

# Department of Business & Industry



**Bruce H. Breslow, Director**  
**January 27, 2015**

Executive Budget  
Department of Business & Industry  
2015-2017 Biennium

*Business & Industry for a New Nevada*

Presented to the Legislative Commission's  
Budget Subcommittee

Bruce H. Breslow, Director  
January 27, 2015



# What is the Department of Business and Industry?

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## **Mission:**

**Promote the growth and development of business within Nevada while protecting the public through fair and consistent regulation.**



# B&I Divisions

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- **Financial Institutions**
- **Insurance**
- **Housing**
- **Real Estate**
- **Mortgage Lending**
- **Industrial Relations (OSHA)**
- **Athletic**
- **Taxicab Authority**
- **Nevada Transportation Authority**
- **Labor Commissioner**
- **Manufactured Housing**
- **Nevada Attorney for Injured Workers**
- **Employee Management Review Board**



# About B&I

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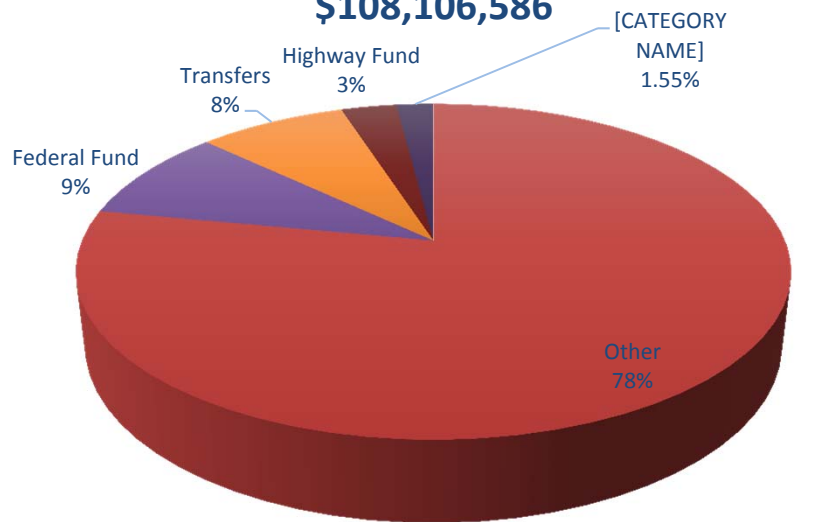
- **670 Approved FTEs**
- **16 Policy-Making Boards and Commissions**
- **Consisting of 54 members**
- **10 Advisory Committees**



# Less than 2% of funding for B&I comes from the State General Fund

Department Funding Sources  
FY16

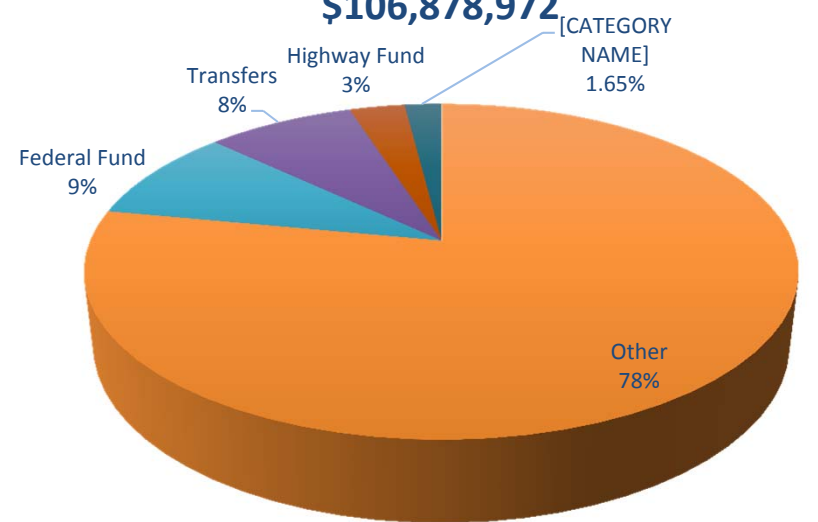
\$108,106,586



Other Federal Fund Transfers Highway Fund General Fund

Department Funding Sources  
FY17

\$106,878,972



Other Federal Fund Transfers Highway Fund General Fund



# Governor's Priority Project

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## **The Nevada State Business Center**



