

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

**Eighty-first Session
May 17, 2021**

The Senate Committee on Government Affairs was called to order by Chair Marilyn Dondero Loop at 4:08 p.m. on Monday, May 17, 2021, Online and in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator James Ohrenschall, Vice Chair
Senator Dina Neal
Senator Pete Goicoechea
Senator Ira Hansen

STAFF MEMBERS PRESENT:

Alysa Keller, Policy Analyst
Heidi Chlarson, Counsel
Suzanne Efford, Committee Secretary

OTHERS PRESENT:

Laura Freed, Director, Department of Administration
Brian Mitchell, Director, Office of Science, Innovation and Technology, Office of the Governor
Matthew Tuma, Deputy Director, Department of Administration
Kevin Doty, Administrator, Purchasing Division, Department of Administration
Alexis Motarex, Nevada Chapter Associated General Contractors
Richard Karpel, Executive Director, Nevada Press Association
Terry Reynolds, Director, Department of Business and Industry

CHAIR DONDERO LOOP:

We will open the hearing on Senate Bill (S.B.) 409.

SENATE BILL 409: Revises provisions relating to state governmental administration. (BDR 23-1074)

LAURA FREED (Director, Department of Administration):

Collective bargaining is the law of the State. It was passed by S.B. No. 135 of the 80th Session which contained an assessment to support the Government Employee-Management Relations Board (EMRB) to support its new workload of adjudicating disputes and certifying exclusive representatives for bargaining units. However, no assessment was provided for supporting the Division of Human Resource Management (DHRM) of the Department of Administration workload in coordinating collective bargaining processes, working with Governor Steve Sisolak's designated representative, keeping records of class codes with exclusive representation, putting together bargaining teams and interfacing with various union personnel.

The personnel assessment in the budget was expected to be used during the current biennium, and it was. The 2019 Legislature requested the Department of Administration to return to the Interim Finance Committee to seek personnel assessment support of its operation, which it subsequently did.

Senate Bill 409 establishes a policy nexus between the assessment paid and the benefit to the agencies from having centralized bargaining services provided by DHRM. It removes the personnel assessment and adds a collective bargaining assessment in an equivalent amount. The assessment is per full-time equivalent per year for each position within a bargaining unit and is eligible to be represented by a labor organization even if no exclusive representative has been duly certified yet.

SENATOR NEAL:

How many employees will be represented by a labor organization?

MS. FREED:

We have four certified, exclusive representatives for seven bargaining units. The assessment would be charged to agencies with positions represented by an exclusive representative and to agencies eligible to have an exclusive representative. A union might get a certain bargaining unit under *Nevada Revised Statutes* (NRS) 288 to organize sometime in the Interim. The funding will be in the budget to begin bargaining if that happened.

I do not have the exact number of employees eligible to be represented. I will have to email you later. It is well over 10,000.

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SENATOR GOICOECHEA:

As I understand it, agencies will pay the fee for a vacant position if they do not have a group to bargain for them.

MS. FREED:

Yes, that is correct.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 409. I would like the Committee to take action today on S.B. 409, so I will take a motion.

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 409.

SENATOR NEAL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

I will open the hearing on S.B. 421.

SENATE BILL 421: Revises the employment status of the Director of the Office of Science, Innovation and Technology in the Office of the Governor. (BDR 18-1071)

BRIAN MITCHELL (Director, Office of Science, Innovation and Technology, Office of the Governor):

Senate Bill 421 is a budget implementation bill. When the Office of Science, Innovation and Technology was created, all employees were in the nonclassified service of the State. The decision was made to bring agencies in the nonclassified and classified service into the unclassified and classified service.

The Executive Budget recommended the conversion of all nonclassified positions into the classified and unclassified positions respectively. This is the budget bill that implements that change.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 421. I will entertain a motion on S.B. 421.

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 421.

SENATOR NEAL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

We will open the hearing on S.B. 422.

SENATE BILL 422: Revises provisions relating to governmental administration.
(BDR 18-1081)

MATTHEW TUMA (Deputy Director, Department of Administration):

Senate Bill 422 is a budget implementation bill that would transfer the responsibility of establishing and conducting a central mail room from the Division of State Library, Archives and Public Records (NSLAPR) of the Department of Administration to the newly created Mail Services Division in the Department of Administration and align the powers of those functions. It is important to note this does not change the functions of the mail room. It transfers authority to a standalone division for responsibilities. This was reached because of a number of operational concerns. This transfer and the creation of a standalone division will be important for both the daily operations and the long-term planning of the essential work to support mail distribution and improve levels of service for all our client agencies.

