

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Seventh Session
March 20, 2013**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 2:02 p.m. on Wednesday, March 20, 2013, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator David R. Parks, Chair
Senator Pat Spearman, Vice Chair
Senator Mark A. Manendo
Senator Pete Goicoechea
Senator Scott Hammond

GUEST LEGISLATORS PRESENT:

Senator Michael Roberson, Senatorial District No. 20
Assemblyman John C. Ellison, Assembly District No. 33

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst
Suzanne Efford, Committee Secretary

OTHERS PRESENT:

Debra March, City Councilwoman Ward II, City of Henderson; President, Nevada League of Cities and Municipalities
Nancy J. Boland, Commissioner District 2, Esmeralda County; President, Nevada Association of Counties
Emily Carter, Mayor, City of West Wendover; First Vice President, Nevada League of Cities and Municipalities
Chris J. Melville, City Manager, City of West Wendover

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Daniel O. Jacobsen, Technical Staff Manager, Bureau of Consumer Protection,
Office of the Attorney General
Wes Henderson, Nevada League of Cities and Municipalities
K. Neena Laxalt, Nevada Propane Dealers Association; Board of Massage
Therapists; Board of Psychological Examiners; Board of Dispensing
Opticians; Nevada State Board of Veterinary Medical Examiners
Debra M. Terwilliger, Public Utilities Commission of Nevada
Samuel S. Crano, Public Utilities Commission of Nevada
Nicole J. Lamboley, Chief Deputy, Office of the Secretary of State
Peter D. Krueger, Chiropractic Physicians' Board of Nevada; Nevada
Commission on Off-Highway Vehicles
Fred Hillerby, State Board of Nursing
Keith Lee, Board of Medical Examiners; State Contractors' Board
Mike McMahon, Administrator, Division of Welfare and Supportive Services,
Department of Health and Human Services
Kim Frakes, L.C.S.W., Executive Director, Board of Examiners for Social
Workers
Jude Hurin, CPM, Services Manager, Driver Programs, Management Services
and Programs Division, Department of Motor Vehicles

Chair Parks:

We will open the work session on Senate Bill (S.B.) 55.

SENATE BILL 55: Revises provisions governing master plans. (BDR 22-254)

Patrick Guinan (Policy Analyst):

I will explain S.B. 55 and the proposed amendment as contained in the work session document (Exhibit C).

Senator Goicoechea:

Did the City of Reno testify on the amendment?

Mr. Guinan:

Yes, the City of Reno presented the amendment in the hearing and the sponsor of the bill was comfortable with it.

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SENATOR SPEARMAN MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 55.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

We will open the hearing on S.B. 202.

SENATE BILL 202: Creates the Nevada Advisory Committee on Intergovernmental Relations as a statutory committee. (BDR 19-905)

Senator Michael Roberson (Senatorial District No. 20):

I submitted S.B. 202 at the request of the Nevada League of Cities and Municipalities President, Debra March. This bill seeks to create a permanent Nevada Advisory Committee on Intergovernmental Relations (ACIR) that would enable the forum for an ongoing dialogue between the Legislature, State agencies and local elected officials.

The goal of ACIR would be to bring about effective partnerships and communication between all levels of government and to present those findings to the Legislature. The membership of the ACIR committee would include representatives from the Legislature, local governments and the State Executive Branch.

The ACIR was designed to allow conversations to take place between differing levels of government on increasingly complex governmental issues that are very difficult to solve within the 120-day Legislative Session.

By allowing ACIR to meet during the interim and hone in on needed changes with how government is delivered, respective government affairs committees can hit the ground running and accomplish more during the relatively short Legislative Session.

We have all heard from our constituents who desire a more efficient government. The ACIR can help do that by exploring the interaction between all

levels of government and determining if services are being provided by the appropriate level of government as efficiently as possible. This is just one example of the charge ACIR will have, but I envision this body being tasked by the Legislature to examine other more complex topics at our discretion.

The bill would allow the leadership of both parties and both Houses to appoint their respective chairs of the government affairs committees to sit on ACIR, which will ensure a better up-front understanding of what local governments and the State Executive Branch intend to accomplish within proposed bill draft requests.

Debra March (City Councilwoman Ward II, City of Henderson; President, Nevada League of Cities and Municipalities):

I have submitted written testimony in support of S.B. 202 and a brief history on ACIR ([Exhibit D](#)).

Nancy J. Boland (Commissioner District 2, Esmeralda County; President, Nevada Association of Counties):

I have submitted written testimony expressing my support and the support of the Nevada Association of Counties for this bill ([Exhibit E](#)).