# Nevada State Business Center

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- **1-stop shop - Centralize 11 agencies, 2 non-profits and several business programs**
- **Reduce footprint and cost of services through shared facilities**
- **Streamline management and IT**
- **Create space for non-profits offering programs for small business (SBA, Nevada SB Development Center, SCORE, etc)**





# Nevada State Business Center

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**Perfect moment in time**

**All 11 leases will expire in the next biennium**

**We have two choices**



# Nevada State Business Center

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## Status Quo

↓

\$5.5 million in Deferred Maintenance for 40 year old building

↓

Agencies spread around the valley

↓

12 lost days in 2014 due to environmental and security issues

## Governor's Proposal

↓

\$1.5 million in moving costs to centralize Business and Industry operations

↓

Agencies located in one building with consolidated IT and management

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Streamlined public access and shared services



# Nevada State Business Center

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- **B&I would issue Request for Proposals (RFP)**
- **Private developer would build a new building**
- **A new leased facility reduces costs to the State while bringing business solutions to the valley.**



# The Nevada State Business Center Would:

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- **Maximize limited State resources**
- **Share facilities between agencies**
- **Improve service to the business community**
- **Combine Customer Service and Consumer Affairs to more efficiently track and resolve complaints**
- **Centralize all B&I programs to better serve the needs of the community.**



# Business & Industry Programs

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- **Charter School Bonds**
- **Industrial Revenue Bonds**
- **New Market Tax Credit Program**
- **Housing Programs and many more**



# Business & Industry Programs

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- **Business Advocacy – One-on-one help to assist businesses with access to capital, regulator assistance, training assistance, and connect them with various resource partners.**
- **B&I Roundtables – Engage key players in the small business development arena with collaboration and business strategies.**
- **Small business portal at “[business.nv.gov](http://business.nv.gov)”**



# Access to Capital Program Includes:

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- **Grants**
- **Angel Investors**
- **Venture Capital**
- **Crowd Funding**
- **Micro Lending**
- **Community Development**
- **Financial Institutions**
- **SBA Loans**
- **USDA Loans**
- **Bond Programs**



# Governor's Conference on Small Business

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# Governor's Conference on Small Business

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- **Attended by 600 small business owners**
- **Face-to-face contact with government officials**
- **Access to educators for qualified workforce development**
- **Connections to capital resources**



# Constituent Services/Consumer Affairs

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Provides  
personal  
contact

- Provides a problem solving team

Tracking &  
Referral

- Tracks complaints
- Provides contacts to appropriate agencies

Complaint  
Resolutions

- 96% success rate



# Consumer Affairs

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- **We have worked with the Attorney General's Office continuing to fund this unit with National Mortgage Settlement Funds.**
- **\$585,164 in each of the next two fiscal years.**
- **These funds provide for:**
  - **2 – Investigators, Las Vegas**
  - **2 – Admin. Assistant positions, Las Vegas**
  - **1 – Administrative Law Judge, Las Vegas**
  - **1 – Investigator, Carson City**
  - **1 – Part-time Admin. Assistant, Carson City**



# Required Funding Changes

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## General Fund



Has remained flat for ten years



Funding required by DHHS,  
Education & Public Safety  
outweigh most other needs

