

**MINUTES OF THE
SENATE COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS**

**Seventy-sixth Session
May 26, 2011**

The Senate Committee on Legislative Operations and Elections was called to order by Chair David R. Parks at 4:07 p.m. on Thursday, May 26, 2011, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 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 Moises (Mo) Denis, Vice Chair
Senator Barbara K. Cegavske
Senator James A. Settelmeyer

COMMITTEE MEMBERS ABSENT:

Senator Steven A. Horsford (Excused)

GUEST LEGISLATORS PRESENT:

Senator Allison Copening, Clark County Senatorial District No. 6
Assemblyman Pat Hickey, Assembly District No. 25
Assemblyman Tick Segerblom, Assembly District No. 9
Assemblywoman Debbie Smith, Assembly District No. 30

STAFF MEMBERS PRESENT:

Carol Stonefield, Policy Analyst
Eileen O'Grady, Counsel
Michelle Ené, Committee Secretary

OTHERS PRESENT:

Denise Tanata Ashby, J.D., Executive Director, Nevada Institute for Children's
Research and Policy

Senate Committee on Legislative Operations and Elections
May 26, 2011
Page 2

Terry Care, Ex-Senator

Alan Glover, Former Senator, Clerk/Recorder, Carson City

Scott F. Gilles, Deputy for Elections, Office of the Secretary of State

Fred Hillerby, Renown Health

Paula Berkley, Board of Occupational Therapy; State Board of Physical Therapy
Examiners

Keith Lee, State Contractors' Board; Board of Medical Examiners

Randy Robison, State Board of Professional Engineers and Land Surveyors

John Madole, Nevada Chapter Associated General Contractors of America, Inc.

Bart Mangino, Clark County School District

Lynn Chapman, Vice President, Nevada Families Association

Bill Uffelman, President and CEO, Nevada Bankers Association

CHAIR PARKS:

I will open the hearing with Senate Concurrent Resolution (S.C.R.) 5.

SENATE CONCURRENT RESOLUTION 5: Directs the Legislative Commission to conduct an interim study concerning the laws of this State governing the protection of children. (BDR R-364)

SENATOR BARBARA K. CEGAVSKE (Clark County Senatorial District No. 8):

One of our State's greatest assets is our children. Nevada has struggled over many years to establish and reestablish our child welfare laws to fashion the best system possible to serve children appropriately in need of protection from abuse and neglect. We passed a major restructuring of the child welfare system in 2001 to eliminate the bifurcation of Clark and Washoe Counties to give those two entities greater responsibility for child protection services as well as to foster care adoption and thus integrating the system.

Our child welfare system is still in need of improvement to ensure the best decisions are made for children individually, their families and the system as a whole. Nevada's rate of removing children from the home is reportedly one of the highest in the nation. Why continue to try to improve our system? As noted in the introductory clause of S.C.R. 5, national standards encourage the provision of child and family services, which focus on the preservation of the family.

This resolution seeks to establish a mechanism for collaboratively reviewing our statutory standards to determine whether we need to update provisions that

guide our child care workers in making decisions on when to remove a child from the home. These provisions absolutely must provide clear guidance to protect the child from harm and to remove that child when appropriate. If there is not a valid reason to remove the child and the child is removed from his family, then the child welfare system is doing more harm to that child than good.

We have had several legislative studies over the last ten years on the system as a whole and its structure, the individual statutes and statutory language governing the protection of children, and the guidelines that establish abuse and neglect standards. Laws governing the protection of children in this State were largely enacted in the 1890s and have not been systematically reviewed since being enacted. As an example, the definition of negligent treatment or maltreatment under *Nevada Revised Statute* (NRS) 432B.140 was added to the law in 1985 and has not been amended since that time.

If the language of this statute does not offer clear, appropriate guidance for determining whether a child has been neglected or is resulting in the inappropriate removal of a child from the home, it must be changed. We are not helping or serving a child with that action. I requested S.C.R. 5 to create an interim study of the system and laws governing the protection and children in the State. The Legislature has a statutory interim committee, the Legislative Committee on Child Welfare and Juvenile Justice, which is charged with reviewing and evaluating programs for the child welfare system, foster care provider licensure, mental health services and compliance with federal requirements for child welfare. This Committee is also charged with reviewing and evaluating Nevada's juvenile justice system. These responsibilities are tremendous, important and time-consuming, even during the interim.

The purpose of the interim study under S.C.R. 5 is to provide a specific forum to review statutory language governing children and families who come into contact with the child welfare system, ensure the system and relevant laws are consistent with child welfare practices, allow for improvements to the system, and standardize criteria for placement of children in foster care. Specifically, the interim Committee would be charged with recommending such actions as may be necessary to provide clear standards for the protection of children in Nevada, including, without limitation, reviewing the definition of abuse or neglect of a child to ensure it conforms with those standards, to provide for effective and efficient implementation of strategies to preserve and to build strong families.