The Administrator of NSLAPR is required to meet library or archive education requirements. This has led to a mismatch of expertise to oversee mail operations. Creating a standalone division within the Department of Administration and having expertise at the newly created administrator level would be in the long-term interests of the Department.

SENATOR NEAL:

You mentioned operational challenges. What are they?

MR. TUMA:

Over the last year, since the Covid-19 emergency has emerged, we have been inundated with a large influx of mail responsibilities, especially related to the

Department of Education, Training and Rehabilitation and the Division of Welfare and Supportive Services mailings.

The highest-level employee in the mail services budget is a Program Officer II position. There needs to be senior management with mail services and mailing experience to articulately lead and plan for all the future business responsibilities and roles and let those program officer and mail clerk positions focus on the daily operational needs of the workflow.

SENATOR NEAL:

Will you still need that when the pandemic is over?

MR. TUMA:

Yes, we are going to continue to see a large influx of mail needs for the Division because unemployment and welfare benefits are still projected to be at high volumes for the foreseeable future, as well as business planning for future needs of mail services. It is a changing world as we digitize some operations, but because we rely on physical mailing for much of the secure mailings tied to benefits, having a senior-level mail services administrator will be in the best interest for business planning in the long-term.

SENATOR OHRENSCHALL:

If this passes, will there be fewer, more or the same number of employees working in mail services?

MR. TUMA:

In the budget presentation and submission and in the closed budget for mail services, there are two additional positions, one Mail Clerk II position and the new administrator position. Those are the only additional staff we foresee right now. As part of long-term business planning, the Mail Services Division wants to do a study to determine the ideal staffing level for the future and how to tie that to both increases and decreases in mail volume.

CHAIR DONDERO LOOP:

Has this ever existed?

MR. TUMA:

Mail services has been in NSLAPR for the last decade. In the last recession, mail services was moved from the Buildings and Grounds Section to NSLAPR. It has

never been a standalone division and never had senior management on site. Being its own standalone division is a new approach. The uniqueness and importance of the role the administrator will fill warrants in-house senior leadership.

CHAIR DONDERO LOOP:

Will this be needed after the pandemic and after everything is under control? Whether it is five years or ten years, will there be a point where you may not need mail services anymore?

MR. TUMA:

We need to evaluate the needs of all our divisions on a biennial basis. We need to have constant feedback to make sure we have the appropriate management levels and support for the businesses we have to manage. One of the interesting things that has happened over the past year is we have to manage a large, volatile business base for mail services. We have seen an increase of millions of pieces of mail handled by the Mail Services Division in the last year. We need to ramp up volume by 20 to 25 percent to respond to a pandemic and get accurate claims information out to the people who are relying on those benefits.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 422. I will accept a motion.

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 422.

SENATOR NEAL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

We will open the hearing on S.B. 445.

SENATE BILL 445: Revises provisions relating to state purchasing. (BDR 27-1075)

KEVIN DOTY (Administrator, Purchasing Division, Department of Administration):
Senate Bill 445 is a budget implementation bill for the Department of Administration. The technical aspects of the bill include cost savings to the Purchasing Division approved in its budget by deleting the newspaper advertising requirement for its bids and solicitations. The newspaper advertising requirement was implemented in 1951 when the only way for the Division to reach vendors for purchasing furniture, manual typewriters and such things was to advertise in a newspaper.

The Division's business model has changed greatly over the last 70 years. The way it reaches and awards its vendors has also changed greatly. For instance, the Division is evaluating proposals for a Medicaid contract worth more than \$1 billion. The original drafters of the State Purchasing Act of 1951 could not have contemplated that.

The idea of getting rid of the newspaper advertising requirement came up in Senate Bill No. 39 of the 79th Session. It proposed the same thing and was passed unanimously by the Senate Committee on Government Affairs and in the Senate, but failed to advance from the Assembly Committee on Government Affairs. Part of the reason may have been the concern about making sure everything the Division does is transparent to the public. In the last four years, the Division has made tremendous strides in that regard with the implementation of NevadaEPro. Any member of the public who wants to see anything the Division is doing can go to <http://www.nevadaepro.com>, click on the advanced button, click on bid solicitations, click on the big blue search button and the user will see every solicitation the Division is going after.