## Fee Based Funding



Industry provides funding for  
operation and regulation



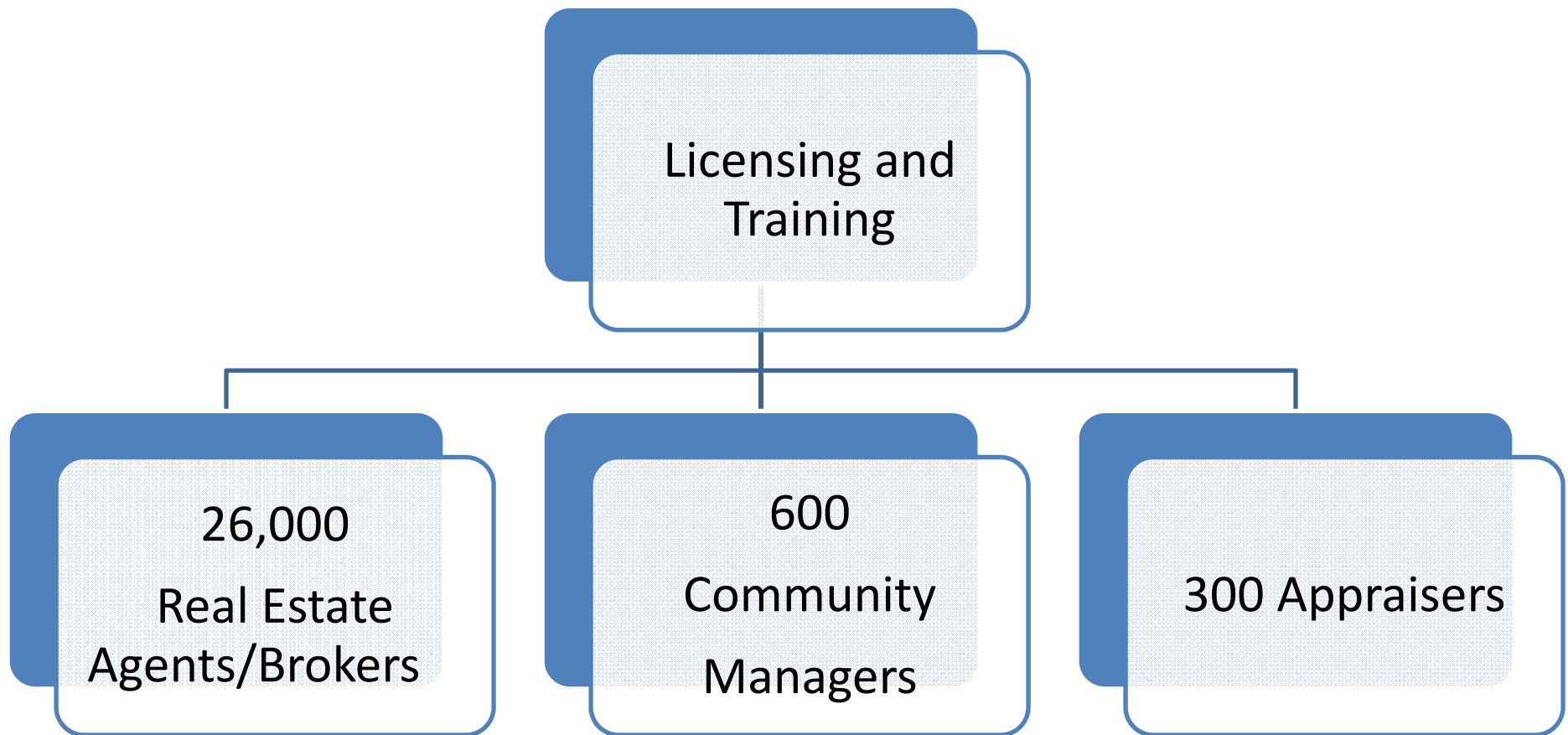
Industry growth provides  
additional funding to improve  
service needs

