enforcement. I am very much in favor of what Commissioner Harris talked about—there are other states that have set up fees that fund this administrative cost—that fund the process of making sure workers are made whole.

Right now, unions and Labor Management Compliance Councils are the enforcement mechanisms. We are the ones who look at these documents, these certified payroll reports we pull through public records requests. They are onerous; you have to pour through them. In Nevada's history, when it was private organizations who had not enforced the law—I think they we are called Pinkertons—they were not great for Nevada's history. You want the Labor Commissioner's Office to start doing this and not rely on private industries and people like us.

I brought this report as an example; it is an interesting one. One week, the workers were getting paid \$70.63. Another week, the workers were getting paid \$70.41—a 23 cent difference. Nobody could tell me why. I sent this information to the Labor Commissioner, and I received an email chain back saying, basically, “Hey, Greg, you did not file the right reports with the right people. You have to go back and file a report with different people.” I asked, “All right, what are the right reports with the right people?” He went through it, and they sent me multiple pages. This is the sample document—that is three pages. This is the procedure and what we are looking at—this is 14 pages. If you are a guy who got cheated out of \$1,000, and you need to pay your rent, you do not have the wherewithal, the time—heck, if English is not your first language—you do not have the ability to go through this and file the reports that are currently necessary to protect your wages and protect yourself. I will note that this investigator was responding—this email chain was happening on

a Sunday. Your State worker was so worried about keeping up with his workload, the guy was working on a Sunday.

Let me tell you what happens when you have a successful case. This is an investigation I launched into a contractor on October 30, 2023. "The City of Henderson has reviewed all the requested documentation and found that the contractor," I am not going to name names, "did not employ the required apprentices or request the required waiver for the job in question. Based on the LCPtracker reports, there were three different trades that should have had apprentices throughout the job for a total of 132 hours." Here is an interesting sentence I picked up on earlier: "It should be noted that the sign-in sheets from the job do vary in classifications compared to the record reports." Basically, what that sentence said is these reports which tell you what the person did and how much they should earn, do not match up with the sign-in sheets on the job site. As Commissioner Harris said, there is no auditing process. Henderson does not have somebody who can sit, check, and compare the records. I will be filing another complaint and Freedom of Information Act (FOIA) request on that one.

The City did its best comparison of both records. Therefore, I have determined the contractor has violated NRS 338.01165 by not providing the required percentage of apprentices. The City will elect to not impose and forfeiture penalties for this violation. There is not a clear calculation that may be used to impose fines for this violation and the City does not want to assume a dollar value.

In the first sentence, they said, "Yes, the contractor we are working with broke the law. No, we are not going to do a thing about it." That is pretty bad. Law says you have to hire apprentices. Contractors know they can get away without doing it. When you say, "Do not beef up the prevailing wage laws, do not make it to where they are enforceable." That is when unscrupulous contractors—not the good contractors that are in this room; I trust these guys. It is the unscrupulous contractors who have no concern for their workers—no regard for their wage earners, for that backbone—that we must continue to go after. That is why we need to fund the Labor Commissioner's Office. I hope you listen to what Commissioner Harris said and what needs to happen there.

There are two things I want to bring up that are slightly different. Right now, there are a lot of businesses doing work as contractors that do not have contractors' licenses. They are using different loopholes, ambiguities in the law; I have identified those. I think it might be worth taking a look at businesses that should have contractors' licenses operating without them and trying to close those loopholes and ambiguities.

One final thing Ms. Motarex mentioned was how, on average, her contractors hire workers—I think she said \$3 an hour over the State average. Workers' compensation rates are calculated on the State's average. If the majority of construction workers automatically earn over the State's average, and if one of them gets hurt—which is a trade that is likely to have people who get hurt—and workers' compensation is calculated off of the State average, then workers I represent are always going to be behind the eight ball if they get hurt, and those workers are going to go back to work sooner than their doctor recommends because they have to make their wage. I would like to have conversations about adjusting the formula for people who work on prevailing wage projects and construction projects to better represent what their wages should be if they are having to collect workers' compensation. I appreciate the time and the Committee's attention. I hope I have helped you understand the impact that action and inaction have on the backbone of the State. Thank you.

Chair Torres:

Thank you for the presentation. Members, are there any questions?

Senator Daly:

Yes, a couple of quick questions. Mr. Benner, these should be yes or no answers. On PLAs, I wanted to push back and clear the record from what we said before. A PLA is a single-job agreement between the owner of the project and a labor organization. The people bidding on it—the contractors—are not parties to those agreements. The owner wants it.

Mr. Benner:

That is correct. It is an agreement between the owner and labor.

Senator Daly:

When the owner puts out the project, a contractor can take that business opportunity as it is presented to them, or they can walk away and say, "I do not want that business opportunity."

Mr. Benner:

That is correct.

Senator Daly:

When the contractors were saying, "Now that I am the prime, and I have to put it out to my subcontractors," the same thing applies to those subcontractors. If they want to take the business opportunity, that is fine, but no one is forcing them to take it either.

Mr. Benner:

That is correct.

Senator Daly:

Right. When they say it eliminates the competition and there are fewer contractors—I guess the person they should be complaining to would be the owner who wanted to build the project using these terms and conditions for the owner's benefit, or he would not be entering into these PLAs. Is that fair?

Mr. Benner:

More than fair.

Senator Daly:

Contractors, go complain to the owners who are entering into PLAs, and take the business opportunity or do not.

Chair Torres:

I do not believe there are any additional questions. Thank you. At this time, we will move on to presentations on State and local business licensing.

AGENDA ITEM IX—PRESENTATIONS ON STATE AND LOCAL BUSINESS LICENSING

Chair Torres:

We have a number of presentations on this issue. I believe next is a joint presentation from representatives of Clark County, Henderson, Las Vegas, and North Las Vegas.

Jennifer Willeford, Operations Manager, Clark County Department of Business Licensing:

We put together a presentation on multi-jurisdictional business licensing in Southern Nevada. First, I would like to preface with saying this is a project we work on closely together as jurisdictions within Southern Nevada. Multi-jurisdictional business licensing (MJBL) is a business license category that allows a business to apply in one jurisdiction but operate in participating multiple jurisdictions under one license. Currently, only one category exists for that—Nevada State Contractors. ([Agenda Item IX A](#))

Michael Cathcart, Operations Manager, City of Henderson:

Senate Bill 110 was proposed and passed during the 76th Legislative Session. The law required Clark County, the City of Las Vegas, the City of Henderson, and the City of North Las Vegas to establish a business license type that would allow a State-licensed contractor to operate in multiple participating jurisdictions with one license. Senate Bill 110 set a deadline to the jurisdictions of one year for implementation, and we implemented the MJBL on June 17, 2012.