Emily Carter (Mayor, City of West Wendover; First Vice President, Nevada League of Cities and Municipalities):

This bill is a critical means of enabling people to get together and build needed communication relationships, especially from a rural community. We are located on the eastern side of the State. Our news comes from Utah, not from Nevada. Any time we have the opportunity to come together to address Nevada issues affecting our community is good for us.

Chair Parks:

We will close the hearing on S.B. 202 and open the hearing on S.B. 227.

SENATE BILL 227: Authorizes the governing body of a municipality to acquire, improve, equip, operate and maintain certain projects. (BDR 21-1043)

Senator Pete Goicoechea (Senatorial District No. 19):

This past winter, West Wendover had a difficult time obtaining propane for the community. At one point, the community was down to 8 percent of storage capacity. Governor Brian Sandoval declared an emergency and issued an

executive order that loosened trucking regulations, which allowed delivery of propane to the town.

Senate Bill 227 adds natural gas to the projects authorized under *Nevada Revised Statutes* (NRS) 268. In some rural areas, 50 to 100 miles of pipeline would be required to bring natural gas to a community. It is not feasible for Southwest Gas or any other entity to install that much pipe and a distribution system to serve 500 customers.

We are proposing to put propane and natural gas systems under the same financing agreement West Wendover already has to fund other building projects. A 40- to 50-year bond could be obtained through the U.S. Department of Agriculture (USDA).

There was a question about who would run the facility. The bond requires that the town run the system by maintaining some type of revenue stream.

Assemblyman John C. Ellison (Assembly District No. 33):

Sometimes it is almost impossible to get natural or propane gas into rural areas. The bill is a great idea. It would allow this municipality to connect to the existing pipeline that is nearby and bring natural gas into the area.

If this can be done, it would be a win-win situation for everyone, but mostly for the people of West Wendover and other rural communities. The bill would help people who work in businesses other than gold mines because propane costs almost twice as much as natural gas.

Ms. Carter:

As mentioned earlier, we had an incredibly long, cold winter. Our propane company is independently owned and has underground pipelines. It has a franchise with the City, but there came a point when the owner could not buy propane to make it through the winter. The Governor issued an executive order, which allowed the company to secure a supply of propane.

The owner of the gas company has been in receivership for the last several years and had signed a letter of intent in February to sell the system to the City. However, the City Council voted not to proceed with the sale. At this point, we are sitting in limbo. I issued a veto on the Council's decision not to proceed so it is essentially tabled.

We have a natural gas pipeline that is only 60 miles away. We are interested in the economic development that natural gas would bring to our community. I have also submitted a written statement on the benefits of S.B. 227 ([Exhibit F](#)).

Chris J. Melville (City Manager, City of West Wendover):

Our community is primarily gaming- and tourism-related. We have a large population with low to moderate income. Anything we can do to further economic development, diversification and lower costs to those who use the more expensive propane would benefit the community.

The main transmission line is 62 miles to the north of West Wendover. Our goal is to tap into that line and bring natural gas to our community. Senate Bill 227 would allow us to obtain financing, which is what we have to do. It may also be applicable to other small communities in the same situation.

Daniel O. Jacobsen (Technical Staff Manager, Bureau of Consumer Protection, Office of the Attorney General):

We watch closely what is happening to natural gas. With the invention and deployment of fracking, more and more natural gas is being found around the Country. This is causing prices to go down. Projections show that prices may not stay at the record lows they are at right now, but they will be relatively low for a long time. The supply of natural gas is going to continue to grow.

We are supporting this bill because if it were financially possible for rural communities to have access to natural gas, it would be beneficial to the consumers in those areas.

We are not experts on bond financing, but we had several discussions with the USDA and confirmed that this type of funding would be available to municipalities for these types of projects. The USDA wants to be assured that it is economically viable. The City of West Wendover has engaged a consultant and has done analysis on pursuing this. It is not something the City has proposed lightly.

Senator Hammond:

The projected costs of natural gas are going down based on supply and relatively low demand. However, as the supply goes up, the demand would also

go up. Do you know the projected amount of natural gas? How many years of natural gas do we have?

Mr. Jacobsen:

Projections show probably 30 or 40 years of natural gas available. If you monitor what is happening through the trade press, some say that the environmental impacts of fracking will eventually get in the way of this. However, everything we are seeing suggests that ways are being found to do this in a cost-effective and safe manner. Communities in Pennsylvania and North Dakota are doing this, and things are booming for them. We also heard some theories that the U.S. might start exporting natural gas; therefore, it would not be as readily available. However, as we go to conferences and watch this in the trade press, it is apparent that huge pipelines would have to be funded to do huge exports. It is more likely that natural gas will become a larger part of the U.S. infrastructure.