**NO IMPACT TO GENERAL FUND**



# Real Estate Division

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# Proposed Solution

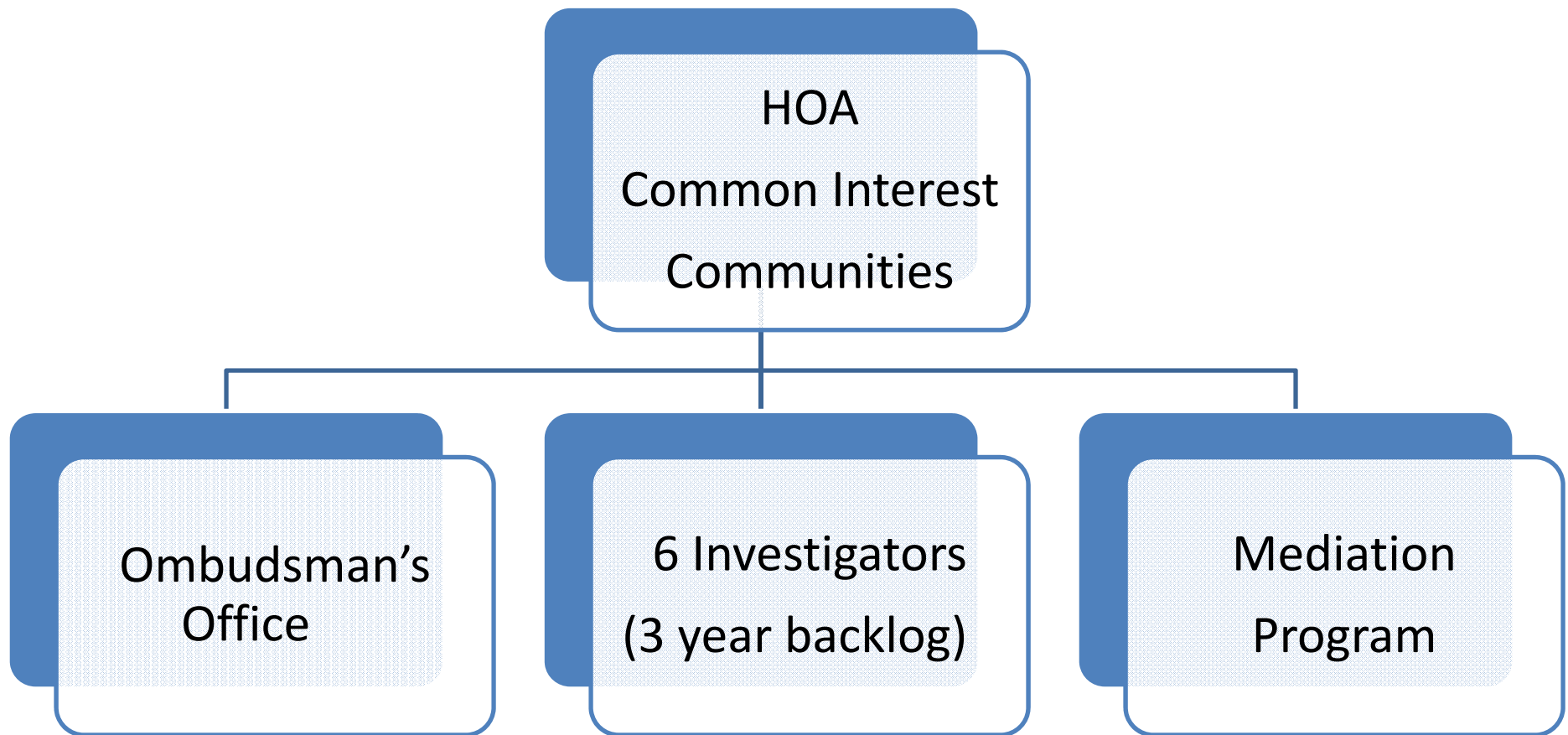
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- **Change to a fee based, self-funded agency**
- **Small fee increases**
- **Licensing cycle from 4 to 2 years**



# Real Estate Division

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# Proposed Solution

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- **Change to a fee based, self-funded agency**
- **No increases since 1998**
- **Increase per unit fee from \$3 to \$4.25**
- **BDR increases cap per unit from \$3 to \$5**





# Nevada Athletic Commission

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- **World leader in unarmed combat sports**
- **National exposure and major events**
- **Millions of dollars in tourism**
- **Thousands of hotel room occupancies**



# Nevada Athletic Commission

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- **Staff of 5 employees has not increased since 2005**
- **150 – 185 boxing fights annually**
- **800+ nonboxing matches annually**
- **NBC Premier Boxing Champions**



# Nevada Athletic Commission

## Staff Duties:

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- **Selection of fair bouts and opponents**
- **Selection of referees and judges**
- **Pre-fight contracts and conferences**
- **Weigh-in at events**
- **Licensing of fighters and promoters**
- **Pre-fight rule meetings**
- **Fights**
- **Post-fight evaluation and press conferences**



# Proposed Solution

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- **Step 1: These events brought in \$5,334,498 in general fund revenue last year due to a 6% ticket surcharge. We propose this revenue stream continue to the general fund.**
- **Step 2: Self fund the NAC by adding a 2% ticket surcharge.**