This was going to be a huge project; it was going to be all four jurisdictions, all contractors. First, we set up a Steering Committee, which consisted of CIOs from all four jurisdictions and the business license managers from all four jurisdictions. This Steering Committee was chaired by the Clark County CIO at the time. The Steering Committee then set up a strong governing structure to determine how to implement this project in one year. They appointed a Project Manager, and we established four working groups. The four working groups included a Finance Working Group led by the City of Las Vegas. They created the processes on how to transfer money between entities when we accepted funds on behalf of one entity to issue a license on their behalf. They also made sure we were audit-ready regarding transfer procedures of those funds between the four jurisdictions. We had the Legal Working Group, which produced the ordinances we put in place. We had to make changes to our ordinances, changes to time frames we issued licenses for. We also put together two inter-local agreements at that time.

There was the Business License Working Group that was chaired by the City of North Las Vegas. The important thing I want to mention with the Business License Working Group is the data cleanup we had to go through. We went into this process with 13,000 licenses across four jurisdictions. Many of those were the same company operating across the Valley in all four jurisdictions, but we may have had them listed differently in each of the four systems. It depends on the timing of when they received their license. It could be ACME, Inc., in the City of Las Vegas. In the City of Henderson, when they went to license there, it might be Acme Inc., without the comma; that is a different record when talking about databases.

We had to clean that data across all jurisdictions, which was an enormous task. We had an IT Working Group come up with an ingenious way of doing this for us: they created

a Central Data Store that is currently housed at the City of Henderson. That Central Data Store allows us to have an integration to the Central Data Store to each of the four entities. Instead of having twelve integrations of each entity integrating with the other three, each entity only has to integrate with the Central Data Store. We send and receive information from the Central Data Store several times a day. If you are in the City of Las Vegas getting your license, you can also get approvals for zoning, et cetera, because the City of Las Vegas is your home jurisdiction. At that time, you will have the opportunity to check the boxes for Clark County, the City of Henderson, or the City of North Las Vegas and pay those fees at that time. Then, several times a day, the City of Las Vegas system will send that information to everyone else. If you go to Henderson and want to pull a building permit, you are already showing in the Central Data Store and the City of Henderson licensing system that you are a licensed contractor with Henderson. You have done that through the City of Las Vegas, which is your home jurisdiction.

To wrap up what we did in the past, we had to update our ordinances and line up our renewal periods. Each contractor is licensed in their home jurisdiction. Wherever their brick and mortar is, that is their home jurisdiction. They walk into that building or use one of our online processes and can get all four licenses, if that is what they are looking to get. The process took just under a year. At certain times throughout that year, there were 60 employees working on this project across the four jurisdictions. We tracked all our costs, and it cost \$1.4 million to implement this just for contractors. I do not want to minimize and say, "just for contractors," because it is the largest license type in particular—the largest license type that travels between the four jurisdictions; so, it was well worth our time and effort.

I want to talk about what has happened since. The four of us sitting here—we are the folks who write the ordinances when things change in the licensing world. In the City of Henderson, I have a staff of ten people in business license. When things change, and we must change ordinances and go down different paths of new business types, it takes an enormous amount of time. Since we started multi-jurisdictional business licenses in 2012, we have done medical cannabis—started that from scratch, written ordinances from scratch. We have done recreational marijuana after the ballot measure passed. In 2013, there were zero dispensaries in the Valley and State; there were zero cultivation facilities. Now, we have many. We have a well-regulated industry and had to spend several years working on those projects. In 2015, we had legislation that cleaned up our relationship with SilverFlume and enabled us to move forward with putting application materials on and getting better access to SilverFlume. We did that project through the Southern Nevada Forum and had legislative sponsors through the Southern Nevada Forum for that project. In 2020, the folks sitting at the table—we had a lot of responsibility during the COVID-19 emergency response with business shutdowns. We talked once a week, sometimes once a day, to make sure we were all doing things the same.

In 2021, we had short-term rentals, cannabis consumption lounges, and liquor delivery. In 2023, we now have street food vendors we are writing ordinances for from scratch. We had a lot come down the pipe in the last ten years, but we have had productive conversations about MJBL and what it is going to take to expand it. Some of that is us being able to devote time to change some ordinances and other things we need to do internally in each of the jurisdictions. We are looking forward to that. I am going to turn things over to the City of Las Vegas to discuss the future.

***Minerva Gomez, Business License Section Manager, Business Licensing Division,
Department of Planning, City of Las Vegas:***

From the beginning, the expectation with MJBLs was to have multiple categories added in phases as we were able to adapt and ensure our systems could handle other categories. In 2014, the City of Las Vegas went through a major overhaul of their business license system and platform. There were a lot of bugs we had to work through, then everything else started happening. In addition to everything that happened, we had a lot of transitions in management; we all experienced that. It slowed down the conversations, but last year we started the conversations again, discussing what it would take to add additional categories to this program. We also had discussions with the SOS earlier this year and our IT teams. They are working through a vendor to upgrade SilverFlume, and we are going to circle back to them once that was completed. We look forward to those conversations.

Cissy Flores, Business License Manager, City of North Las Vegas:

We are all currently working together to add additional categories to the multi-jurisdictional category. We have talked about a few, like sidewalk vendors and non-contractor maintenance services. Those are a few being discussed at this time.

Chair Torres:

Members, any questions? I do not see any questions. Thank you for the presentation. We will go ahead and go on to the next presenter on this agenda item. I believe the Office of the SOS is in Carson City; you may begin when you are ready.

***Shauna Bakkedahl, Deputy SOS, Commercial Recordings Division, Office of
the SOS:***

Good afternoon, Committee. Thank you, Chair, for inviting us to present today. There are a few things I am going to go over. I had quite a bit on my presentation, but I am going to cut it back—you have been here a long time. Some things we were asked to go over were in relation to the SOS's role from a business licensing perspective, what the purpose of SilverFlume is, a brief update on what Project Orion has been doing and how far we have come, and we are going to touch on MJBLs. You heard from Southern Nevada—we have been doing a lot of collaboration with that group. ([Agenda Item IX B](#))

To summarize what the SOS does from a business licensing perspective, we take business licensing from the first interaction with a customer through the end. Some tasks include application intake, bringing in business license fees, validating documentation, checking documentation for regulatory compliance, and providing resources to those who come into our offices needing additional assistance. We maintain records for all business licenses within our offices and have been collaborating with local jurisdictions on compliance-related issues. In addition, we have been conducting educational workshops, actively engage in local events, have recently adopted a one-on-one approach to how we interact with customers, and have been looking to address challenges as they relate to one-stop shop or concierge services brought up earlier and how we would hand off folks from a business licensing perspective. We are currently looking at—and we heard our previous business partners talk about—potential implementation of additional licensing types that could help from a business licensing perspective, things like event licensing, something that would not require a year-long license.