Senator Hammond:

Is your 30- to 40-year estimate based on the current consumption rate or on the consumption rate going up as the availability of natural gas goes up?

Mr. Jacobsen:

There are some uncertainties about how many renewables will be used. On the other side, it seems likely that less coal will be used to generate electricity as the Environmental Protection Agency applies more pressure to coal users.

The projections we have seen regarding the 30 to 40 years are at current use. However, we are also seeing projections that more and more electricity will be generated from natural gas, which will help buoy up those drillers who are a little hesitant to drill because the price is so low right now. We think that instead of the price being in the \$2 to \$3 range, it may go to the \$4 to \$5 range and maybe even the \$6 range. However, we do not see it going back up to \$9, \$10 or \$11 because there is so much available and companies keep finding more and more natural gas.

Senator Goicoechea:

The 30-, 40- or 50-year period is reflective of the financing, not the consumption. As it pertains to this bill, that would be a 30-, 40- or 50-year financing program.

Senator Hammond:

I was wondering about that. I have heard that the projections of natural gas go well beyond 40 years. There will be a cost associated with building the pipeline. Is it going to be worth the cost? How much natural gas do we have based on current consumption or consumption projected 10 or 20 years from now? Availability should be steady even with an increase in consumption. Am I wrong?

Mr. Jacobsen:

You are right. Solar companies say the surge in natural gas is not sustainable. However, we are seeing that it may be sustained. As more and more communities become aware of the economic development benefits of natural gas, more communities will use it. Natural gas will be with us long enough to pay back these bonds.

Chair Parks:

I would like to get a little better understanding of West Wendover. Do you have an underground natural gas distribution system?

Ms. Carter:

Our underground utility system for propane is convertible to natural gas. When the system was installed, it was anticipated that the current owner would bring in some form of natural gas, but that has not happened. The owner has continued to maintain the propane.

Chair Parks:

Have you looked at the possibility of grants to fund such a project? Would a federal program provide such funding to a small community? Sixty or 70 percent of your costs would be substantial.

Mr. Melville:

We looked at other funding options, including grants, but they were much smaller than what we needed. Our focus was with the USDA Rural Development program. We collaborate with the USDA for other water, sewer and infrastructure projects. The most reasonable access to funding was through the program. We could still look at additional grant opportunities.

Chair Parks:

Is there a possibility of substantially expanding the existing, privately owned and operated system? I am assuming that not everyone in West Wendover has propane service. A large number of people probably do not. Given the geographies, is that something you would consider? I am thinking of a business plan. You want to bring in a 62-mile pipeline and determine how to expand it to the larger portion of the community. Have you had any thoughts on that?

Ms. Carter:

Absolutely, Mr. Chair; the system supports 400 households as well as several businesses. Many of the large businesses are not on the system, but they could be. Two casinos are actually piped to be on the system but have chosen to go with another source. They have tanks and bring in their own propane.

The system is certainly expandable within a reasonable cost. It would be ideal to bring propane or natural gas to the rest of the community.

We also have an industrial park that would significantly benefit from having natural gas. Large businesses, especially warehouses, are interested in fuel costs. Natural gas is less expensive than propane or electricity.

Chair Parks:

Have you had discussions with other publicly regulated utilities about purchasing the system?

Mr. Melville:

As part of the feasibility study, which the USDA Rural Development program required, we contacted several entities, both private and quasi-public, within the area and elsewhere. There was no interest from any of those entities to operate a gas system in our community.

Wes Henderson (Nevada League of Cities and Municipalities):

We would like to thank the sponsors for bringing this bill forward. The Nevada League of Cities and Municipalities supports S.B. 227. It would be a useful tool for communities like West Wendover.

K. Neena Laxalt (Nevada Propane Dealers Association):

We are neutral on the bill. I am here to answer any questions. In the propane industry, eight or more connections fall under the jurisdiction of the Public

Utilities Commission (PUC); anything less than that falls under the Board for the Regulation of Liquefied Petroleum Gas.

I wanted to comment about the copy of the Governor's declaration ([Exhibit G](#)). The Nevada Propane Dealers Association had asked for this. It was not a question of fuel being available. It was about how to get the fuel delivered to those communities.

Debrea M. Terwilliger (Public Utilities Commission of Nevada):

We are neutral on the bill. As the West Wendover Mayor indicated, Wendover Gas is a private entity regulated by the PUC. We have been involved in that process and the propane shortages the utility suffered this winter and in prior winters.

Samuel S. Crano (Public Utilities Commission of Nevada):

The PUC has been contracted by the federal government to enforce federal pipeline safety rules. We do that for Wendover Gas. While we do not generally regulate municipal utilities, if they have underground gas lines the federal authority would still apply. We regulate them for safety purposes and for the purposes of NRS 455, the call-before-you-dig rules.