# Housing Division Success Story

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- **Affordable Rental Housing Database  
NVHousingsearch.org**
- **Tax Credit Program**
- **Veterans Housing Program**
- **Down Payment Assistance**
- **1,225 New Affordable Rental Units Annually**

**Program Fees and Grants fund the Nevada Housing Division  
No General Funds**



# Housing Division Success Story

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- **Assisted 7,321 at risk Nevadans with emergency shelter solution grant**
- **Assisted 852 low and moderate income families realize home ownership**
- **Foreclosure mitigation served 1,409 families at risk of losing their homes**
- **Weatherization Program improved energy efficiency for 834 units and helped 1,712 low-income individuals.**



# Nevada Home Retention Program

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## Home Means Nevada

- **Purchased 220 distressed mortgages from FHA/HUD**
- **108 owner occupied**
- **Successfully approved loan modifications for nearly 20% of occupied homes**
- **Acquired 39 properties for rehab and sale**



# Nevada Home Retention Program

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## **Home Means Nevada – The Future**

- **Housing prices recovered at accelerated rate**
- **Ongoing need for program being evaluated**
- **Upon closure, the assets will be sold and remaining funds will be returned to the General Fund.**





# B&I Information Technology

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## **Technology Investment Requests (TIRs)**

- **Taxicab Authority – Records Management System**
- **Division of Industrial Relations – Workers' Compensation System**
- **Manufactured Housing Division – Permit System Replacement**

**Three (3) additional IT Professional III positions**



# Division of Insurance

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**The Division of Insurance is responsible under Title 57 of the NRS for the regulation of the industry. The Division regulates and licenses insurance providers and other professionals; sets ethical and financial standards for insurance companies; and reviews rates. The Division also reviews programs operated by self-insured employers for workers compensation**

- **Consolidating the four budget accounts into one will simplify and improve the accuracy of financial reporting for interested parties.**
- **One additional IT position to manage data bases and support systems**
- **One additional attorney to also act as an Insurance Care Hearing Officer**
- **Funding is sun setting for two Insurance Examiner positions**
- **Insurance has requested 4 new positions.**



# Division of Industrial Relations

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**The Industrial Relations Division administers the Nevada Occupational Safety and Health Administration, Safety Consultation and Training, Mine Safety and Training programs, as well as Workers Compensation.**

- **Providing access to the 71,495 Employers Statewide and the 1.15 million employees that make up our workforce**
- **Mining Safety Unit assists 2,028 mine operators by providing training for 29,892 mining related employees**



# Mortgage Lending Division

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**The Mortgage Lending Division promotes and regulates non-depository mortgage lending and related business protecting the consumers and safeguarding the public trust by creating a regulatory climate that promotes professionalism, education, compliance and ethics.**

- **Nevada rated number 2 for the last four years for risk of mortgage fraud.**
- **BDR to license and regulate over 200 Mortgage Servicers operating in Nevada**
- **Increase of two staff positions in FY 16 to handle the licensing and regulation of Mortgage Servicers**



# Taxicab Authority

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**The Taxicab Authority along with the Taxicab Authority Board regulates the taxicab industry in Clark County. The Division licenses drivers, performs vehicle safety inspections, ensures compliance, and provides enforcement of regulations within the industry.**

- **2,730 medallion plates**
- **About 10,000 licensed drivers**
- **27.5 million trips completed in Clark County annually**
- **Modernization of operations and computer software update for vehicle licensing, vehicle maintenance, vehicle tracking, driver licensing and dispatch**
- **Enhance long haul and enforcement units to assure compliance with regulation and operations**



# Nevada Transportation Authority

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**The Nevada Transportation Authority regulates the transportation (buses, limos, movers) and the taxi industries in all Nevada Counties except Clark County. The Division performs vehicle safety inspections, completes back ground investigations, and licenses drivers.**

- **Modernization of operations and computer software update to work with the industry**
- **Replacement of 9 vehicles over 10 years old and exceeding 100K miles**