From a SilverFlume perspective—when SilverFlume was launched, it was intended to be a one-stop shop for users, giving them access to the SOS, local jurisdictions, and other

agencies in one convenient platform they could interact with. The system is highly customized and requires a significant investment from a development perspective—it takes numerous development hours to make changes to our website. The technology the SilverFlume platform is currently on is becoming outdated, which has prompted us to reassess the mission and vision of SilverFlume. The reevaluation aims to explore how we can more effectively utilize information in a manner that is both meaningful to the constituents of the State and our other business partners. When we talk about SilverFlume in general, how do we reinvent the platform and make it useful for everyone who has to interact with the SOS and our local jurisdictions? From a one-stop shop concept, it varies significantly if you look at other States, even individuals across our State. We need to unify that mission and vision. What does that look like, and how do we elevate Nevada as a forerunner in this area of a one-stop shop? When we looked at a one-stop shop, we looked at how to accomplish it, and we formed a working group to initiate discussions in and around not just the one-stop shop, but the MJBLs along with the compliance and fraud we typically encounter from a business licensing perspective.

From a revenue perspective, the Commercial Recordings Division has generated almost \$207 million, year over year. We are tracking a 2.75% increase this year in revenue. Efforts we are looking at in our Office include ways to proactively boost revenue in Nevada. We are currently undergoing rebranding efforts and are looking at deploying a digital marketing strategy or tactics to enhance the visibility of Nevada businesses. We want to collaborate with stakeholders to explore alternative licensing structures that would attract businesses to Nevada, because our structures are not necessarily user friendly.

Moving on to our projects. Project Orion was launched last year. We have accomplished great things and are not finished yet. Some additional wins this year include us going through a very aggressive process reengineering and the implementation of those changes. We aim to increase our efficiency and look towards a customer-centered environment within our Agency. We prioritize cross-training to make sure anyone who interacted with anyone at the SOS could answer questions from a business licensing perspective. When we launched Project Orion, we took it upon ourselves to look at how to become successful. We were the most successful in dedicating a project team to implement the approach for Project Orion. This allowed our team to concentrate on the tasks at hand, reducing the likelihood of errors that could potentially happen on a project. This would reduce project failure. With the dedicated team of professionals we have on Orion, we will maintain our success and will achieve our goals from a project standpoint. Most states we have spoken to have no dedicated project teams, and it is taking them a long time to get one implemented on certain structures, but it also takes them a long time to recover from any bugs that may exist once they go live.

One of our biggest wins this year was the enhanced security we put in our current system. The added layer of security in our system allows us to deter fraud from a high perspective. We were commended at the International Association of Commercial Administrators because of this security layer we installed. There has been a rise in what they call synthetic business fraud, and our added layer of security makes us stand out when it comes to preventing business fraud.

With Project Orion, we prioritized bugs, and we conducted what we call an escalated bug resolution. We started out with 376 bugs; most of which were business stoppers/stallers that were a nuisance to our staff—we were taking a long time to do the workarounds. It took a long time for our team to get these functions completed for constituents. Recognizing the significance of a user-friendly environment or interface, we also looked at aspects such as self-service functions. We have made a lot of progress and have resolved the 376 bugs.

When you make that many enhancements or bug fixes, sometimes you find other existing bugs or things you would like to have. That was one of our biggest wins—getting bugs resolved in a timely manner.

We also implemented an automated testing tool. The automated testing tool has streamlined how we test our processes without using physical people. It does not take that away, but it helps us resolve issues you might find from doing a bug fix by going through the automation test process first to find any issues you might have, then having your employees test that and make sure it works the way it should.

The marketing rebranding initiative is currently underway to enhance the perception. We want to rejuvenate the SOS's image. The primary objective would include visibility and reclaiming our market share, as some businesses left Nevada because it was hard to navigate our processes. We employed an Independent Verification and Validation partner to play a crucial role in ensuring our quality assurance, compliance, and even cost effectiveness. They have helped us tremendously with risk mitigation strategies, but they are also providing us with an assessment. How are we doing? How are our vendors doing from an independent standpoint?

Multi-jurisdictional licensing is something our partners brought up that we have talked about for some time. From one-stop shop to multi-jurisdictional licensing, there are tremendous advantages to implementing a streamlined, cost-effective, one-step process from a user standpoint. This approach would reduce the burden on all agencies from a compliance perspective—back to fraud prevention and even compliance. It also offers flexibility from a business standpoint to avoid and confusion small businesses and small business owners may have by minimizing changes. Whether it be—I make a change, then the City of Las Vegas makes a change—that MJBL would reduce confusion and make it easier for everyone. This process will require extensive collaboration with partners across the State to determine the appropriate model and even the system management components. Some local jurisdictions, as you have already heard, have demonstrated success with a similar model by offering this multi-jurisdictional option for less complex licenses.

Right now, we are in the process of research. We have had several meetings with other states that have successfully implemented this. We are in collaboration with Southern Nevada partners and have included Northern Nevada partners as well. We want to make sure we understand the feasibility and advantages of introducing a MJBL program. We have had success in this State; I am sure we can tag on to that success.

We want to enhance the business environment in Nevada, and this would be a tremendous way to do that. We have to go about it the right way and strategically find a way to do it efficiently. Another consideration—State and local agencies across Nevada are at different stages of modernization, which makes this challenging. In terms of collaboration, we aim to help better comprehend how to align ourselves with each other and improve support for businesses in Nevada. We want to ensure, as we go through our modernization efforts, we do not slow it down but start collaborating on ways to interface and integrate with each other.

Currently, the working group we are working with includes Clark County, the City of Las Vegas, the City of Henderson, the City of Reno, Washoe County, the City of Sparks, and Carson City. We have been all over the map talking about a one-stop shop and MJBL. We have talked about license structure, compliance—all with the end goal of making it easier. How do we make it easier for our constituents to navigate the business licensing process? How do we become the leader in the industry? How do we make this easy and

efficient? This group started meeting. We have people to orientate and bring on, so they know what the goals of our group is.

The next step is to prioritize our topics. With all the topics we just mentioned, any one of those could be a standalone project of its own. We want to make sure we determine achievable timelines, but we also address the needs of our stakeholders. Additionally, we need to consider the different levels of modernization. That might include our process reengineering across the jurisdictions. As we establish our mission and vision for this group, we will develop a road map, so everyone understands where we intend to go. We will be expanding this group as we move along because we want to make sure our discussions are always aimed at achieving our end goal, which is building on the businesses in Nevada and bringing businesses here.