Chair Parks:

If there was a willing seller and the City of West Wendover was an interested buyer, would there be any complications from the PUC perspective?

Ms. Terwilliger:

Since Wendover Gas is a public utility, it would have to come before the PUC under the statute that governs the sale of a public utility for review to determine whether the sale is in the public's interest.

The gas company in West Wendover is in receivership because of serious financial difficulties. From the PUC staff's perspective, if the City wanted to buy the system, it would benefit the public.

Senator Goicoechea:

There is no doubt that this is a unique scenario with West Wendover. Typically, small rural communities do not have gas companies. We are talking about the difference between \$4 propane and \$1.50 a dekatherm for natural gas.

This could be an incentive all across rural Nevada. That is why we hope this becomes a tool for other communities. We are all familiar with the Ruby Pipeline natural gas line that came across the northern part of the State. It might provide significant access to gas for other rural communities. If it will work for West Wendover, this could be applied to smaller communities across the State. It is my understanding that there is access to gas through the Ruby Pipeline because some of the mining companies had requested it. Senate Bill 227 will be beneficial for West Wendover.

Chair Parks:

Not only is the Ruby Pipeline 62 miles away, it is also an avenue for access.

Senator Goicoechea:

There is access. It is different from having a gas line with no access. I would request your support. You have heard from West Wendover about its issues and the cold winters it faces in northern Nevada.

Chair Park:

We will close the hearing on S.B. 227 and open the hearing on S.B. 236.

SENATE BILL 236: Revises provisions governing state agencies. (BDR 19-769)

Senator Pat Spearman (Senatorial District No. 1):

Senate Bill 236 is a straightforward attempt to make improvements in State agencies' interaction with the public and each other by taking advantage of technological advances.

Senate Bill 236 amends NRS 237 to require all State agencies to make any forms their clients must use to submit information to them available in electronic format on the Internet. At some point, the format must also allow a person to prepare, complete, download, save and submit the form to the agency securely over the Internet. These provisions found in section 3 are the crux of the bill.

My goals in requiring these changes to the statute are many. First, I want to ensure that persons with disabilities are afforded the most accessible and convenient means possible to conduct their business with the State. As a personal example, I have a military injury to my right hand that limits its use. For most of my life, I was right-handed. Over the last 5 years, as that disability has become more pronounced, I have switched to my left hand. Trying to write or

fill out forms is difficult for me. I am sure that I am not the only one in the State who has this type of disability.

Second, it is important that we continue to move away from paper toward electronic transactions whenever and wherever possible in order to reduce waste and save precious resources and taxpayer dollars.

Third, conducting business electronically online will help eliminate the inevitable errors that occur whenever we deal with individual handwriting and the task of interpreting that handwriting in order to process data. The cost savings will be significant.

In the last 2 fiscal years, the cost of Xerox paper, which is used for normal office functions of the Legislative Counsel Bureau, totaled \$27,243.16 for fiscal year (FY) 2011 and \$23,268 in FY 2012. Paper purchased by the State Printing Office is used during the manufacturing or printing process to generate revenue. In FY 2011, the cost of paper was \$256,721.80 and in FY 2012 the cost \$268,059.23.

Paper is purchased by the Legal Division to produce products that are resold to the public, such as the NRS and the *Nevada Administrative Code*. In FY 2011, the cost of that paper was \$41,094.40; and in FY 2012, the cost was \$94,642.41. If you add all the aforementioned dollar figures up, it equals \$711,029 spent on paper items over the last 2 years.

I question how many staff persons could we employ, how many teachers could we hire, how many schools could we repair and how many roads could we repair if the \$711,029 in our budget was not spent on paper products?

State agencies are encouraged to begin providing forms online as soon as they can, but they have until January 1, 2015, to do so. In the meantime, State agencies have the discretion to phase in the online forms as they see fit. Additionally, I am hopeful that standardization across agencies may provide cost-saving opportunities in several areas. For example, licensing and training costs may be reduced if there are sufficient economies of scale.

If every State agency conducts business in the same or similar manner online, then the ability for agencies to communicate with each other quickly and share accurate information when necessary will be greatly enhanced.

A few other provisions in the bill should be mentioned. Our State agencies make use of many different software programs and just as many different types of generations of hardware to conduct their business. For this reason, the bill specifically allows State agencies to use whatever programs, software or technology they deem appropriate to meet the bill's implementation date of January 1, 2015. This provision is intended to keep the cost of implementation to a minimum.