As proposed, the interim study group would be composed of three Senators and three Assembly members. The Legislative Commission would appoint the Chair. The resolution suggests the interim Committee solicit input and recommendations of persons concerned with the child welfare system, including children and families who are provided services, as well as the agencies and organizations providing those services.

In closing, S.C.R. 5 seeks to create a unique forum to review Nevada's child welfare system as a whole and make sure standards and laws are in place to serve children best and to preserve families whenever appropriate. I hope the Committee will give favorable consideration to this measure.

SENATOR DENIS:

Do you have an idea of how long this type of study would take?

SENATOR CEGAVSKE:

I do not know. It depends on how much information needs to be provided. There have been quite a few people accumulating facts and information, but I would not know the length of time it would take.

SENATOR DENIS:

Do you think the interim will be sufficient time to do the things you are looking to do?

SENATOR CEGAVSKE:

I do not know for sure. This is complex, and there are a lot of issues. One reason this was brought forward was that I had a group come to me with concerns about times when children are removed from the home when it might be unnecessary. The group is looking for guidelines because Nevada has a larger amount of removals than normal. We thought that was concerning and something that needed to be addressed.

DENISE TANATA ASHBY, J.D. (Executive Director, Nevada Institute for Children's Research and Policy):

In response to Senator Denis's comments, it is hard to tell how long something like this will take. We know it is complex, and we have been doing some preliminary work. Over this past academic year, I worked with an intern from Harvard's School of Public Policy [*sic*]. She had done a study that looked into child welfare statutes across the country, and we have that study with which to

Senate Committee on Legislative Operations and Elections
May 26, 2011
Page 5

start. We also have the commitment of the Child Welfare Network in Las Vegas. I have written testimony ([Exhibit C](#)) I will read.

CHAIR PARKS:

I will close the hearing on S.C.R. 5 and open the hearing on Assembly Bill (A.B.) 100.

ASSEMBLY BILL 100 (1st Reprint): Enacts the Uniformed Military and Overseas Absentee Voters Act. (BDR 24-327)

ASSEMBLYMAN TICK SEGERBLOM (Assembly District No. 9):

The Uniformed Military and Overseas Absentee Voters Act (UMOAVA) allows military persons the ability to vote when they are overseas. We have former State Senator Terry Care here. For the record, this is his eighth bill.

TERRY CARE (Ex-Senator):

I am a member of the Uniform Law Commission (ULC), the National Conference of Commissioners on Uniform State Laws. The ULC has about 300 active members. It is known for turning out uniform acts and has an annual conference every year, but there is a lot of drafting that goes on for several years before an act is actually promulgated. It has no political agenda whatsoever. The idea is to identify an issue where all of the states seem to have different approaches and try to come up with a uniform approach.

This brings me to speak to A.B. 100. Everybody on this Committee was present during the 75th Legislative Session, and you will recall that Ross Miller, Secretary of State, had a bill that made it easier for overseas voters, military and civilian, to participate in the election process in Nevada. That was a start. The ULC drafting committee for this bill convened in 2008 and was meeting at the time of the 75th Legislative Session. This committee continued to do its work and the result is beyond what we had in 2009. So far, four states have enacted it and eight other states have had it introduced. There is no fiscal note and no opposition to the bill in the Assembly. Larry Lomax, Registrar of Voters, Clark County, testified in favor of the bill in the Assembly Committee on Legislative Operations and Elections. He was going to testify today but could not be here.

There are approximately 5 million military personnel and overseas civilians who face obstacles in participating in American elections. Those obstacles are listed

and included in the comments from drafters of the UMOAVA ([Exhibit D](#)). According to a survey in 2006, U.S. military personnel were slightly more likely to have registered to vote than the U.S. general population, 87 percent compared to 83 percent. The voter participation rate among the military was about one-half that of the general population, roughly 20 percent compared to 40 percent. Only 25 percent of overseas and military voters requesting an absentee ballot in 2006 completed and returned one, compared to 85 percent of all voters who requested an absentee ballot.

I will not walk through each section of the bill; I will touch on certain highlights. Here today is former State Senator Alan Glover, whose duties as Carson City Clerk-Recorder include being the election officer. Scott Gilles from the Secretary of State's Office is also here. Sections 4 through 10 of A.B. 100 are definitions. Section 4 specifies under "covered voter" the definition includes a spouse or dependent of a uniformed-service voter. In Section 10, the definition of a "uniformed-service voter" specifies it covers the National Guard or state militia unit when the unit is on active duty. Section 11 defines the elections that are covered. Section 12 is the role of the Secretary of State.