Prior to our implementation, some of our regulations—from a SOS perspective—are very regulated. We would need flexibility in implementing a multi-jurisdictional licensing concept. The way our regulations read today, from a fee perspective, tell us we must do this, or we must do that. We need to ensure there is flexibility in the language to ensure we meet that multi-jurisdictional—if we choose to make it an option. The next phases we will be looking at are requirement building. What are the requirements? What are we going to need to have for MJBLs, the one-stop shop, whatever project type we are going after—what the eligibility criteria might be for multi-jurisdictional licensing. If we are going to go with a less complex business license type, we will have to look at who would be eligible for that type of licensing. Then we would have to clearly identify what procedures for businesses are, so there will not be any confusion as they go through this process. Collaboration with business partners is going to be crucial to ensure we have alignment from a regulatory standpoint. We do not want to get outside of that.

Some of our next steps—we will continue the working group collaboration to gain alignment, continue with the expansion of the group, because we want those additional insights. It does not matter what jurisdiction you are in; there are nuances in every jurisdiction on how they do licensing. After that, we want to develop a plan that will lay out our goals and objectives, timelines, and responsibilities for all parties involved in this project. We want to collaborate and create a unified licensing framework for the State, whatever that might look like. Implement a pilot program to test the effectiveness of the multi-jurisdictional licensing. Prior to implementing something like that, we want to make sure to run the pilot to see if it is going to work the way we intend it to or if we need to tweak it before we do a full-scale rollout. Then we want to make sure we are reporting on that feedback or any evolving regulatory needs to make sure we are successful with this program. With that, I will open it up to any questions the Committee might have for us.

Chair Torres:

Members, any questions? [There were none.] Thank you for the presentation, and I look forward to continuing to work on this issue. I believe it is likely this will come up in our Committee in the future. At this time, I invite the Las Vegas Chamber of Commerce to come up for a presentation.

Paul Moradkhan, Vice President of Government Affairs, Las Vegas Chamber of Commerce:

Good afternoon, Madam Chair and Members of the Committee. For the Committee's background, the Las Vegas Chamber was founded in 1911. It is the largest and broadest organization in the State of Nevada. We represent over 70 different sectors of the business

community. To put this in perspective, when the Chamber of Commerce is working with local government and the SOS's Office, we try to see it from all different industry sectors' needs and concerns. Many times, that involves business licensing, regulations, and streamlining of processes and efficiencies. It is a common theme you hear from our members, regardless of if they are a local dry cleaner or a multibillion dollar gaming company, so you have those same consistent themes. It does not matter whether they are in Clark County, the City of Las Vegas, North Las Vegas, Henderson, or Boulder City. You constantly hear conversations about streamlining efficiencies as part of that overall business climate process. ([Agenda Item IX C](#))

In terms of the Chamber's purpose and mission, our job is to advocate for employers and their employees to ensure they can grow and create their businesses and provide good-paying careers and jobs in our community. Of course, it comes down to working with our partners in the SOS's Office, business licensing, and local government partners—also trying to balance the needs of our members while understanding government structures and challenges they have with technology, efficiencies, and their own government structures.

Nick Schneider, Assistant Director of Government Affairs, Las Vegas Chamber of Commerce:

We service a broad number of industries and businesses, large and small, and this process is the same for most. Through the lens of a small business, one of the problems we see are small businesses looking at getting started will register with the State and not make it to the local level. Through this process, we start at the local level, determining the local government jurisdiction as well as any zoning and compliance requirements, jumping up to the State level to apply for a State business license as well as registering with the Department of Taxation for a tax identification number (TIN); coming back to the local level for registering a fictitious firm name; then jumping to the federal level to file for an employer identification number (EIN); only to come back to the local level to obtain a local government business license. This is separate from any other business aspects, such as determining your legal structure, setting up business accounts, as well as coming up with compliance reports for any required compliance.

That being said, there have been a number of recent business licensing improvements. I would be remiss not to start with the investment by this Body in SilverFlume and Project Orion through Section 2 of SB 485 appropriating \$15 million. Beyond that, we have also seen consolidation of related licensing codes by local government as well as a shift to online portals, which has increased effectiveness and helped reduce the application process, saving a lot of leg work. Generally speaking, your general business licenses are available online and can be obtained within 30 days. There are now renewal reminders to stay up to date on these licenses. Privileged licenses are more likely going to require that in person and take a little longer.

Mr. Moradkhan:

When we talk about business licensing and multi-jurisdictional licensing, from a chain perspective, we see it is important to streamline these processes for a variety of reasons. That more streamlined approach reduces the administrative burden, provides cost savings for not just the business community but also for local government, and it enhances the user experience. I know many Committee Members are passionate about supporting small business entrepreneurs. They are typically one- or two-people shops trying to do it all by themselves. The easier the interface is online for them, and the easier it is to figure out, [they can] set up their business and start making a living being a small business entrepreneur. We also know having a streamlined process and multi-jurisdictional license

offerings foster small business development, growth, and entrepreneurship. That ties into the business climate in the State. Licensing is an important piece of that. If it is an easy process, you will attract more folks to open their own business in Nevada. Either they are local, or they relocate. It is an important process and a barrier we believe is not necessary to create. We appreciate the efforts Mr. Schneider noted from our local government partners in the last several years. It also creates greater transparency. If it is online, it is easy to understand. It is written in common language for folks to understand. It is bilingual. It helps those folks get through that permitting process. It creates good will, which is also a benefit. Folks feel they are a partner between business and government. Of course, the more licensing you accomplish, the more revenue for local governments, which they always appreciate. There are benefits to both sides.

As we conclude, there is always room for improvement. We have ongoing conversations with local government partners on what that would look like. We started those conversations during the interim. [We are] looking for everything from: additional investment from the State potentially for additional interface for local governments and SilverFlume; adoption of more multi-jurisdictional licensing topics you heard from our city presentation a few moments ago; streamlining language codes between different jurisdictions; educating folks about the process; and ensuring only essential information is gathered and applications are not burdensome, but it is the data information they need to process the application.

Madam Chair, that is our brief presentation. I am happy to answer any questions from you or the Committee.

Chair Torres:

Members, are there any questions? I do not see any questions at this time. Multi-jurisdictional licensure is an issue that has come up with constituents and business owners across the Valley multiple times, specifically restaurants. I know there are several other businesses that would be interested in this conversation. This is likely something we will consider in the August meeting.

AGENDA ITEM X—UPDATE ON THE IMPLEMENTATION OF LANGUAGE ACCESS PLANS

Chair Torres:

We will move on to the update on the implementation of the language access plans (LAPs). First, I invite the representatives from the Office for New Americans (ONA). That will be followed by the United Way of Southern Nevada (UWSN).