Finally, section 4 of the bill contains provisions allowing State agencies to share information with each other upon receiving a written request as long as they do not share anything declared confidential or proprietary. Agencies may also share nonconfidential portions of a confidential record.

As I mentioned earlier, my primary goal in proposing this legislation is to streamline the way our State agencies conduct business with the public and with each other. However, I am acutely mindful of the need for these agencies to protect confidential information. As written, this bill provides adequate information-sharing flexibility while ensuring that confidential information is protected.

I will be happy to work with anyone who has questions or concerns about the bill. Ultimately, it is intended to benefit all.

Senator Goicoechea:

I am trying to understand how this would work. If someone came into a State agency, could that agency print out a form and give it to the person?

Senator Spearman:

That is correct. Paper products would still exist, but the preponderance of forms and other paper items that we usually fund would be on the Internet.

Senator Goicoechea:

If a person came into an agency, the agency would print the form and hand it to the person, which would avoid having stacks of paper under the counter.

Senator Spearman:

Yes, that is correct.

Chair Parks:

As I read this bill, there are terms such as “make available,” “may” and a few others. Therefore, it is permissive. We are saying that governmental entities should be preparing to provide every form they have in an electronic format. This would allow a person to fill out a form from the comfort of his or her kitchen table or wherever.

Senator Spearman:

Yes, January 1, 2015, is the first step. Some agencies have more than 400 forms. It could be difficult to get all of those online. We are encouraging agencies to begin the process. Technological information is contained in a silo fashion, which means it is usually not shared between agencies. An agency might have an issue or challenge whereas another agency might have the answer to that issue or challenge, but because they cannot share information, nothing really happens. The legislation is permissible to the extent that agencies have the discretion as to implementation and how they phase in the forms online. However, they are encouraged to have at least a large amount of that completed by January 1, 2015.

Chair Parks:

Section 4 of the bill deals with keeping records confidential. One of the concerns I have is that sometimes not every part of a document containing confidential information needs to be totally confidential. Your bill tries to address that issue.

Senator Spearman:

The bill allows the agency to share at its discretion. I wish I could take credit and say this was an original idea, but several years ago, the federal government created the Paperwork Reduction Act. For example, as a veteran, I can go online and request my DD Form 214 Certificate of Release or Discharge from Active Duty without receiving one in the mail.

Chair Parks:

Over the years, it appears that the Paperwork Reduction Act does anything but reduce the level of paperwork.

Nicole J. Lamboley (Chief Deputy, Office of the Secretary of State):

We support S.B. 236. We have done much to make our forms available online. We bring our services to the customer in four different ways. One is the

traditional paper form, which is available online. The customer can download it, complete it and mail or hand-deliver to our office. We also have online pdfs that people can fill out, print, sign and mail or hand-deliver to our office. We have the online fillable form which in many cases can be submitted electronically. Once it is completed and submitted, it is received as an email by one of our staff who downloads it, saves it electronically and may have to enter the data into a database. The fourth system is an online service where the customer actually completes a transaction by filling out a form, makes any associated payment online and the service is rendered immediately. Customers may receive their documents, such as articles of incorporation, via email.

We have found that the investment in our technology systems is worthwhile for our agency. We have more than 300 forms. Some of them are not available to be filled out online because they require an attachment, which cannot be submitted electronically. However, a person can complete the form online, print it and mail it to our office. In the case of forms which require notarization, we obviously have to have the person appear before a notary and then submit the form. We cannot receive it electronically.

We are working with State agencies on data-sharing through the Nevada Business Portal. Customers would only have to complete the information once as they go through the State process for registering a business. We have found that many State and local agencies are eager to participate. We must ensure that the work flows in accordance with business rules and either State or local ordinances.

Senator Spearman:

We discovered that things put online allow the creation of a database that is accessible across agencies. Agencies talking to each other lessen the load on the customers and clients as well as reducing paper. I encourage your positive consideration of this bill.

Peter D. Krueger (Chiropractic Physicians' Board of Nevada; Nevada Commission on Off-Highway Vehicles):

We are supportive of the idea but under the new rules, we can only testify in opposition instead of neutral. We have some suggestions and appreciate the offer of Senator Spearman to work with her on this bill.

This should be limited to State departments and executive agencies. Many small boards and commissions do not have the resources or the capabilities to provide documents electronically.

We have a question regarding the security in line 15, section 3 of the bill which states " ... submit the form to the state agency securely via the Internet." A secure data link is expensive.

Is the ultimate goal to make all state agencies, boards and commissions have their forms available only online to be filled out and returned electronically? Alternatively, will the user be allowed to download it, fill it out manually and either mail or bring it to the office? That is far easier and less costly than the provision where the form must be filled out in total online and then returned electronically.