Section 13 describes voter eligibility. Section 13, subsection 1, states the overseas voter is eligible to be a covered voter, if before leaving the United States, the overseas voter was eligible to vote in this State. Subsection 2 applies when children move overseas with their parents. Subsection 3 is about someone who was born outside the United States and, except for the residency requirement, otherwise satisfies the voter eligibility requirements set for in NRS 293.485. It is estimated there are about 20,000 Americans who were born overseas, continue to live overseas, who have the right to vote and have never been in the United States. That is what this provision is for.

Section 14 is about the overseas voter's registration address. Section 15 lists methods for registering to vote. It begins by stating in subsection 1, "In addition to any other method of registering" It references the Uniformed and Overseas Citizens Absentee Voting Act. That is a federal act commonly called Military and Overseas Voter Empowerment Act. The purpose of section 15 is to encourage increased use of the federal postcard application while still permitting existing forms for registration purposes.

Section 16 covers the methods for applying for a military-overseas ballot. Section 17 describes the timeliness and scope of the application for a

military-overseas ballot. Section 18 is about the transmission of military-overseas ballots. In subsection 2, it discusses electronic transmission and being allowed to receive the military-overseas ballot and balloting materials by facsimile transmission or e-mail.

Section 19 is about timely casting of the ballot. Section 20 is about federal write-in absentee ballots. Section 22 is language about a signed declaration attesting there are no false statements or misstatements of facts contained in completing documents affiliated with seeking the ballot. Section 23 is confirmation of receipt of the ballot application and voter's military-overseas ballot. Section 24 is about the use of the e-mail address. There is a provision stating information is confidential.

Section 24, subsection 2, allows for voters who provide an e-mail address to request their applications for a military-overseas ballot be considered a standing request for e-mail delivery of a ballot for all elections held through December 31 of the year following the calendar year of the date of the application. This provision is so overseas voters will not have to go through the exercise for every single election.

Section 25 is the publication of the election notice. Section 26 is prohibition of nonsubstantive requirements. This means if the overseas voter makes a mistake or omission in completion of a document and it is nonsubstantive, that voter has still complied with the substantive provisions of this act. Section 27 is about equitable relief. That is the history, story and intent of the act.

I should point out some supporting documents we have received: a letter of support from the Military Coalition ([Exhibit E](#)); a resolution summary from the Council of State Governments ([Exhibit F](#)); a letter of support from Laurie Crehan, Ed.D., Quality of Life Regional Liaison, Office of the Deputy Assistant Secretary of Defense ([Exhibit G](#)); and a letter of support from Bob Carey, Director, Federal Voting Assistance Program, Department of Defense ([Exhibit H](#)).

SENATOR SETTELMAYER:

I appreciate the UMOAVA; it will provide the required effect. The concept of a uniform act is to pass it uniformly in all states, and I am curious about the Assembly's amendment changing it from five to seven days and why that was done.

SENATOR CARE:

I sat in a couple of meetings with the drafting committee. Established voting practices in all the 50 jurisdictions vary widely for a number of reasons. Those amendments primarily came from Clark County. It came down to wanting to get the results of the election out that night and that changed the time frame, and we are agreeable to those changes.

SENATOR SETTELMAYER:

Will this add time to the certification of the election, or will the results be ready just as quickly?

ALAN GLOVER (Former Senator, Clerk/Recorder, Carson City):

That is why we asked for the change. The election will be run just like it was last year with the same time frames. You will have reports on time, and the ballots will be in on time. The time frame was not as critical with e-mail voting as it used to be with mail delivery. We e-mail ballots, and we get them back almost instantaneously. We are very comfortable with this bill as are all of the 17 clerk-recorders in the State.

SENATOR CEGAVSKE:

Did anyone bring up a concern about expansion? For whom else would you foresee doing this?

SENATOR CARE:

I do not know who that would be and am not aware of any discussion concerning that. These are American citizens who have a nexus to Nevada and would be considered Nevada residents by the election officials.

SENATOR CEGAVSKE:

Could you foresee somebody else who would be included?

MR. GLOVER:

No, I do not think so. We have always had military and overseas voters, and they are a unique group of people. I do not see there would be any other group of people to whom we would expand this ability.

Senate Committee on Legislative Operations and Elections
May 26, 2011
Page 9

SCOTT F. GILLES (Deputy for Elections, Office of the Secretary of State):
I would like to put on the record that the Office of the Secretary of State supports this bill. It enhances the legislation the Secretary of State moved in the 75th Legislative Session and is a valuable piece of legislation.

CHAIR PARKS:

We will close the hearing on A.B. 100 and open the hearing on Senate Bill (S.B.) 418.