Iris Ramos Jones, Director, ONA, Office of the Governor:

For the first time since the creation of the Office, all the team members are immigrants. The three of us came to the U.S. without being able to communicate in English. We have experienced firsthand the challenges and consequences that come with not being able to communicate or understand not only basic conversations, but especially important, legal, and vital documents. We are confident that through the Language Access Program, we break communication and cultural barriers in our State. We want to thank the bill sponsors and everyone who has and is working on this impactful project. ([Agenda Item X A-1](#))

Something I think is important on the Legislature overview is AB 480. This bill appropriates \$25 million from the State General Fund for State agencies, boards, and commissions. This

funding is not for cities or counties, and the appropriation is made available until September 2025. As we talk about the progress we have made with this project, you can refer to appendix number one. ([Agenda Item X A-2](#)) [Due to copyright issues, this is on file in the Research Library of the LCB, Carson City, Nevada. For copies, contact the Library at (775) 684-6825 or <https://www.leg.state.nv.us/Division/Research/About/Contact>.] We created a document that was sent to agencies where we outlined the steps agencies need to take to request funding. We also provided them with a template, how to request the funds, as well as the dates when funds can be requested from Interim Finance Committee.

This is a timeline of our priorities and the goals we aim to achieve. May through June is the development period of LAPs. In June 2024, our goal is to compile and provide demographic data on Limited English Proficiency (LEP) Nevadans. In June and July, we will do the public comment phase and will participate and support entities throughout the LAP, which you can refer to in appendix number two. We created a document with an overview, description, and our suggestions on how they can solicit in public comments. August 1, all counties, cities, State agencies, boards, and commissions must submit their LAPs to the ONA. On September 30, ONA will submit a finalized report to the LCB. On December 1, ONA will submit the policy guidelines manual.

I am going to measure the progress of ONA's responsibilities based on the bill. The first key indicator is ONA needed to employ a Language Access Coordinator. This was accomplished in February 2024. Our other responsibility is to coordinate with cities and counties to develop an LAP. We created a document with details of the necessary components of the LAPs. We developed a tool kit, provided trainings talking about the LAP generalities, and answered questions. You can refer to appendices three and four. We did this in April 2024. One of our responsibilities is to provide a policy manual containing baseline policies and procedures for compliance with LAPs. Baseline and procedures were included in the tool kit, but we will develop the policy manual with the information we are currently collecting from the LAPs and ongoing activities, suggestions, feedback, and complaints.

Chair Torres:

Director, do not feel you have to go over every part of the slides. Members received this in advance.

Ms. Ramos Jones:

We can focus on the timeline of priorities. That is what we aim to accomplish. It is our goal, and we are on track to accomplish each one of these goals. As we accomplish these goals, we will submit to you and the bill's sponsors the progress and everything we are doing. That is our goal.

Chair Torres:

Thank you for the detailed presentation. It was helpful. We got the appendices in advance as well. It was helpful for us to go over that information. My first request is if you could send back a copy of this presentation with it labeled on the key indicators with which bill because you are talking about three different bills in this presentation. It was a little confusing. I am trying to go over where each of these different responsibilities lie within your Office. Under the challenges, there was a question regarding maintaining a publicly available roster for language interpreters and translators. I understand that part of the issue is the Purchasing Division was responsible for maintaining that roster, but I do not see there would be any issue between a link on the website with that information. I think that would fulfill the obligation of your department.

Ms. Ramos Jones:

Perfect. We will do that. I think the biggest challenge cities and counties have right now is funding. One of our suggestions/questions is so far, we have collected ten LAPs. In what we are seeing—hopefully, that is the case—I do not think we would be using the \$25 million that has been allocated for this. Because the cities and counties do not have the funding, will it be possible for the cities and counties to use part of that \$25 million?

Chair Torres:

It was unfortunate that during the legislative session, the Governor did not reach out to lawmakers to work with us despite knowing we had several of these issues. I met with the Governor's staff at least biweekly and talked about our priorities, including AB 266. Unfortunately, the Governor introduced the Language Access Bill and did not talk to any lawmakers working on language access and did not even consider the legislation that was drafted. It was unfortunate Governor Lombardo and his Office failed to reach out to us so we could partner in that work. Moving forward, I hope that is a consideration they would make because the reality is, I think the ONA has been slow to do the work, and there are no grants or funding available for local governments. I did request that from the Governor's staff during the legislative session, so it was unfortunate that did not make it into the bill. To me, that was the Governor's Office refusing to consider policy that would have served Nevadans and made sure we have access to information in other languages. Moving forward, I hope that would be a consideration. The way the bill is worded right now, local governments would not be eligible. It is only the State agencies.

Ms. Ramos Jones:

That is a huge challenge for them right now. That is all they talk about in every meeting, so it is going to be part of our suggestion when we submit the report in September.

Chair Torres:

Several local governments have reached out to me regarding the training ONA has provided. My understanding is the trainings were not provided until April 2024, but the funding for this was available on August 1st. There are a number of different issues. Local governments have complained because they are putting together their own framework so they can create it. I know there were materials that were provided, but the reality is those materials were very general. I know the Governor's Office for AB 213, which has to do with housing, earlier this week had a simple form that local governments had to complete. It is a lot easier and guided. In the future, if ONA can provide something that is more guided and detailed, that would be helpful to local governments. I think what you are going to see with the LAPs each local government is providing is they are working on something different. It would be helpful if there was something detailed and specific as to what they are supposed to do. I think the bill is detailed, but I think they need a form almost like a job or scholarship application that says these are the questions that need to be answered.

I have looked at several different things we funded, and I am a little concerned those funds have not yet been utilized or there are deadlines for those fiscal years. What funding deadlines is this Office is going to have? I know there is a travel budget that was requested with one of the bills. I think travel funds have to be used by the end of September. I am wondering what the Office has done to make sure we are using those funds in a timely manner, not just requesting funds we are not going to use.

Ms. Ramos Jones:

With traveling specifically, we have not yet seen the necessity because most trainings and meetings have been through Teams. It is mainly because Ms. Guerra is only one person at the end of the day—we now are working together—she is doing our LAP, reviewing and assisting agencies, cities, counties, and is providing all these workshops. In order to utilize her time better, we have those meetings mainly online to answer that specific question.

Now that you ask about funds that need to be utilized, there is money that needs to be used for information services. That is how it is determined. Unfortunately, we were trying to proceed with a contract with the University of Arizona since March. As of yesterday, they have not signed the contract. Right now, we are working with the Governor's Finance Office (GFO) to find some alternative to utilize that money before June 30. The problem is, here in Nevada, we could not find anybody that specifically works for language access programs. However, we have identified an organization that will be able to provide more guidance and help when it comes to language access, but we are still working on that.

Chair Torres:

I think those are the funds we allocated for the Language Access Expert. I believe that funding was made available on October 1. I am trying to understand why the Office waited until March to use the funds that are going to expire June 30 when they had those funds for such a long period of time.

Ms. Ramos Jones:

I understand that. I do not know how familiar you are with the entire purchasing process. In order for us to find somebody, it is an extensive process. If somebody is not a vendor of the State, it needs to go through an extensive process. Unfortunately, it takes more time than we expected. We are still in that process.