It helps the Division find vendors who are interested, lets the public know what the Division is doing and that all of its awarding is done to vendors who are registered in NevadaEPro. That allows the Division to collect the information needed to comply with its statutory requirements. The Division is meeting transparency in ways it never did even four years ago and certainly not 70 years ago.

The tiny newspaper advertisements put in the back with the classified ads in the *Las Vegas Review-Journal* do not yield any vendors for the Division and do not add any public transparency to what the Division is doing.

I mention the *Las Vegas Review-Journal* because of the way the Division's advertising requirement is written. All of its advertising funds have to be spent with the *Las Vegas Review Journal*. It is based on circulation and cost. On those grounds, it is always going to be the *Las Vegas Review-Journal* where the Division spends its advertising dollars.

The removal of newspaper advertising will save more than \$7,000 a year for the State, which is important. Another concern I have is I do not want a technical requirement that does not yield any benefit to the Division to somehow derail a big project or solicitation the Division has been working on.

Attorneys who challenge the Division's bids and awards are always looking for any type of noncompliance no matter how small. If a mistake was made in how the newspaper advertising was done, I would not want to have the Division's \$1 billion Medicaid contract, or any of its multimillion-dollar technology contracts, restart at step one because of a missing newspaper advertisement that did not serve a purpose to begin with.

The other sections of the bill are also attempts to modernize the State Purchasing Act. Section 2 of the bill, suggested by the Office of the Attorney General (AG), states that the Division will not agree to jurisdiction in another state or indemnify any other parties.

Section 3 was recommended by the Division of Internal Audits, Office of Finance in its report No. 20-07. It was recommended to create a debarred vendors list at the February 26, 2020, meeting of the Executive Branch Audit Committee. The only way the Division can debar or suspend a vendor is if the vendor is declared in breach of a contract. That rarely happens because if a vendor is not performing, the Division uses its termination for convenience language and does not actually declare a breach. It is cleaner to do that legally. Senate Bill 445 will create a debarred vendor list like many states have.

I would like to clarify section 3, subsection 1, paragraph (a) when it talks about providing false or misleading information to the Purchasing Division. This addresses vendors who lie to the Division. The Division is not concerned about vendors who make a mistake in something they file. It knows mistakes are made and are often corrected by vendors.

Section 3, subsection 1, paragraph (c) where it says "failed to comply with any provision of this chapter," relates to vendors who violate any statutory provision of NRS 333.

Section 5 of the bill makes conforming changes to go along with the debarred vendors list in section 3.

Section 6 has a minor change to make sure public records are retained regarding certain prescription purchases.

Section 7 would change the dollar threshold at which the Nevada State Board of Examiners approves contracts for services as opposed to having the Clerk of the Board of the State of Nevada Board of Examiners approve them. This is something Governor Steve Sisolak asked for at the February 2019 Board meeting.

There was not a piece of legislation we could amend this to in the Eightieth Session, so it was put in this legislation. This would allow the members of the Board to concentrate on higher dollar contracts. It would also put the \$100,000 limit in line with similar requirements in the local government's purchasing statute, NRS 332. It would align with the Division's requirement that requests for proposals for contracts of \$100,000 or more go through the Purchasing Division.

Allowing contracts under \$100,000 to be approved by the Clerk of the Board would streamline the Division's process and would eliminate the five to six weeks it takes for an item to go through the entire approval process by the Board of Examiners at its monthly meetings.

SENATOR NEAL:

The language in section 2, subsections 1 and 2, appears to be retroactive because it says "may not require the filing of any action or the arbitration ...," and then it says "or to indemnify another party." How many contracts are out-of-state where this would come into play and is this language retroactive?

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MR. DOTY:

The language says "entered into or renewed," so it would not apply retroactively to any contract already entered into or renewed. Going forward, if the Division had a new contract or was renewing an existing contract, these

sections would apply. For the most part, this would not cause a problem even if it was retroactive because the AG almost never agrees to waive the State's sovereignty and agree to be subject to the jurisdiction of another state. I do not know of any contracts that section 2, subsection 1 would apply to; and the same goes for section 2, subsection 2. There is much disagreement when lawyers negotiate on behalf of the State and of vendors and argue about indemnity provisions. This will streamline that somewhat and make it clear that the State will not agree to indemnify vendors, which is the Division's position in negotiations.

This would also alleviate any concerns the AG has about an open indemnification somehow being akin to extending the credit of the State, which runs into certain State constitutional restrictions.