SENATE BILL 418: Creates a subcommittee of the Legislative Committee on Health Care to oversee the implementation of federal health care reform in this State. (BDR 40-695)

FRED HILLERBY (Renown Health):

Senate Bill 418 is brought forward by the Senate Committee on Health and Human Services. I spoke to Chair Copening, and we talked about a proposed amendment I will discuss with you later. There is concern with the Patient Protection and Affordable Care Act (PPACA) being implemented in Nevada, and the Legislative Committee on Health Care is the obvious committee to be reviewing the implementation of that program.

I am here today representing Renown Health. We are in support of this bill and think this is the obvious committee to be monitoring the implementation of the PPACA in this State. This bill is not asking for a new interim study; it is utilizing the committee that has specific funding. In conjunction with those activities, it is the obvious place to turn in regard to getting a sounding board to deal with some of the day-to-day issues the PPACA will bring. There is more pressure on providers to change the way they deliver health care. Trying to get all the information about health care providers together so it is understandable is not easy. There is also pressure from the reimbursement side and the Medicaid budget. This is a good opportunity to develop innovative ways to provide coverage to those who are on Medicaid, the uninsured and the underinsured. It also provides for State action and will give the committee authority to do this. That will protect against unintended consequences.

Federal acts passed 10 to 20 years ago were not passed in this new environment. This leaves people trying to put together packages which are subject to lawsuits. This kind of State action will allow a protection against that. Our proposed amendment ([Exhibit I](#)), says health care providers can go to

the Health Care Committee to present a plan for a type of delivery and consolidation of services, and the Committee could approve that. It is incumbent on applicants to provide updates to the Health Care Committee and to prove what they thought would work is working. If the Legislative Committee on Health Care determines applicants are not doing that, it can withdraw the approval, and then the health care providers are on their own to take on legal issues.

The Medicare Program wants bundled payments, and we want to give just one payment for an illness. That is not how it works today. If you have ever been ill, you perhaps are amazed at how many people are involved in your care and are sending you bills. The federal government is trying to get away from that fragmented system and to get it more integrated clinically and from a payment standpoint. Those are the kinds of pressures under which providers are going to be, particularly the safety net. Providers in the community who provide for low income recipients are there so those people can get their health care services.

As the reimbursement rates are squeezed for Medicaid, Medicare and others, it becomes more and more difficult for providers to be there when the community needs them. We think this is a way to help encourage availability and changes and to provide some protections for people who are willing to try new ways to deliver medical care in this new age. We ask for your support of the proposed amendment we are offering today.

CHAIR PARKS:

We have your proposed amendment, [Exhibit I](#), and we will consider it.

SENATOR DENIS:

Will the committee that is going to monitor the results be doing that twice a year?

MR. HILLERBY:

Yes. That is another reason the Legislative Committee on Health Care seems to be the obvious committee, because it is a standing committee that meets year-round when necessary. There would always be someone to whom we could make our progress reports.

SENATOR ALLISON COPENING (Senatorial District No. 6):

We did not hear this bill in the Senate Committee on Health and Human Services. I do know it is something the Majority Leader wanted to put in place because we have so many moving parts to the PPACA. He wanted to make sure a legislative body is overseeing it and keeping track of it so we can report back on a regular basis. That is all I can offer on this bill.

CHAIR PARKS:

I appreciate this. This is a good time to comment on the fact that as far as the interim goes, we typically pick three studies proposed by the Assembly and three studies proposed by the Senate. This Session, we are looking at using our regular standing committee structure to do the interim studies. I am presuming that if we go forward with this, it would be the Senate Committee on Health and Human Services that would be taking the lead on this study.

SENATOR COPENING:

I would also recommend that as well. This is one of those studies that is going to be critically important because it is such a major undertaking for our State. Whether I end up overseeing that particular Committee or not, I am sure that Committee will welcome it.

CHAIR PARKS:

I close the hearing on S.B. 418. I will open the hearing on A.B. 474.

ASSEMBLY BILL 474 (1st Reprint): Creates the Sunset Subcommittee of the Legislative Commission to review certain boards and commissions.
(BDR 18-889)

ASSEMBLYWOMAN DEBBIE SMITH (Assembly District No. 30):

This bill is about creating a Sunset Subcommittee, and many of you know through the SAGE Commission and other places there has been an interest in looking at statutorily created boards and commissions in the State. This became known as the Sunset Commission idea of looking at whether there are boards or commissions that need to be sunsetted. We have worked with others to formulate a bill that the administration supports so we can all try to accomplish the same goals. In a previous hearing, Andrew Clinger, Director, Department of Administration, testified in support of this bill because we had worked together on the legislation. I do not think Mr. Clinger will be here to testify because of his busy schedule.

This bill creates the Sunset Subcommittee within the Legislative Commission. You have the handout "AB 474: Sunset Committee" ([Exhibit J](#)). We used a lot of information from the case study we reviewed, the Texas Sunset Act. That Act saved a lot of money over time, but it also looked at other things. I am supportive of keeping this confined to boards and commissions. I believe, along with the administration, that we have a process in place for vetting the budget. Some of what you see in the case study with Texas and other states is that sunset committees assumed bigger roles. You can see the states saved a lot of money over time.