Chair Torres:

Members, are there any additional questions?

Vice Chair Flores:

I want to know if there is a different strategic plan when talking about different regions of Nevada. Is there a different plan for Northern Nevada? How are we going to tackle issues in the north versus the south? Are we trying to implement one general objective and move it around? I am curious to know if we have a different approach. Obviously, I understand there might be a larger population here, and there might be a huge focus here because of that. I understand Northern Nevada also has a lot of language access issues. I am curious to know if there is a different plan for both sides, or are we thinking objectively trying to approach it on one box fits all?

Ms. Ramos Jones:

One box does not fit all. Not only because of the different populations, but also because of the needs each county, city, and agency have. That is the reason we are collecting the language access programs right now. It is not due until August 1. Once we have all these language access programs, we are going to review them. With that information, we are going to put a budget suggestion. We are going to put a report together as well as the policy manual. We need to collect that data first from all the agencies, cities, and counties in order for us to develop the strategy you are asking for.

Vice Chair Flores:

I have seen you at events in Southern Nevada. Have you had an opportunity to build relationships in the north? Have you traveled often? I am curious to know how that is going for you.

Ms. Ramos Jones:

Not often, but I have. My Office works—not specifically for language access, although we have had conversations. As you are aware, we work with refugee settlement agencies, and we have a partner up north. I meet with them every month, not necessarily in person, but I have visited them. We visited UNR. They have a department that works specifically with the refugee settlement agency. I cannot think of their name right now. We had a meeting with them. They have been supportive of our efforts because they have worked in the past with ONA, specifically for LAPs. They are aware of what we are doing and what we are trying to implement. For example, when it comes to a public face, one of our goals is to share our LAP with the refugee resettlement agencies because those are the type of clients we serve. That is the population we serve. To your question, yes, I have established relationships up north, and I am still working on it.

Vice Chair Flores:

Assemblyman Carter.

Assemblyman Carter:

As we know, Nevada has the highest percentage of undocumented people in the U.S. My district is at the forefront of that. It is primarily blended families. It is diverse families. My community is facing many scary threats being thrown around this campaign season. [People are] feeling not supported and attacked because the threats extend way past an individual with questionable status because it is a whole family. I want to know if people without legal status are welcome in your Office. What kind of outreach are you doing to try to support these new Americans with families that have all different types of status issues?

Ms. Ramos Jones:

I am happy to address that question, although today I was invited here to talk specifically about the LAP. I mentioned it last time. In our Office, we do not ask for the status of anybody. We serve the community.

Assemblyman Carter:

Last time you were here, you promised to follow up with me. I have yet to hear from you. I am concerned because it is very important to my community. The east side of Las Vegas is a culturally diverse community. It deserves to be recognized, serviced, and appreciated.

Ms. Ramos Jones:

I am happy to talk to you. We can set a time to talk about what specifically is important for your community. What I can tell you, and you can ask anybody that has been in contact with me, we do not ask questions about status. That is not how we address people. I am an immigrant myself, and I would be offended if somebody says, "Hi, I am so and so. What is your status?" That is not how I interact with people, and I expect nobody from my Office does.

Elena Guerra, Language Access Coordinator, ONA, Office of the Governor:

I will add to what she said. When we were in this building, people came to ask questions. They asked me, "How can I get this or that?" We look for resources and try to help the person. We do not ask for anything. I am new. I have been in the position for only four months. I love helping people. We do the best we can. Like she said, we do not ask for anything. I am an immigrant too; I am from Argentina.

Vice Chair Flores:

Members, do we have any other questions? Anybody up north or anybody joining us via Zoom? We do not have any other questions from the Members. The only other point I would make, is obviously, we want to be partners in whatever way we can work with you. Unfortunately, anything government is slow. We know that, but we want to be partners. We want to help in whatever way we can and get the implementation going as soon as possible and get the ball rolling. I am not suggesting nothing is being done. To the point we can collaborate and help, please let us know how we can keep pushing the ball forward. Obviously, we come here, and we are asking you to do everything, but you have to wait for the cities and counties.

Ms. Ramos Jones:

Answer my emails. I reach out to you. Let us start from there.

Vice Chair Flores:

I will give you my personal cell phone number.

Ms. Ramos Jones:

This is a bill you guys sponsored and created. How we view it is this is your guys' project, and we are here to make it a reality. We are immigrants. We know it. Now it is funny, but I have had horrible experiences when it comes to cultural differences. That is something the bill also addresses. It is not only language, but also cultural competency. When we talked about cultural competency, we know because we lived it. We are happy to be part of this project as immigrants. I truly believe this is going to help our community big time. Thank you for thinking about the immigrant community with this bill.

Ms. Guerra:

I am excited about the project. I am trying to do the best I can as [part of the] team. I am grateful. I cannot believe I am here. Thank you for having me here.

Vice Chair Flores:

With that, we will close out the presentation from ONA. We have folks from UWSN joining us. It is great seeing all three of you. Begin when you are ready.

Henry Rosas, External Affairs Manager, UWSN:

I am excited to share what I think is one of United Ways most signature projects, especially as it relates to the topic at hand today: language access. We are excited to share the public-facing tools we offer not just the nonprofit sector but also our government partners and share the work we are doing to enhance language access services and implementation across Southern Nevada.

United Way of Southern Nevada's core mission is to unite people to improve people's lives; the LAP speaks to that. As you will hear from my colleagues, this project came to be from convening nonprofits, government, and community leaders during the height of COVID-19. We know in times of crisis, it is unity that brings and inspires the most consequential solutions to issues we face. That is the approach and practice we take not just to our language access work, but also to the other programs and services we provide, from pre-K to free tax operation services. We are excited to talk about the \$1 million LAP that is now years in the making, share our current implementation and public tools we are launching for our partners, and continuing challenges and solutions for future language access policy. I am grateful the State has had momentum in the Legislature, both in the 2021 and 2023 Sessions, relating to language access. We are excited to see what next year will hold. Before we dive into that, I would love to introduce my colleagues from UWSN. ([Agenda Item X B-1](#)) ([Agenda Item X B-2](#))

Abel Mansouri, Language Access Project Manager, UWSN:

Thank you all for having us today. I serve as the Project Manager responsible for overseeing and managing the UWSN LAP.

Janet Quintero, Vice President of External Affairs, UWSN:

I have been at United Way for five years, and this is one of the most significant projects. I am also an immigrant. I am excited to talk to you about language access and what this means to removing barriers to access for our community.