SENATOR NEAL:

In section 3, subsection 1, paragraph (b), the contract provision says "did not perform." What is the right to cure now with the vendor?

MR. DOTY:

If vendors are not performing, the first level is to talk with the vendors to get them to perform. Then the Division will send letters by certified mail according to the notice provisions in the contract. If it is something the Division wants to raise to a certain level, such as a breach that needs to be cured, the Division gives the vendor time to cure nonperformance.

The only way the Division can debar a vendor from submitting a proposal to the State in the future is to declare an uncured breach. The full debarred vendor list, as it exists in other states, gives the Division more leverage in that regard. That is what this section of the bill is about. The Division wants to suspend or debar vendors and have more leverage to get vendors to comply with the terms of their contracts. Having this language to point to will help.

SENATOR GOICOECHEA:

This seems to give the Administrator many new powers. He or she can disbar any bidder. It also says the vendor can appeal to the Administrator. What good is that going to do?

MR. DOTY:

Until 1995, the process was to appeal to the Administrator. For 45 years, the only right of appeal was to ask the Administrator to override a decision. That was changed by statute. We now have hearings with the Hearings Division. As far as the debarred vendor list, this is consistent with how other states do it. It would not be taken lightly. Vendors would be given an opportunity to explain why they should not be debarred. The statutory limitation for debarment in the bill is two years. It could not last beyond that time limit.

SENATOR GOICOECHEA:

Vendors could petition for review, and if they were debarred, it would only be for two years.

MS. FREED:

Mr. Doty is the authority on all things NRS 333 in the Department of Administration. Part of the reason we brought this bill is because we received an Executive Branch audit, report No. 20-07, which specifically recommended establishing a Statewide debarred vendor list. There is no method for State agencies to ensure they are doing business with reputable vendors, nor is there data to track noncompliant vendors. This increases the risk for State agencies because noncompliant vendors might continue to do business with them. We would like to reduce the State's liability. We needed to modernize NRS 333, but we were also stimulated by an audit finding.

ALEXIS MOTAREX (Nevada Chapter Associated General Contractors):

The Associated General Contractors (AGC) supports section 4 of S.B. 445 but has significant concerns with the changes in sections 2 and 3 which AGC opposes.

The removal of the requirement to post bids in the newspaper in section 4 seems a logical change that keeps pace with technology and the evolving way in which we consume news and information. This will result in significant savings. It should be amended to include NRS 332 as well. Although this will result in another lost source of income for print media, it is a necessary change to ensure good stewardship of taxpayer dollars.

The AGC's first concern with S.B. 445 is the change included in section 2, subsection 2. It provides immunity to State purchasing and puts the full burden of any damages on the vendor regardless of fault. The law already allows for

this to be negotiated into contracts on a case-by-case basis. The AGCs feels strongly that vendors to the State should not be required by law to assume all liability regardless of circumstances of fault.

Section 3, subsection 1, paragraph (a) gives too much discretionary authority to the Administrator, and there is no obvious remedy for dealing with erroneous decisions.

Section 3, subsection 1, paragraph (b) is written so broadly that any minor deviation could be cause for breach of contract and debarment.

Section 3, subsection 1, paragraph (c) could result in the debarment of someone for up to two years for any minor noncompliance with the chapter. This could include something as insignificant as an administrative error in a bid. This seems extreme because it puts all vendors' and potential vendors' ability to do business with the State at the discretion of the Administrator.

I appreciate Mr. Doty saying this is not the intent, but the language, as drafted, would allow it. We discussed our concerns with Mr. Doty and look forward to continuing the dialogue to see if we can find a way to meet in the middle.

RICHARD KARPEL (Executive Director, Nevada Press Association):

The Nevada Press Association is opposed to section 4 of S.B. 445 which would eliminate the requirement that the Administrator publish a notice in a newspaper whenever the Division issues a bid or proposal.

This section of the bill mistakenly presupposes that the primary target audience of these notices are the contractors and vendors who may be interested in submitting a bid. In fact, publishing notice of the bid process in Nevada newspapers serves to notify the entire community, not just those registered to use the NevadaEPro system, that an important government function is being carried out. It is published in a vehicle independent of the government, is pushed into homes via newspapers and newspaper websites and is designed to give citizens confidence that the underlying process is being conducted fairly and in the light of day.