The Sunset Subcommittee would be required to review at least 20 boards or commissions each year. Every board or commission must be reviewed every ten years at a minimum. That sounds like a long time, but I know the realities of what it would cost to do more, and it does not make sense for us to extend it beyond that. We have worked with the people who are involved in this kind of work; a lot of representatives from boards and commissions have helped us. Consulting with the administration and others like Carole Vilardo, President, Nevada Taxpayers Association, we have spent a lot of time to coming up with a process that did not seem too onerous and could be done.

We have another bill by your colleague, Senator Ben Kieckhefer, regarding this same subject. His bill has been amended to match this bill. We took all the language agreed to in this bill and put it in his bill, so we actually have two bills in play. I want to assure you that we have done this in concert and we are all working toward the same end.

SENATOR CEGAVSKE:

Is this in conjunction with the appointments the Governor had made? Is this the same committee with ex-Senators Bill Raggio, Bernice Mathews and Ann O'Connell?

ASSEMBLYWOMAN SMITH:

No. That commission is doing the same thing with boards and commissions created by executive authority. This one is involved with those statutorily created.

SENATOR CEGAVSKE:

Thank you. I appreciate that. When would this start?

ASSEMBLYWOMAN SMITH:
It will start right away.

SENATOR CEGAVSKE:
It will start immediately. Is everybody paid? There is a fiscal note to the State, and I see only \$4,838 for fiscal year (FY) 2012-13 and \$10,577 for FY 2011-12. I am asking, because of our fiscal situation, if any of the members would consider not being paid. We would pay the staff, of course, but not the elected officials.

ASSEMBLYWOMAN SMITH:
"I think it is the usual language where legislative members are paid, but the others—there is not a daily"

SENATOR CEGAVSKE:
They have per diem. I see "other members travel/per diem expense," but I am interested in seeing if there is something we could do because of the fiscal situation.

ASSEMBLYWOMAN SMITH:
The boards and commissions will pay an assessment to help fund this. That is the offset in accomplishing this work, because we may need some additional staff time.

SENATOR CEGAVSKE:
I do support the staff being paid. I would like to have the option of reviewing old language if it is obsolete.

CHAIR PARKS:
Section 2, subsection 8, enumerates the compensation provided, and that language is similar to the standard language used throughout most committees.

ASSEMBLYWOMAN SMITH:
The only concern I have on the pay issue is about creating a situation where some legislators are meeting and being paid and others are meeting and not being paid. This is a subcommittee of the Legislative Commission, and I am concerned we would have members in different roles with some paid and some not paid.

Senate Committee on Legislative Operations and Elections
May 26, 2011
Page 14

SENATOR CEGAVSKE:

I was looking at it for all committees during the interim.

SENATOR CEGAVSKE:

It was not for just one committee. It is something being talked about in different committees, and we have heard different bills for similar studies. It started with one of the bills I had for a study. Because of the economic downturn, I proposed in the Senate Committee on Finance that we should look at the issue of payment. Maybe it would be for one interim, and then we could look at it again. You could use permissive language. I think it is important right now. There are other states not having any interims at all because of the costs.

SENATOR DENIS:

I am looking at how the subcommittee is made up. It is a nine-member subcommittee of the Interim Finance Committee (IFC), correct?

ASSEMBLYWOMAN SMITH:

It is the Legislative Commission. Your handout may say IFC, but it is the Legislative Commission.

SENATOR DENIS:

There are three Legislators from each house. That is six, and the other three are from the general public, is that correct?

ASSEMBLYWOMAN SMITH:

Yes.

SENATOR DENIS:

I am trying to understand the part where your handout, [Exhibit J](#), page 7, reads "Chair of Legislative Commission appoints three from list submitted by governor." Would the Governor give names to the Chair?

ASSEMBLYWOMAN SMITH:

The Governor would give them to the Chair of the Legislative Commission. That Chair can appoint names from the list received from the Governor.

CHAIR PARKS:

It appears that the Governor may provide more than just three names.

ASSEMBLYWOMAN SMITH:

Correct.

CHAIR PARKS:

In looking at your handout, [Exhibit J](#), you referenced Colorado, Minnesota and Texas. You seem to place more emphasis on Texas. Does Texas have the best road map as to how you envision pursuing this?

ASSEMBLYWOMAN SMITH:

We spent more time looking at Texas because that was one state the SAGE Commission looked at and thought had demonstrated a lot of success. Texas was a little bit different because the study was much larger in scope, but it still seemed to make sense. My goal was not to create a whole new outside commission but try to do something within our own framework.