The need was always there, but the COVID-19 pandemic heightened the awareness of the need, the flow of information, and barriers. Language access is a barrier to access. I know we talk about other barriers, like transportation, but communication is a key one. For example, we know there was rental assistance, but it was not reaching every member of the community. At United Way, we kept hearing about that. Then throughout early 2020 and the rest of the year, we continued hearing this feedback. You will see the community informed process. United Way hosts two community forums, the Nonprofit Connection and the Spanish version of that, the Junta Comunitaria. We kept hearing about the needs of the community, not only the nonprofit sector, but also the private sector about both the short-term and long-term needs of language access. It was at this point we started drafting and actively pursuing language access as an initiative because we realized we had education and workforce programs, but they were not reaching the community in the way we were hoping. With that, we are focused on statewide cross-sector collaboration. Of course, United Way is a nonprofit. We work with the nonprofit sector, but we see the value of cross-sector collaboration. I think you will see that in this project.

The cross-sector language access meeting has been convening since August 2022. On the right-hand side, you will see a couple members. I want to highlight ONA has been a member of this group since the beginning. The group is focused on regional coordination to remove barriers to access. We are lucky to have a million-dollar Congressional appropriation, and we know there is State funding. We heard about that. We are here to add to and maximize those funds. An example of this collaboration is United Way actively utilizes the toolkit ONA created with our nonprofits. We will have to repurpose and adopt it to serve the need of the nonprofit, but we did not have to completely recreate something new when there were already resources allocated toward that purpose in our State.

This is more about how we successfully received the \$1 million that allowed us to pursue this work. You will see the Federal Community Project funding process. We began this process in early 2022 in partnership with the office of U.S. Representative Dina Titus

(D-Nevada). I want to express my appreciation because I know this would not be possible without the advocacy of Chair Torres and Councilwoman Olivia Diaz. This is an example of not only cross-sector collaboration but also across different levels of government. We received notice of approval in December 2022 when the Congressional budget was approved with the start date of September 2023. This \$1 million community project funding is managed by the Department of Health and Human Services (DHHS). We have an anticipated 18-month timeline ending in March 2024. We are actively looking for support to continue this program because we know we will not solve these issues in 18 months. We are actively continuing to look for support in both the private and public sectors.

We wanted to highlight a quote from Representative Dina Titus. She said in part, "This funding will help serve individuals from different backgrounds more effectively seek housing, employment, health care, and other assistance, creating a more inclusive Nevada and bolstering our local economy." I specifically think that last phrase, "creating a more inclusive Nevada and bolstering our local economy" is how we feel about this language access work. It is creating opportunity for all Nevadans.

Mr. Mansouri:

There are three main components to this project. Component number one is there are 12 nonprofits developing and/or enhancing their LAP. Twelve sub-awardees have been selected through an application process, reviewed, and voted upon by Steering Committee members made up of language access champions from multiple local government agencies. Each sub-awardee received \$25,000 to develop and/or enhance the LAP covering nine languages that are mostly spoken in our community. Aside from English, these languages include American Sign Language, Amharic/Ethiopian, Arabic, Chinese, Farsi/Dari, Korean, Spanish, Tagalog, and Vietnamese. These languages have been selected based on census data, CCSD input from 2023, and the SB 246 presentation.

Component number two of the project is translation interpretation and over-the-phone translation services provided at no cost to the sub-awardees, community nonprofits, and local government agencies. United Way of Southern Nevada used the State-approved vendor list to procure our translation and interpretation vendor. Our final selection was Propio due to cost, quality of service, the ability to process a high volume of translation demands, and the ability to translate in over 300 languages.

The third and final component of our project is the technical educational programmatic and multicultural workshops. We are organizing and hosting monthly workshops to assist sub-awardees in developing their LAPs. The initial workshops focused on programmatic and educational aspects, but now we are transitioning into more multicultural workshops that are open to the public.

You will see our 12 nonprofits, or as we like to call them, our 12 language access partners, along with the languages they cover. It is worth mentioning some of them cover more than the nine languages we spoke about, such as Southern Paiute, Ukrainian, and Russian. We did not want to limit our sub-awardees to the nine languages. We want them to cover as many languages as they want. That is our long-term goal.

Moving on to the budget allocation, I would like to mention the two largest portions of the budget allocations will go to the nonprofit awards and the interpretation and language services.

Ms. Quintero:

You have heard about the beginnings of pursuing language access as a program and the technical aspects of the work, including the workshops. I want to highlight that workshops are also focusing on federal and public funding compliance for our nonprofit partners. We understood not all of them may have that experience, so we intentionally added that to the support we offer.

Now that you have heard about the technical aspects, we want to share two stories. Being mindful of your time, I will not read it all. Here is one from Lighthouse Charities. Of course, all the credit goes to our language access partners, but they are actively changing lives. This is only the first quarterly report we have received. "Gisma is new to Lighthouse Charities and English as a second language (ESL) classes. She speaks Arabic, but she does not read or write it. Ever since she began taking classes, her confidence has grown." This is an example of what Representative Dina Titus expressed in her quote. This is creating opportunities for people to pursue their long-term goals. I know you also have our quarter one report that we submitted to our federal funder as an attachment. I encourage you to read that and reach out to us if you have any questions.

Here is a second example, a story from the Asian Community Development Council. This is an older gentleman whose first language is Vietnamese. He received all the care he needed in his language. Now he will be more likely to come back and receive the medical service he needs.

A third example that was not included but I think is important to mention is last week, United Way convened with the World Affairs Councils [of America] to host a Moroccan delegation to talk about policy initiatives around our human trafficking work. This is the scope of language access in our community. As a State, we are taking active steps to become more inclusive.

Mr. Rosas:

You have heard how this project started and the real-world impact this has. Now, we will look to the year ahead. We continue to develop and implement tools for our funded partners, government agencies, and the social service sector at large. I will touch on the language access line, but the Committee's point about outreach and equity as it relates to language access is that we were intentional. The nonprofit sector is a good example of being able to meet the needs of our community quickly. I think the language translation line will serve as a good example of that. This project at its foundational elements focuses on equity and meeting the needs of our community. Assembly Bill 480 has funding that will be available in the next fiscal year to State agencies. That is important to us and will allow State agencies to fully implement their LAPs and programs. They will be undergoing their second integration of those plans. In 2022, when those plans were first submitted, those agencies collectively requested about \$5.2 million. We are excited to see those agencies now able to receive funding to implement those programs. We are still the conveners, and we are still looking for more solutions to this work. We will be hosting a language access summit this Committee will be invited to. We continue our cross sector working group and try to continue to collaborate and find best practices and solutions to the language access work we are in the depths of this year.

Talking about the immediate needs, I think there is a way to approach this work of the immediate needs our community requires and then more of the long-term strategies that will touch on the legislative priorities that could come up in the next legislative session. In the immediate, we know our community needs interpretation and translation services. We

are fortunate that a big portion of this project is a language access phone line. That is available to nonprofit and government agencies beginning today. We have shared the phone line to our partners. Essentially, folks will be able to call a number. They will have to provide their first and last name and zip code, and they will be connected to an interpreter within 60 seconds. A portion of that work is document translation.