# Labor Commissioner

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**The Labor Commissioner resolves wage and hour disputes between employers and employees, ensures businesses comply with state statutes regarding payment for time worked by an employee, calculates the minimum wage bulletin, and ensures enforcement mechanisms exist in the workplace related to hours of service and working conditions.**

- **Upgrade software for case management and wage determinations**
- **Improve caseload resolution, turn around and collections after determination of wage is made**
- **Contract amount for transcription of hearings**



# Financial Institutions Division

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**The Financial Institutions Division maintains a system that is safe and sound, protects consumers, defends the overall public interest, and promotes economic development through the efficient, effective, and equitable licensing, examination, and supervision of depository, fiduciary, and non-depository financial institutions.**

- **23 Depository Institutions with 137 branch locations**
- **1,397 Non-Depository Institutions including Payday & Title Loans**
- **38 Fiduciary Institutions – Retail & Family Trusts**





# Manufactured Housing Division

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**The Manufactured Housing Division inspects manufactured structures to ensure they are constructed, installed and repaired in a manner according to statute, regulates licenses issued by the division for sales, repair and modification of manufactured structures to protect the consumer.**

- **Request to replace software system to support the permit, inspection, and investigation functions of the Division**
- **Use of contract inspectors to increase the number of safe and efficient inspections in a timely manner**
- **2,506 inspections performed in 2014**
- **79,726 units titled**
- **405 manufactured home parks**



# Nevada Attorney for Injured Workers

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**The Nevada Attorney for Injured Workers (NAIW) represents injured workers at the appeals level of the administrative hearing process.**

- Requesting one legal researcher to assist in the research and preparation for approximately 1400 annual appeals hearings.**

1,290

New Cases Received FY 2014

753

Decision & Settlement Wins

\$6,750,714

Received in Settlement Funds

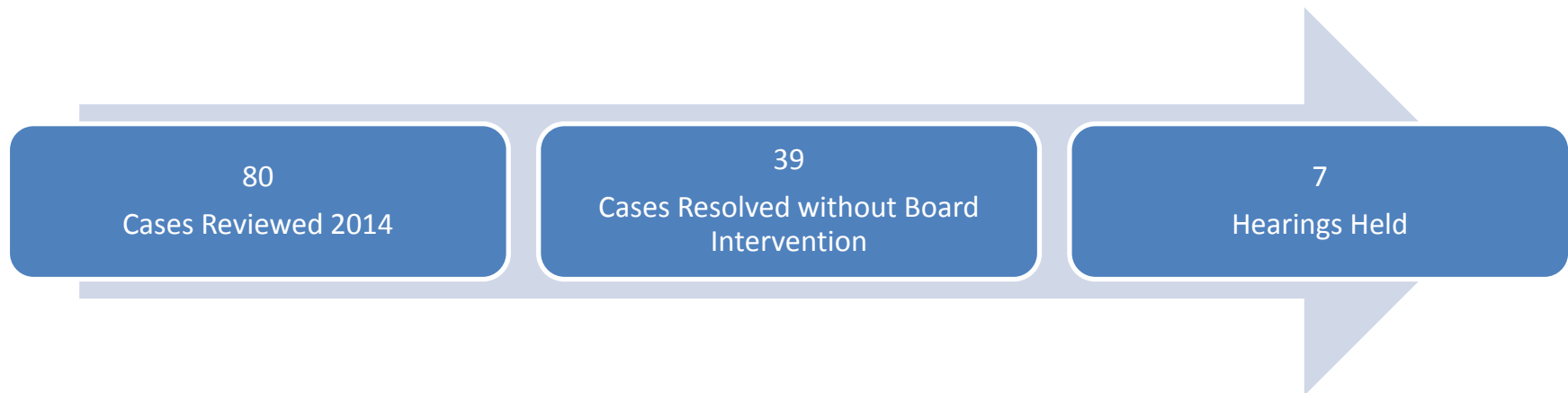


# Employee Management Relations Board

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**The Division staff works with the Employee Management Relations Board, local government, and public employee unions coordinating and developing trained employee groups through the collective bargaining process, providing a venue for dispute resolution in a neutral and timely manner.**

**There are no major issues addressed in this budget**



# Department of Business & Industry



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