SENATOR CEGAVSKE:

In reviewing page 7 of your handout, [Exhibit J](#), we leave the Minority Leader out, and it seems we leave the Minority Leader out of every piece of legislation this Session. I think that is rather unusual.

ASSEMBLYWOMAN SMITH:

It is in here.

SENATOR CEGAVSKE:

It states Senate Majority Leader in the handout.

ASSEMBLYWOMAN SMITH:

If you will go back to section 2, subsection 1, paragraph (a) of the bill, it reads " ... at least one of whom must be a member of the minority political party."

SENATOR CEGAVSKE:

Your handout, [Exhibit J](#), says "Speaker and Senate Majority Leader appoint three legislators ... ," but I am talking about the selection. The Minority Leader is not allowed to select a member of the committee.

ASSEMBLYWOMAN SMITH:

I see what you are saying. I think that is pretty typical language because there is precedent.

SENATOR CEGAVSKE:

No, just this Session.

ASSEMBLYWOMAN SMITH:

I always thought it was established by precedent that the Majority Leader always turns to the minority party, just as we do in our committee appointments to ask whose name that leader wants to have submitted. I know that is what we do in the Assembly.

SENATOR CEGAVSKE:

I understand what you are talking about concerning appointing a member of the minority party. I am talking about the appointments of the Speaker and the Senate Majority Leader but not having the Minority Leaders in the Assembly and Senate also having an opportunity to appoint. That is what I am referencing.

ASSEMBLYWOMAN SMITH:

We are on the same page. I understand what you are saying. The usual process is the Majority Leader or the Speaker always gets those appointments from the Minority Leader. This is the same as we do with our other appointments at the beginning of session. We can look at other legislation and see if we need to match this up. This is not an issue for me because I believe the leaders always turn to the other leaders to ask them who their appointments are.

PAULA BERKLEY (Board of Occupational Therapy; State Board of Physical Therapy Examiners):

When we first read about this, we had a lot of questions to learn what was entailed. We were very glad to be included in the discussions, and both of my boards are very enthusiastic about this. We feel it is an opportunity to shine.

MR. HILLERBY:

I am here in support of A.B. 474. I represent four boards in this State: the Nevada State Board of Accountancy, the Board of Dental Examiners of Nevada, the State Board of Pharmacy and the State Board of Nursing. We are looking forward to this opportunity to examine ourselves and be examined to make sure we are providing the best possible service to the citizens of this State and to

ensure their health and welfare is protected by the way we regulate these professions. The boards are sensitive to the costs associated with this, but in reading the bill and in the discussions, it is clear we will be providing a lot of the legwork for the committee. All of these boards are fee-supported by the professionals they regulate. None of the money for these boards comes from the General Fund.

KEITH LEE (State Contractors' Board; Board of Medical Examiners):

I represent two boards; the State Contractors' Board and the Board of Medical Examiners. I echo Mr. Hillerby's comments, and we appreciate Assemblywoman Smith bringing this bill. We have worked with her since its inception. We see it as an opportunity to make ourselves better by some introspection and some public inspection into how we do things and what we do. It gives us an opportunity to discuss, among other things, the appointing authority, the composition and the governance of the boards. We look forward to working with the Sunset Subcommittee of the Legislative Commission over the interim and for the next ten years.

RANDY ROBISON (State Board of Professional Engineers and Land Surveyors):

We are in support of A.B. 474 and I agree with the articulate comments of Mr. Lee and Mr. Hillerby.

CHAIR PARKS:

Which boards and commissions would you start with? How would you determine which ones to lead off with?

ASSEMBLYWOMAN SMITH:

We had a lot of discussion in our working group about that. That is how we came up with having every board and commission submit a template of information I describe. Based on that information and any prior audits indicating concerns, it would give the Sunset Subcommittee members information they need to pick out the 20 boards and commissions they would review. It might be hard to come up with only doing 20 at a time; they might be more interested in more, but we felt that was a number we could do.

CHAIR PARKS:

I close the hearing on A.B. 474. I will open the hearing on A.B. 228.

ASSEMBLY BILL 228 (1st Reprint): Directs the Legislative Commission to conduct an interim study on contracts for public works. (BDR S-582)

JOHN MADOLE (Nevada Chapter Associated General Contractors of America, Inc.):

Assembly Bill 228 is an effort to begin the process of trying to standardize some of the language in public works contracts in the State. In its original form, it would have encouraged the adoption of standard forms endorsed by different national associations. It was pointed out by some of the public agencies that would be a large step, so the bill was modified to essentially encourage a dialogue between associations such as ours. We hope that over time we would standardize some of the clauses in contracts now, such as risk management and that kind of thing. We have 15 to 20 versions of the same paragraph, so when you move from city to city or county to county or from one agency to another, you may have paragraphs that would have to be tested in court in some cases to figure out what they mean. We hope we can have a conversation to begin to standardize the language and save the taxpayers money in the long run. We think the cities and counties would be more willing to converse if the Legislature encourages such an effort.