We will take Senator Spearman up on her offer to work with her on the provisions of this bill in order to understand them fully.

Chair Parks:

We Legislators face the same situation regarding secure Internet access links. Many of us operate from our own personal computers outside the legislature. I can understand that. This would also apply to members of boards and commissions who use their own personal work sites or home computer links.

The language in the bill is permissive. We want to discuss the issue of boards and commissions with Senator Spearman.

Mr. Krueger:

In line 7, section 3 of the bill has the word "shall." As I understand the bill, there is a phase-in period. Ultimately, this has to be done by January 1, 2015.

Chair Parks:

We will discuss that with the sponsor of the bill.

Fred Hillerby (State Board of Nursing):

The State Board of Nursing is moving toward accomplishing the goals of S.B. 236. The Board tells me that this is going to cost them over \$30,000 to secure the Board's Internet site. I have seen estimates higher than that. It is an expensive process to ensure that your Internet site is secure.

In most professional licensing boards, there is a requirement that fingerprints be submitted. That form must be signed by the person. It cannot be transmitted to us electronically. However, fingerprints can be transmitted directly to the Department of Public Safety in both our Reno and Las Vegas offices, which then sends them to the FBI. That cannot be shared with anyone. The form must be signed, so it cannot be done over the Internet. The person has to agree to being fingerprinted.

It is a good idea to have the ability to fill out a form online and submit it electronically. The Board has been working on that process for 2 years. We are going to get it up and running, but it will not be by January 1, 2015. The bill is specific for completion no later than January 1, 2015. We would like to discuss some other period to achieve this.

As described, someone can go online and download the application to apply for a nursing license. Then the person can fill it out, sign it and submit it by either fax or some other means. The information is then entered into the database. We are working toward the other but will not achieve it by January 1, 2015.

We look forward to working with the bill's sponsor to create language to accommodate what we are trying to do.

Senator Hammond:

Mr. Hillerby, you said you had the form online. Can the form be filled out online and then printed, or must it be printed and then filled out?

Mr. Hillerby:

You have to print the form and then fill it out.

Senator Hammond:

You mentioned that it would cost around \$30,000 to secure the Internet site. Is the cost based on per site, the nature of the site or the size of the site? Does it have anything to do with extraneous things like that, or is it just per site?

Mr. Hillerby:

You are above my understanding of electronics. This was submitted by the vendor who sells those programs to help secure the Internet site. I do not know what the considerations were that went into the \$30,000 price.

Keith Lee (Board of Medical Examiners; State Contractors' Board):

I agree with Mr. Hillerby. We require original signatures and notarizations, and in many cases attachments such as a surety bond for a contractor or certifications for a physician. By their very nature, these cannot be submitted electronically through a particular means. As with many other boards, we permit an applicant to download the application, fill it out, scan it and send it back, but we still need the original, notarized signature, fingerprints and other attachments.

The medical examiners' application is about 33 pages, a portion of which is from the National Association of Medical Examiners, which has to be downloaded from a national link and filled out.

We will be pleased to work with Senator Spearman to determine how this can be revised to meet her needs and the demands and needs of the respective boards.

Both of my boards have attached a sizeable fiscal note to this bill. I do not know what is meant by the term "secured." One of my boards has determined costs based on their understanding of what secured means and by speaking with others. The other board has done its own thing as well. Part of the conversation we will have with Senator Spearman is what constitutes a secure site in order to determine the costs. Our boards and commissions are all non-General Fund agencies. They are funded by the licensees and those we regulate.

Mike McMahon (Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

We are neutral on this bill. However, I want to point out that we submitted a significant fiscal note on this bill. The costs associated with the proposal are for the Division of Welfare and Supportive Services information systems for the overall development of the requirements, including testing, hardware and software. The costs to convert the forms electronically are broken out in the fiscal note. The back-end infrastructure to support the transport and storage of electronic forms would need to be developed and completed as well.

The total General Fund impact is estimated to be a little over \$3 million in the 2013-2015 biennium. Additionally, the General Fund impact for the 2015-2017 biennium is a little over \$600,000.

Kim Frakes, L.C.S.W. (Executive Director, Board of Examiners for Social Workers):

We are neutral on S.B. 236. However, we support going toward a more paperless society, and we support the conservation of resources.

I had initially submitted a fiscal note that indicated no fiscal impact. However, I decided to speak with our Information Technology Services (ITS), which indicated that the type of server we use could not handle the massive amount of forms. Even if only half of our licensees and applicants downloaded and submitted forms, processing them may require us to obtain a new server. I am not sure how much this may cost, but it sounds like it will cost more than our Board can afford.