Opportunity 180 and Legal Aid of Southern Nevada have taken us up on this opportunity to translate their materials in Spanish and Tagalog. As we think of ways we can reach our community, not just through civic engagement, through legal services and health care, language access is at the center of that. The translation line is the first step in meeting that immediate need.

We hope to share data by the end of the year to this Committee. We get data on which languages are most used. We will get data on which zip codes are in most need and which agencies are utilizing the phone line. We are excited to provide that to inform data-driven solutions to the Legislature as it relates to language access.

Moving on to longer-term strategies. As we worked, not just with our own project but also with our government and nonprofit partners, there are a couple ideas we have been homing in on and the Legislature has also focused on, particularly in the last legislative session. One of those strategies for meeting language access needs is investigating federal funding sources. Assembly Bill 383 would have codified the right to reproductive health services. Section 8 of that bill provided a match from the federal government. Medicaid would match the funding the State would put up for translation interpretive services for folks seeking reproductive health care. There are federal funds on the table to help fund this work. We want to continue to explore those types of mechanisms that are easy reaches and impact the lives of folks trying to access social services.

The second is building the multilingual, multicultural workforce. This also extends to the State level. That is in a lot of the recommendations we saw from the 2022 LAPs many of the State agencies put forth. It is also across the nonprofit and private sectors. As you saw from the Lighthouse Charities example, they do this work day in, day out. They will have a refugee or a newly arrived individual enroll in ESL classes that is looking for work—a potential solution and creating a feedback loop so this individual can become a certified translator at one of the programs within our entry institutions, then become a certified translator, run that business, and then train others to be interpreters and translators. That is just one feedback loop that can alleviate the desperate shortage we have across the State for interpreters and translation services. These are a couple examples we need to build our workforce. We are building short-term solutions. These longer-term solutions are ones we are hoping to partner with from the private sector and with the Legislature as well. With that, we are excited to answer any questions you might have. We are thankful to be here today and hope we are the last presentation of the day.

Vice Chair Flores:

Members, are there any questions? Assemblyman D'Silva.

Assemblyman D'Silva:

Thank you for all the great work you are doing for our communities and our State. I am looking forward to achieving even more this upcoming legislative session.

Vice Chair Flores:

Thank you for the work. As I mentioned previously, if there is anything we can do to help, force us to work, please. This is something we are passionate about. You are ground zero. You are doing the work. Whatever we have to do, make us step up to the plate and help you. With that, we will close out your presentation and go to the last period of public comment.

AGENDA ITEM XI—PUBLIC COMMENT

[Vice Chair Flores called for public comment; however, no testimony was presented.]

Vice Chair Flores:

Thank you to our amazing LCB staff and everyone who joined us for a long meeting.

AGENDA ITEM XII—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 4:20 p.m.

Respectfully submitted,

Maria Velazquez
Research Policy Assistant

Jered McDonald
Deputy Research Director

APPROVED BY:

Assemblywoman Selena Torres, Chair

Date: _____

MEETING MATERIALS

| AGENDA ITEM | PRESENTER/ENTITY | DESCRIPTION |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agenda Item IV A-1 | Jill Tolles, Executive Director, Guinn Research Center for Policy | PowerPoint Presentation |
| Agenda Item IV A-2 | Jill Tolles, Executive Director, Guinn Research Center for Policy | Artificial Intelligence (AI) and Government Policy Brief This is on file in the Research Library of the LCB, Carson City, Nevada. For copies, contact the Library at (775) 684-6825 |
| Agenda Item IV A-3 | Jill Tolles, Executive Director, Guinn Research Center for Policy | AI Policy Brief This is on file in the Research Library of the LCB, Carson City, Nevada. For copies, contact the Library at (775) 684-6825 |
| Agenda Item IV B | David Axtell, Deputy Chief Information Officer, Office of the Chief Information Officer, Office of the Governor | PowerPoint Presentation |
| Agenda Item IV C | Heather Korbolic, Vice President, Policy and Communications, Vimo | PowerPoint Presentation |
| Agenda Item V A-1 | Vinson Guthreau, Executive Director, Nevada Association of Counties (NACO) | PowerPoint Presentation |
| Agenda Item V A-2 | Vinson Guthreau, Executive Director, NACO | Handout |
| Agenda Item V A-3 | Amy Burgans, Clerk-Treasurer, Douglas County Clerk | Legislative Talk About Pay Bill |
| Agenda Item VI | Lori Bagwell, Mayor, Carson City Clay Mitchell, Commissioner, Storey County Cameron Gresh, Government Affairs Liaison and Public Information Officer, Carson City | PowerPoint Presentation |

| AGENDA ITEM | PRESENTER/ENTITY | DESCRIPTION |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Agenda Item VII</u> | Aakin Patel, Administrator, Office of Cyber Defense Coordination, Department of Public Safety | PowerPoint Presentation |
| <u>Agenda Item VIII A</u> | Alexis Motarex, Director of Government Affairs, Associated General Contractors of Nevada | PowerPoint Presentation |
| <u>Agenda Item VIII B</u> | Rob Benner, Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada | PowerPoint Presentation |
| <u>Agenda Item IX A</u> | Jennifer Willeford, Operations Manager, Clark County Department of Business Licensing Michael Cathcart, Operations Manager, City of Henderson Minerva Gomez, Business License Section Manager, Business Licensing Division, Department of Planning, City of Las Vegas Cissy Flores, Business License Manager, City of North Las Vegas | PowerPoint Presentation |
| <u>Agenda Item IX B</u> | Shauna Bakkedahl, Deputy Secretary of State (SOS), Commercial Recordings Division, Office of the SOS | PowerPoint Presentation |
| <u>Agenda Item IX C</u> | Paul Moradkhan, Senior Vice President of Government Affairs, Las Vegas Chamber of Commerce | PowerPoint Presentation |
| <u>Agenda Item X A-1</u> | Iris Ramos Jones, Director, Governor's Office for New Americans (ONA), Office of the Governor | PowerPoint Presentation |
| <u>Agenda Item X A-2</u> | Iris Ramos Jones, Director, ONA, Office of the Governor | Appendices This is on file in the Research Library of the LCB, Carson City, Nevada. For copies, contact the Library at (775) 684-6825. |
| <u>Agenda Item X B-1</u> | Janet Quintero, Vice President of External Affairs, United Way of | PowerPoint Presentation |

| AGENDA ITEM | PRESENTER/ENTITY | DESCRIPTION |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| | Southern Nevada (UWSN) Henry Rosas, External Affairs Manager, UWSN Abel Mansouri, Language Access Project Manager, UWSN | |
| Agenda Item X B-2 | Janet Quintero, Vice President of External Affairs, UWSN Henry Rosas, External Affairs Manager, UWSN Abel Mansouri, Language Access Project Manager, UWSN | Handout |

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