Allowing these notices to be posted solely on the NevadaEPro website for access to insiders who are already attuned to the bid process would subvert that important purpose and undermine trust in the State's purchasing process.

The larger the contract, like the \$1 billion Medicaid contract, the more important it is that the notices get published in a vehicle independent of the government.

SENATOR OHRENSCHALL:

How much is being spent on newspaper advertisements?

MR. DOTY:

The Division spends more than \$7,000 per year with the *Las Vegas Review-Journal* for these bids and solicitations advertisements.

SENATOR NEAL:

Language stating " ... report to the Purchasing Division within 10 days after the initial purchase," in section 6, subsection 3 has been stricken, and now it says just "maintain a record of." This is vague because it seems to take out the reporting. What is the time period now? The using agency must maintain the record. I need more breakdown on this.

MR. DOTY:

This is to make sure the agencies are not just notifying the Purchasing Division but are also keeping records because that is where auditors look for them. The Division has records of pharmaceutical purchases, anyway, and can access them through its computer system. When auditors from Legislative Counsel Bureau Audit Division want to see what the Department of Corrections or the Department of Health and Human Services has spent on certain pharmaceuticals, the Division wants to make sure all the records are maintained at the agency level so the auditors do not have to go multiple places to find them.

SENATOR GOICOECHEA:

Any contract up to \$100,000 goes to the Board of Examiners, but the Division can send contracts under \$100,000 to the Administrator. Every contract is subject to review by the Board of Examiners unless it has waived that \$100,000 threshold.

MR. DOTY:

That is correct. All contracts get approved by the Board of Examiners. The issue is, when does the full Board have to approve a contract in one of its monthly meetings or when can it delegate that approval to the Clerk of the Board.

SENATOR GOICOECHEA:

The Board can delegate it, but only if it is under \$100,000. Can the Board delegate any contract to be approved?

MS. FREED:

Any contract over \$9,999 must go to either the Clerk of the Board or the full Board of Examiners. This legislation anticipates making any \$100,000 contract an action item that requires Clerk of the Board action; now it is anything \$50,000 and over.

Under this bill, anything from \$9,999 to \$99,999 would be eligible to be signed by the Clerk of the Board and would go to the monthly Board meeting on an information item. Any member of the Board could ask to have that pulled and discussed; otherwise, it would just go as a consent item.

CHAIR DONDERO LOOP:

Is there an internal system of debarring a vendor that is not public? How does that work?

MR. DOTY:

The only way the Division can prevent vendors from submitting a bid or solicitation is if they are found to be in breach. That language is referenced in section 5 of S.B. 445, NRS 333.365. That does not happen for various legal reasons. The Division does not go the breach route. It normally terminates for convenience. That is why no vendors are barred from submitting a proposal in response to one of our solicitations.

SENATOR NEAL:

The breach is hard to go after, but it appears you are creating a lower standard. In the process of creating this lower threshold to debar, how did you come up with these standards to determine your trigger? Did the audit recommend what you should put in place to trigger debarment and then have a lower threshold? Did you decide this is the best way to "catch your fish"?

MS. FREED:

No, the audit did not give specific recommendations about what the test for debarring a vendor should be. It just recommended the debarred vendor list.

MR. DOTY:

One of the problems with only relying on the breach is some vendors who lie during the solicitation process do not make it to a contract. They would never qualify for a debarment because there would never be a breach. They would never reach contract with us. We want to discourage lying to the Purchasing Division when it comes to what vendors submit either as a bid or proposal. The Division ran into this problem and would like to address it.

SENATOR NEAL:

I do not have a problem with the lying piece. It is the performance or nonperformance piece and the threshold. When you think about contracts, there is always the shading of nonconformance, but you just say "did not perform according to the terms of the contract." Typically, within the terms of a contract, vendors still have remedies assigned to them that they can engage in. Why did you not allow more robust conversations in section 3, subsection 1, paragraph (b) to address the traditional contract relationships that can occur so there is some flexibility and understanding of what is noncompliance according to the terms of the contract? I do not understand what you are trying to do because it is broad, which means you decide what that means on the agency front.

MR. DOTY:

Our goal is not to change the rights in an existing contract. Our contracts all speak to how the rights go back and forth between the parties. The object of a debarred vendor list is to say there is such a substantial issue with compliance in one contract with the State that this vendor will be suspended for a certain length of time for applying for a new contract. For example, the situation with Tech Mahindra and the Department of Motor Vehicles. There was a complete failure to meet what the State was looking for in that contract. Tech Mahindra was not technically held in breach. That is the kind of contract in which the Division would be looking to potentially debar the vendor.