There are also issues with continuing education applications. As with other boards, our applications require original signatures. That would not necessarily affect us; however, many attachments are associated with the applications. I am not sure if submitting the form electronically includes the attachments. If it does, then it could get quickly overwhelming for our server.

We also allow our licensees and providers of continuing education courses to submit applications for our approval. Sometimes the supporting documentation that accompanies a simple application for continuing education approval can have 200 to 300 pages. Even though we would not print those, processing that amount of information would crash our server, and we would be required to get another one.

The Board is supported by licensing fees. I submitted a bill draft request this Legislative Session to have our fees included in the *Nevada Administrative Code* similar to other boards. The Board would like to be more responsive to the needs of the Legislature when things occur and when we might have to increase fees. The BDR was turned down. We have to wait until the next Legislative Session to submit a new BDR to increase our fees to offset the costs associated with this bill. That may not happen.

We are more than willing to work with Senator Spearman to problem-solve and develop creative solutions.

K. Neena Laxalt (Board of Massage Therapists; Board of Psychological Examiners; Board of Dispensing Opticians; Nevada State Board of Veterinary Medical Examiners):

I have nothing further to add other than I, too, would like to work with the sponsor of S.B. 236.

Jude Hurin, CPM (Services Manager, Driver Programs, Management Services and Programs Division, Department of Motor Vehicles):

We have had the opportunity to speak with Senator Spearman and we appreciated her time with us to help us understand her intention and vision. The Department of Motor Vehicles (DMV) is moving in that direction. Several months ago, Interim Director Troy L. Dillard internally requested something similar to what the Secretary of State has done. We welcome and appreciate the Senator's bill.

Senator Spearman understands that the DMV has approximately 800 forms. Many of our most frequently used forms are on the Website and many are pdf-fillable. We look forward to working with this Senator who also understands our challenges in the background.

Senator Spearman:

I appreciate the comments of those who have spoken neutral or need more information before they can support S.B. 236.

Keith Lee has two clients that have done this. One of them is Southwest Airlines. When someone buys a ticket online, he or she uses a credit card. Most businesses accomplish this with what is known as a secure socket layer (SSL). The SSL brand of technology is so common that the cost is almost moot. It is at the discretion of all the State departments to do that.

I am a member of the United Services Automobile Association (USAA). With every car I have purchased in the last 15 years, I have never gone to San Antonio, Texas, to sign the documents. I always do it online through the SSL, as have most people who have shopped on the Internet or registered for conferences on the Internet when providing payment. Most business practices incorporate that technology as a part of the process to reduce overhead.

The January 1, 2015, deadline was designed to get people on board to start the implementation. If only 200 of the 800 forms get online, that is a good start. There will be no penalties. We are trying to get people to move toward a paperless environment.

Many fears of not doing this would be resolved because agencies would be talking to each other and sharing information. When I began developing this, I knew that the Secretary of State was doing phenomenal work with online forms. You can even register to vote online, which is secure.

Ms. Lamboley:

The State has Website security standards. We adhere to the State security standards developed by the Division of Enterprise Information Technology Services (EITS). The EITS sets many standards. As a constitutional office, we have some independence. We manage our own ITS staff of 19. However, we coordinate with EITS and adhere to their established guidelines and standards.

We worked with DMV on the voter registration project, and it has been a great partner for us, not only with the traditional paper form but also now moving to an online system. Our secure system is more secure than the paper form, which allows people to connect through the DMV to register to vote online. Information is instantly transmitted.

We use the State contract for online credit card payments. There are State security requirements for the provider to adhere to when transmitting and encrypting certain data. The State has all of those security concerns addressed through State guidelines. The Secretary of State and most State agencies follow those guidelines. We have a duty and a responsibility to maintain and to assure our customers a secure transaction.

When we implement new programs or services in the future, we will determine how we can bring those services online. It will take planning, business process analysis and understanding the product and providing it in a more customer-and-constituent-friendly manner. For example, we provide training to people who want to become notaries. That system is not currently online. It is a laborious paper process. However, we have invested some of our fees to develop an online service so we are not handling the registrant's information. The customer is managing his or her relationship with us by deciding when to sign up for a class or to change a class.

We have to look at each form. Based on the deadline, we will achieve what is practicable. We file advanced directives which cannot be filed electronically. Registrants must submit copies of the legal documents prepared by third parties. However, we may allow registrants to submit them electronically; they just cannot prepare the documents electronically.

Senator Goicoechea:

Senator Spearman, the point is well taken by Keith Lee and some of the other testifiers. Southwest Airlines is significantly larger than our State Board of Nursing. You will probably have to work with some of the smaller boards and agencies. Clearly, they do not have the Secretary of State's technology; however, these boards and agencies are doing a great job.