CHAIR PARKS:

Over the years, I have had several pieces of legislation that dealt with public works projects. I was eager, when legislation went into effect, to make sure that governmental entities knew the change had taken place. Several years later, they had reverted back to using old forms that had been outdated for many years. When the entities developed contracts, they were subjecting contractors to the outdated language versus the more recent language. I am curious how you keep the entities on track. I saw in the short period of six months that one entity had made big changes and then went back to the old boilerplate.

ASSEMBLYMAN PAT HICKEY (Assembly District No. 25):
This bill saves time and money. It is worth studying.

CHAIR PARKS:

I close the hearing on A.B. 228. I open the hearing on S.B. 211, which comes from the Senate Committee on Education.

SENATE BILL 211: Requires a legislative study of the implementation of the Common Core State Standards in the public schools in Nevada. (BDR S-1099)

SENATOR MOISES (Mo) DENIS (Clark County Senatorial District No. 2):

The study on the Common Core State Standards (CCSS) is something that has been worked on in the interim and is already starting to happen. Section 1 of S.B. 211 refers to the curriculum and instruction for kindergarten through Grade 12 and transitioning to the CCSS. It also states the study will determine the extent to which teachers are afforded sufficient professional development so they understand the CCSS. The bill gives specifics for the teachers in providing instruction and monitoring pupil progress.

Senate Bill 211 refers to a plan and a time line to transition Nevada's assessment system to the guidelines and requires it be done in consultation with the NV STEM Education Coalition, a statewide group of partners dedicated to improving science, technology, engineering and math. It states the Legislative Committee shall submit a report of the study on or before February 1, 2013, to the Director of the Legislative Counsel Bureau. Common Core State Standards is something we want to use in Nevada, and we want to follow these guidelines and make sure they are implemented.

BART MANGINO (Clark County School District):

Our position is neutral on this study, based on the fact that much of what is outlined in the bill has already begun, and I would reference the Department of Education's (DOE) Website. Upon the adoption of the CCSS, the DOE, in conjunction with the regional professional development programs, the school districts, professional development staff, different district superintendents, administrators and other district personnel, has already begun this study.

There has been an analysis completed that validates the current Nevada content standards with the CCSS in the areas of math and English language arts. There is a transition document for math and English language arts in use. There is also a rolling curriculum document for the area of math, particularly for Grades 3 through 8. They are the first ones to be impacted by the assessments. There is also a transition document and a three-year test design document. These are all on the DOE Website. I can also provide the documents the Clark County School District has rolled out with professional development that has already begun.

Senate Committee on Legislative Operations and Elections
May 26, 2011
Page 20

CHAIR PARKS:

I close the hearing on S.B. 211. I will open the hearing on our last bill for today, S.B. 341.

SENATE BILL 341: Directs the Legislative Commission to appoint a subcommittee to conduct an interim study concerning the establishment of a bank that is owned, controlled and operated by this State. (BDR S-870)

SENATOR DAVID R. PARKS (Clark County Senatorial District No. 7):

I will speak on S.B. 341. State legislatures across the Country have been debating similar bills and have looked at the possible partnership between banks and a State Bank, similar to the 92-year-old Bank of North Dakota (BND). In doing some research, I found that the *Constitution of the State of Nevada* prohibits the State loaning money, except in two cases; you can loan money for educational purposes or charitable purposes. That curtailed my interest, but in thinking and considering the fact that the State is eagerly looking at ways to improve education, I thought this might be an avenue we could explore.

The more important thing is we have experienced a big downturn in the economy, especially with the problems of our large national banks and in the wake of the financial market collapse that took place in 2009. Banks have sharply curtailed their lending, and it has been the sharpest decline since 1942, according to data published by the Federal Deposit Insurance Corporation. This drop-off in lending has definitely hit small businesses especially hard.

The U.S. Small Business Administration estimates that small business loans dropped by one-half in the wake of the economic downturn and the financial collapse of 2009. By submitting S.B. 341, I was hoping to look at how Nevada's financial operations are conducted and to see what activities other states have embarked upon. North Dakota manages to produce profits sufficient to make contributions to the state's general fund on an annual basis. I think this is something we should look at due to the fact we have limited banking services offered in Nevada.

LYNN CHAPMAN (Vice President, Nevada Families Association):

We are in favor of S.B. 341. It would be a good idea for a subcommittee to look into establishing a state bank. National Public Radio, MSNBC, Fox News and North Dakota media have reported that North Dakota, with an approximate

population of 700,000, had almost 9,000 quality job openings as of late 2009. It is one of only two states, the other being Montana, that is expected to reach its budgetary goals in 2010; this was written in 2009. Shane Goettle, Commissioner, North Dakota Department of Commerce, said the state is lowering taxes while expecting budget surpluses. North Dakota also has the nation's lowest unemployment rate at 4.2 percent and the lowest foreclosure rate.

