

STATEMENT OF SUPPORT FOR SENATE BILL 78
Nevada State Senate Committee on Government Affairs
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Testimony of Michael Brown
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Honorable members, my name is Michael Brown; I am a Fellow at the Lincy Institute, an independent public policy think tank organized to conduct and support research improving health, education, economic development, governance, non-profits, and social services in Nevada. Lincy is in partnership with Brookings Mountain West on the University of Nevada, Las Vegas campus.

It was my honor to serve four years in the Administration of Governor Steve Sisolak, as Director of the Department of Business & Industry (2019), as Executive Director of the Governor's Office of Economic Development (2019-2022), and an unexpected collateral assignment on the Governor's Pandemic Response Team during the public health emergency (2020-2021).

The Lincy Institute, together with the Council for a Better Nevada, is tracking 37 pieces of legislation or budget proposals this session that represent the modernization of state government. We have screened legislation using this test:

Government modernization is a process to reimagine and transform Nevada's and its workforce's performance by updating and improving processes, systems, or services and incorporating continuous improvement, transparency, and innovation into operations.

SB78 is at the top of that priority list and meets that definition with:

- Improved transparency and accountability of state boards
- Reduced administrative costs and redundancy
- Innovation in service delivery
- Enhancement of Nevada's economic competitiveness
- Compliance with Federal antitrust obligations.

I have examined every significant attempt to modernize Nevada state government in 1924, 1948, 1963, 1993, and 2023. I contributed to the policy paper presented by Director Sanchez as part of my research on government modernization at Lincy. I uncovered the text of the 1924 report, “Nevada and it’s Government” cited by Director Sanchez in the Nevada State Archives and recovered the graphics from the Widener Library at Harvard University. Today, based on my government experience and academic research, I am pleased to support SB78.

The reform of Nevada's boards and commissions was an issue on my desk when I arrived at Business & Industry in 2019. Deputy Director Terry Reynolds and I were charged with finding a means of implementing the recommendations from work done by state auditors in the Sandoval Administration.

To find a practical path forward, I visited with my counterpart leading the Utah Department of Commerce to better understand their approach to boards and commissions. I found a modern, transparent, efficient occupational licensing bureau within the Department of Commerce that complied with antitrust obligations and protected public funds. It relied on the shared business service model like that currently used at the Nevada Department of Business and Industry, where overhead costs are allocated, and support personnel are shared. This model frees the subject matter experts in the licensing agencies to focus on regulatory issues, not administration.

I was appointed to lead the Governor's Office of Economic Development before I could complete the work on the issue. Still, we were to bring a modernization bill to the 2021 Session until the Pandemic besieged our policy agenda. My successor at Business & Industry, Terry Reynolds, continued work on the issue and created the model incorporated in SB431, the government modernization bill approved by the legislature in 2023. SB431 was landmark legislation and the most extensive modernization of state government since Governor Grant Sawyer created a rudimentary Cabinet and merged state financial regulatory agencies into a Department of Commerce, that is today's Department of Business & Industry.

My service at Business and Industry, did not end my experience with Nevada's boards and commissions. As we exited the emergency response phase of the COVID-19 pandemic, I was appointed to the Local Empowerment Advisory Panel (LEAP) led by Clark County Commissioner Marilyn Kirkpatrick and assigned to develop guidance for reopening Nevada businesses. I was assigned to coordinate the work of the Nevada occupational boards. We expected each board to create a reopening plan and submit it to the LEAP committee for review. Chair Kirkpatrick tapped the Clark County public health department expertise

to develop concise guidance supplemented by excellent work prepared by the State of Ohio.

I thought this would be a straightforward task. Much to my surprise, I discovered that Nevada's occupational boards had drifted so far from the Executive Branch that they were not listed in the state telephone database like other departments and offices. I did not have names, email addresses, or access to emergency contact information. I made several calls and finally found a budget analyst at the GFO with an incomplete list of boards. I then had to use Twitter, Facebook, and Linked-In and placed telephone calls to various lobbyists to obtain the needed contact information.

Once I had the list and started to make the calls, the results were mixed. Most seemed pleased to hear from me and quickly assembled guidance for LEAP. A few ignored me completely, asserting they were independent. Others admitted they did not have the expertise to provide reopening guidance, and one board never returned any of my calls.

This was a searing experience for me that underscored the need for reform. Here at a pivot point in the Pandemic, as we shifted from Response to Recovery, I struggled to reach the leaders of regulatory boards covering a vast portion of our economy. What I thought would be the simplest of assignments was the most challenging. These are not trade associations but government agencies and need to be aligned with the rest of government. SB431 was the first step to correct the drift, and SB78 is the next much needed second step.

My other experience with occupational boards was our trouble with the State Dental Board. Some of you will recall that Governor Sisolak had to intervene personally to restore basic governance. Antitrust compliance is real, and the state risks litigation if it is not addressed.

Director Sanchez and his team have outlined a comprehensive modernization plan. As I reviewed prior government modernization attempts, I repeatedly found instances where Nevada would, after considerable study, opt to defer and delay. This has resulted in a state government that resembles the Frontier government of the 19th century, not the modern governments of peer states. This is needed modernization, and I urge its adoption. Thank you.