Senator Spearman:

The intent is to allow the agencies to decide how they can best do this. They may not be able to do as the Secretary of State. I mentioned Southwest Airlines and USAA because once you have a large enough constituency and you are selling something, you can leverage those numbers to bring the costs down. You bring costs down and improve services because you have more than one client.

I understand, and I am not taking the concerns or trepidations lightly. Those technologies are available. We are operating in silos, and once people start talking to each other, many of the things that generate concerns would be allayed. People would find that it is not as difficult as it probably looks.

If you look at the dais, everyone has a laptop and NELIS access. I do not have any statutes or NRS books in my office. Anything I want to learn is online. The intent of this is to become more customer-centered and save taxpayer dollars.

Senator Hammond:

Senator Spearman, I know you will do a wonderful job communicating with those who have problems with the bill. I have no doubt that you will sit down with them and allay some of their concerns.

Ms. Lamboley, you spoke about all of the things you have done in the Secretary of State's Office. Legislators do all of their financial disclosures online. Can you tell me how long it took, from beginning to end, to get that program online? I am looking at the January 1, 2015, deadline, which is a little less than 2 years

from now. When this was under discussion, did you think it would be feasible for the smaller boards and commissions to do?

Ms. Lamboley:

We had a base system when the Legislature mandated that financial disclosures in contribution and expense reports for candidates be filed mandatorily online. The base system had been developed by former Secretary of State Dean Heller. We expanded upon that system. Because we have in-house project management and development teams, we do not have to rely on a third-party vendor.

We have a team of 19 ITS staff, which is almost double the staff we had 6 1/2 years ago. As our business models have changed, we have taken positions as they become vacant and turned them into ITS positions in order to support the transition. While our head count has declined from 144 to 130 full-time employees, they are dispersed differently. We have a different type of employee in some instances. There is more staff in the ITS department to support the changes in technology. Once you build technology, you have to sustain and maintain it because it rapidly changes. For example, our commercial recordings system—electronic Secretary of State (eSOS), envisioned and brought to the office by former Secretary of State Dean Heller—is now an aging system. We have to upgrade that system because the technology has changed. It is not supported by a different programming language. There are costs to the technology. However, we are fortunate to have an in-house development team. Some agencies have smaller staff. There is a lot of collaboration among State agencies, and we use the EITS as a resource when possible.

Senator Hammond:

I am new to that kind of technology. Would you share that base technology with other agencies, or is this something that each agency would have to develop on its own? Would each one, even boards and commissions, have to have its own base technology from which to start?

Ms. Lamboley:

It depends on what we are trying to do. Using the off-the-shelf Adobe system we have online fillable pdfs that can be submitted electronically. Many off-the-shelf systems can be purchased. The agency needs to define the rules and what it wants to do, then determine if there is an off-the-shelf product or if it has to develop something to meet its needs. It is about business planning,

knowing your business rules and how you develop the product to meet your needs.

We use a combination of off-the-shelf and customized software. The Business Portal system has some off-the-shelf software and some customized elements that can be tailored to meet the variety of work flow from various agencies. While that is a base system, we have to determine the link to the legacy system that exists in an agency.

Technology can do anything; it is how you get there. We might be able to share some of it. We would be willing to share our experiences with agencies because the collaboration will help us achieve a more online world.

Senator Spearman:

The January 1, 2015, date was designed to urge people to get started. That date is not written in stone. The intent was not to go 10 years without starting something. When you put a deadline there, it punctuates the urgency. Many agencies probably have some of the tools that Ms. Lamboley has discussed but are not aware because they have never had to use them, especially when we talk about the State secure site.

The intent of the bill is to allow each agency the discretion to phase in the program as it deems necessary and to do it in a manner consistent with building more customer-friendly processes and in compliance with the Americans with Disabilities Act of 1990. We will reduce the amount of money we spend on paper and put it into other services in other agencies in order to accomplish the goals that are stymied because of fiscal constraints.

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Senator Manendo:

We will close the hearing on S.B. 236.

Having no further business to come before the Senate Committee on Government Affairs, the meeting is adjourned at 3:40 p.m.

RESPECTFULLY SUBMITTED:

Suzanne Efford,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	7		Attendance Roster
S.B. 55	C	9	Patrick Guinan	Work Session Document
S.B. 202	D	4	Debra March	Introductory Remarks
S.B. 202	E	2	Nancy J. Boland	Written Testimony
S.B. 227	F	1	Emily Carter	SB 227 Would Help Municipalities Arrange for Natural Gas Services
S.B. 227	G	1	K. Neena Laxalt	Governor's Declaration