North Dakota is the only state in the nation that runs its own bank with a noticeable degree of sovereignty. This bank puts the state and its people first. Ellen Brown, author of *The Web of Debt*, wrote that since 2000, North Dakota's gross domestic product has grown 56 percent, its personal income has grown 43 percent and its wages have grown 34 percent. The state has no funding problems; in 2009 it had a budget surplus of \$1.2 billion.

The BND differs from the Federal Reserve System in significant ways. The stock of the branches of the Federal Reserve is 100 percent privately owned by banks. The BND is 100 percent owned by the state. It is required to operate in the interest of the public. The BND avoids rivalry with private banks by partnering with them. Most lending is originated by a local bank; the BND then comes in to participate in the loan, share risk, buy down the interest rate and buy up loans, thereby freeing up banks to lend more.

The BND functions to provide a secondary market for real estate loans that it buys from local banks. Its residential loan portfolio is now \$500 billion to \$600 billion. This function helped the state avoid the credit crisis that affected Wall Street. This bill would be a good idea since this bill is asking for a subcommittee to conduct interim hearings to determine whether this would be a good fit for Nevada. I do not know; it would behoove Nevada to look into it.

BILL UFFELMAN (President and CEO, Nevada Bankers Association):

I will read my written testimony ([Exhibit K](#)). I have some additional comments. Recently, the Western Alliance Bancorporation, operating here as the First Independent Bank of Nevada, just completed a transaction involving a \$40 million loan to the Grand Sierra Resort in Reno. Wells Fargo Bank in Nevada recently reported that it did over \$458 million over the past year in Small Business Administration (SBA) lending. Included in this were more than 1,000 loans to low and moderate income borrowers for \$23 million. Bank of America recently reported it did five SBA 504 Loan Program loans of over

\$4 million for equipment and real estate. Bank of America provided \$20 million for construction of McKnight Senior Village in Las Vegas. It has done \$7 million in lending of underserved and minority areas in the past reporting period.

Wells Fargo reported it made more than \$1 million of contributions to charitable programs in northern Nevada and 12,000 person-hours of services to those organizations in the past reporting period.

We do not believe a study is necessary because, on its face, the idea has no merit. For all of the foregoing reasons, we urge that the Committee reject S.B. 341.

In the last 24 hours, I heard from the head of the Bank of North Dakota who said today he would recommend against establishing a Bank of North Dakota because there is no need for it. If anyone were to establish a state bank, that person better make sure it is bankers and not economic development people who are running the bank.

The Senate is in the middle of processing S.B. 75, which establishes an economic development program in the Office of the State Treasurer. Also under consideration is S.B. 64, establishing the Linked Deposit Program which would link deposits of State monies in banks to specific lending. Those kinds of economic developments make sense and do not require the State to establish a State Bank and in fact utilize services of the existing banking community.

[SENATE BILL 75 \(2nd Reprint\)](#): Establishes a program to provide private equity funding to businesses engaged in certain industries in this State. (BDR 31-523)

[SENATE BILL 64 \(1st Reprint\)](#): Establishes a program for the investment of state money in certificates of deposit at a reduced rate of interest to provide lending institutions with money for loans at a reduced rate of interest to certain eligible entities. (BDR 31-522)

Senate Committee on Legislative Operations and Elections
May 26, 2011
Page 23

CHAIR PARKS:

This concludes the business to come before the Senate Committee on Legislative Operations and Elections. The meeting is adjourned at 5:52 p.m.

RESPECTFULLY SUBMITTED:

Annette Ramirez,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

| <u>EXHIBITS</u> | | | |
|------------------------|----------------|----------------------------|--|
| Bill | Exhibit | Witness / Agency | Description |
| | A | | Agenda |
| | B | | Attendance Roster |
| S.C.R. 5 | C | Denise Tanata Ashby, J.D. | Written testimony |
| A.B. 100 | D | Terry Care | Nevada AB 100 – Uniform Military and Overseas Voters Act |
| A.B. 100 | E | Terry Care | Letter of support |
| A.B. 100 | F | Terry Care | Resolution Supporting the Uniform Military and Overseas Voters Act |
| A.B. 100 | G | Terry Care | Letter of support |
| A.B. 100 | H | Terry Care | Letter of support |
| S.B. 418 | I | Fred Hillerby | Proposed amendment |
| A.B. 474 | J | Assemblywoman Debbie Smith | AB 474: Sunset Committee |
| S.B. 341 | K | Bill Uffelman | Written testimony |