SENATOR NEAL:

I do not want to get further into this but that section might need to be beefed up or at least make it align with the Uniform Commercial Code. This section does not say what you are saying.

CHAIR DONDERO LOOP:

Why is the *Las Vegas Review-Journal* the only newspaper? Why is the *Reno Gazette Journal* not in there? The *Reno Gazette Journal* has probably been around longer than the *Las Vegas Review-Journal*. Why does NRS not speak to that?

MR. DOTY:

Statute says,

In at least one newspaper of general circulation in the State. The selection of the newspaper to carry the advertisement must be made in the manner provided by this chapter for other purchases, on the basis of the lowest price to be secured in relation to the paid circulation.

It costs less to run a legal advertisement in the *Las Vegas Review-Journal* than in the *Reno Gazette Journal*. The *Las Vegas Review-Journal* has about five times the circulation. That is why all of our advertisements end up in the *Las Vegas Review-Journal*.

CHAIR DONDERO LOOP:

We went in reverse in this hearing, but the information was important. This needs to be baked a little more. If the Committee is okay with it, we are going to close the hearing on S.B. 445 and have quick but fruitful discussions because we are running out of time. Let us see if we can process and repair some of the language that needs to be done.

Ms. Freed, if you and Mr. Doty do not mind, will you take some of the suggestions and put them back into the queue, and we will revisit this shortly.

I will close the hearing on S.B. 445 and open the hearing on S.B. 447.

SENATE BILL 447: Revises provisions relating to deceptive trade practices.
(BDR 18-1094)

TERRY REYNOLDS (Director, Department of Business and Industry):

Senate Bill 447 permanently extends the Consumer Affairs Unit within the Department of Business and Industry (B&I), and it also changes the name from the Consumer Affairs Division to the Consumer Affairs Unit. There is nothing

special about that but because it is not one of B&I's divisions, and is a small unit, it is properly termed "unit."

In 2011, the Consumer Affairs Division was broken up and parts of it went into Department of Motor Vehicles. In 2013, through the work of Senator Moises Denis, it was reconstituted and put back into the B&I. The unit then was continued for every two years in the seventy-seventh, seventy eighth, seventy ninth and eightieth Legislative Sessions. The Department of Business and Industry has come back to the Legislature every biennium to ask to have the Unit reinstituted and budgeted for.

The Unit consists of six full-time positions and one half-time position. They are split, five positions in the southern Nevada Director's Office and one and one-half positions in the Carson City Director's Office. They handle about 2,500 to 2,800 cases a year and have a resolution rate of about 92 to 93 percent. They are able to bring back several hundred thousand dollars to consumers.

In addition to the investigation of cases, the Unit conducts educational sessions, especially for seniors. It has fairs where it goes out in the community and talks to citizens who are interested in what is happening with consumer issues such as scams and fraud. The Unit works with the Fight Fraud Taskforce in southern Nevada as well as the AG. The Unit gets about 10 percent of its cases from the AG. Typically, those cases are not criminal in nature but civil. The Unit works with the AG's Fight Fraud Taskforce on a weekly basis. We also get cases through call-ins, walk-ins and emails. The Unit gets about 1,000 general calls per year from consumers asking about certain types of business activity and what they can do about it. It is a fairly busy organization.

The Assembly Committee on Ways and Means and the Senate Committee on Finance has reinstituted, in the budget for the biennium, the positions cut during the 2021 budget. The Department of Business and Industry is grateful for that and hopes to approve this and continue in an ongoing permanent status for this next biennium.

SENATOR OHRENSCHALL:

If S.B. 447 passes, do you envision any change in the staffing of the Consumer Affairs Division or how it works?

MR. REYNOLDS:

We anticipate staying the same. We have gone forward, requested the six full-time positions and one half-time position, and will continue with those positions. Keep in mind, we also work with the 11 divisions within B&I. If there is a matter with real estate, the Unit can partner with the Real Estate Division. The core group will remain the same, but it has the benefit of being able to work with B&I divisions on consumer matters.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 447. Is the Committee interested in making a motion?

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 447.

SENATOR NEAL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

Having no further business to come before the Senate Committee on Government Affairs, this meeting is adjourned at 5:13 p.m.

RESPECTFULLY SUBMITTED:

Suzanne Efford,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda