

## COMPARISON OF THE INITIAL AND PURPOSED REGULATIONS

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- **Draft #1:** *Regulations and Administrative Standards for Nevada's Title 54 Boards – Draft NH* (sent to Executive Directors for feedback)
- **Draft #2:** *R074-25I Proposed Regulations* (revised version submitted to LCB)

### **This comparison highlights:**

- ✓ what changed based on Board/ED feedback
  - ✓ what was added, clarified, deleted, or scaled back
  - ✓ major policy shifts and alignment with NRS 232.8415
  - ✓ where the draft became more specific or less burdensome
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## **1. Structure and Organization**

### **Draft #1**

- Includes extensive prescriptive content: website requirements, training policies, structural standards, internal controls, performance monitoring, reporting, attendance rules, etc.
- Uses very directive language (“Boards shall adopt and enforce...”, “must include...”, “shall develop...”).

### **Draft #2**

- Still robust, but pared down and reorganized.
- Many requirements are rewritten to **narrow scope, add qualifiers, and tie obligations directly to statutory authority.**
- Clarifies “Purview” definition in response to feedback requesting proper grounding.

**Major shift:** Draft #2 adopts a clearer statutory framework and avoids open-ended mandates.

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## **2. Definitions Section**

### **Draft #1**

- “Board Member” includes former board members (a major concern raised by Board of Accountancy).
- Does not define “Purview.”
- Does not distinguish between administrative oversight vs. program oversight.

#### **Draft #2**

- Adds **new definition of “Purview”** tied directly to NRS 232.8415(2).
- Keeps “Board Member” definition the same (includes former members), but moves the definition into a more standardized format.
- No longer uses broad undefined terms such as “structural standards” in the definitions section—these appear later.

**Improvement:** Added clarity on the Office’s scope while reducing ambiguity.

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### **3. Performance Monitoring & Data Reporting**

#### **Draft #1**

- Required Boards to submit:
  - detailed quarterly reports
  - reconciliation documentation
  - investigation policies with estimated timelines
  - legislative tracking
  - NAC updates
- Did not tie reporting to NRS 622.100 format; instead required independent reporting “as required by the Office.”

#### **Draft #2**

- **Major revision based on Board concerns about duplicative reporting:**
  - Boards may satisfy the requirement by **providing copies of existing NRS 622.100 reports.**
  - Supplemental data allowed, but limited.

- Investigation reporting narrowed to only:
  - documenting deviations from timelines
  - reporting cases where deadlines were exceeded
- Legislative tracking formalized with **a 60-day post-session report.**

**Improvement:** Considerably reduces duplicative work and clarifies reporting formats.

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## 4. Audit & Financial Reporting Requirements

### Draft #1

- Required:
  - internal tracking of SAM deadlines
  - quarterly financial statements
  - annual financial reports including fee assessment
  - compliance with all audit requirements from multiple statutes
- Presented as very broad and potentially exceeding statutory authority.

### Draft #2

- **Scaled down significantly.**
- Boards only need to submit:
  - copies of NRS 622.100 and NRS 218G.400 filings
  - simplified quarterly and annual financial summaries
- No requirement to submit detailed financial statements unless required by law.

**Improvement:** Narrowed the scope and aligned to statute, addressing Board concerns about overreach and workload.

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## 5. Training Requirements

### Draft #1

- Required Boards to develop full training policies, including:

- mandatory AG training
  - Office-approved training
  - timelines and tracking
  - ED responsible for notifications
- The Office had to approve every board's training policy.

#### **Draft #2**

- Simplified to:
  - Board must notify Office of training completion.
  - Office will prescribe the form.
- Removed:
  - requirement for board-created training policies
  - Office approval of training policies
  - multiple training mandates

**Improvement:** Reduces oversight burden; avoids duplicative structures.

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## **6. Investigative Records & Confidentiality**

#### **Draft #1**

- Required Boards to provide investigative files upon request.
- Protected confidentiality but did not reference specific statutory authority.

#### **Draft #2**

- Strengthens and clarifies:
  - Office may access records notwithstanding confidentiality provisions **“to the extent permitted by law.”**
  - Explicitly states that disclosure to the Office does **not waive confidentiality.**

**Improvement:** Addresses Board concerns about conflicting confidentiality statutes such as NRS 622.360, NRS 625.425, and others.

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## 7. Internal Controls

### Draft #1

- Very prescriptive.
- Included broad requirements for audits, data integrity, internal financial controls, and corrective actions.

### Draft #2

- Reorganized and scaled back.
- Internal controls now tied directly to:
  - data accuracy
  - confidentiality protections
  - responses to audits
- Corrective action timelines adjusted and moved.

**Improvement:** Narrower and more legally grounded.

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## 8. Structural Standards (Board Composition, Elections, Attendance)

### Draft #1

- Heavily prescriptive.
- Required:
  - maintaining statutory seat logs
  - annual elections
  - attendance minimums
  - defined “unexcused absence”
  - Office-defined participation procedures

### Draft #2

- Still includes structure standards but:
  - Removes some prescriptive elements

- Adds objective definitions for unexcused absences
- Removes the Office's ability to set unspecified "attendance minimums"
- Grounds removal recommendations directly in NRS 232A

**Improvement:** More consistent with statutory authority and less intrusive.

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## 9. Website Requirements

### Draft #1

- Extremely detailed and costly:
  - license lookup
  - disciplinary database
  - forms
  - audits
  - annual reports
  - mission statements
  - consumer education
  - statutory reports
  - and more
- Many boards flagged this as an unfunded mandate.

### Draft #2

- Much more targeted:
  - clarity on required website content
  - merges financial submissions into a single "financial summary"
  - preserves transparency but reduces redundancy
- Still substantial, but less extensive and more consolidated.

**Improvement:** Streamlines and removes some duplicative postings.

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## **10. Efficacy & Efficiency Standards**

### **Draft #1**

- Listed the statutory requirement but did not include actual standards.
- Boards criticized this as incomplete.

### **Draft #2**

- Now includes:
  - performance evaluation process
  - requirements that corrective actions be implemented within 90 days
- More complete but still allows Office discretion.

**Improvement:** Actual standards are added; more defensible under NRS 232.8415(1)(g).

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## **11. Remedies for Noncompliance**

### **Draft #1**

- Contained aggressive enforcement language and short timelines (30 days).
- Raised concerns about statutory authority.

### **Draft #2**

- Creates a separate, clearer section:
  - 60-day corrective action timeline
  - enhanced oversight
  - referral to Governor
  - withholding of administrative/fiscal support
- Aligns more closely with statutory frameworks.

**Improvement:** More measured, more consistent with public comments, and more defensible legally.

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## **OVERALL CONCLUSION**

**Draft #2 incorporates substantial changes directly responsive to Board and ED input, including:**

- ✓ Duplicative reporting
- ✓ Greater statutory alignment
- ✓ More realistic timelines
- ✓ Simplified training requirements
- ✓ Clearer confidentiality protections
- ✓ More measured enforcement mechanisms
- ✓ Streamlined website requirements
- ✓ More clarity around investigations and legislative tracking
- ✓ Better definition of terms and role of the Office

**The revised regulation (Draft #2) is significantly narrower, clearer, and more defensible, reflecting extensive incorporation of Board feedback.**