

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Seventh Session
February 5, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 8:01 a.m. on Tuesday, February 5, 2013, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Teresa Benitez-Thompson, Chairwoman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblyman Elliot T. Anderson
Assemblywoman Irene Bustamante Adams
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblyman James W. Healey
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblyman James Oscarson
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Heidi Swank
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Jim Penrose, Committee Counsel
Bonnie Hoffecker, Committee Manager
John Budden, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Debra March, President, Nevada League of Cities and Municipalities
Wes Henderson, Executive Director, Nevada League of Cities and Municipalities
Caleb S. Cage, Captain, U.S. Army, Executive Director, Office of Veterans' Services
David K. Morrow, Administrator, Division of State Parks, Department of Conservation and Natural Resources
Dave Dawley, Carson City Assessor, representing the Assessor's Association of Nevada
Jack Mallory, representing the International Union of Painters and Allied Trades, District Council 15
Danny Thompson, representing the Nevada State AFL-CIO
James Sala, representing Southwest Regional Council of Carpenters
Patrick Sanderson, representing Laborers' International Union of North America, Local 872
Gerald Gardner, Chief of Staff, Office of the Governor
James Wright, Deputy Director, Department of Public Safety
Lt. Jaime Brown, Commander, Training Division, Department of Public Safety
Ron Dreher, representing Peace Officers' Research Association of Nevada

Chairwoman Benitez-Thompson:

Good morning. Welcome to the first meeting of the Assembly Committee on Government Affairs for the 77th Session of the State of Nevada Legislature. [Roll was taken.] I would like to welcome our audience. I am so excited to see a folder this morning for our first morning of hearings. I would like to welcome you to Carson City. I would also like to welcome anybody who is watching or listening over the Internet. Please mute all electronic devices. Persons wishing to testify today please sign in at the table by the door. Before beginning to testify, please present a business card to the committee secretary and state your name clearly for the record. If you have paperwork for the Committee, you should have 20 copies in addition to providing your handouts in electronic format to Committee staff.

The 2013 Legislative Session will be a busy one for all of us. Today we have three presentations on the agenda, and we will hear our first two bills. First, I would like to start with introductions. I am Teresa Benitez-Thompson, representing Washoe County Assembly District 27. This is my second legislative session, and I thoroughly enjoyed serving on this Committee last session. It is a pleasure for me to be back and even more of a public honor for me to be able to serve now as Chairwoman.

As you all know, Nevada has a citizen legislature. There are 63 members in the Senate and the Assembly. Given that being a legislator is not a full-time position, ordinary citizens come to the Legislature from all walks of life. We take time off of our usual employment as social workers, attorneys, teachers, or ranchers, and for a few months out of every other year, we come together to represent our constituents and make great policy here in this building. When the Legislature passes a bill, it affects every citizen in the state, both now and in the future, whether we can predict what that future looks like or not. I take this responsibility very seriously. I do not expect my Committee members to have great expertise or in-depth knowledge on many of the issues we will hear in this Committee, but I expect them to read the bills, ask thoughtful questions of the professionals who are in the field and of the folks testifying for us, and to help get us to a great place where we have good policy solutions for the problems in front of us.

I will briefly introduce the Committee members and Committee staff before giving all the members an opportunity to introduce themselves and make some brief comments. I will start by recognizing the Vice Chairwoman to my right, Assemblywoman Dina Neal, who, like me, is in her second session, both in the Legislature and on this Committee. There are eight members who also served previously on this Committee with me. They are: Assemblywoman Peggy Pierce, who has the longest tenure on this Committee; Assemblyman Harvey Munford, who is right behind Assemblywoman Pierce in years of service on this Committee; Assemblyman Lynn Stewart, who is serving on this Committee for the fourth time; Assemblywoman Melissa Woodbury, who is serving on this Committee for the third time; Assemblywoman Irene Bustamante Adams, who served as Vice Chairwoman of this Committee last session and did a phenomenal job doing so; Assemblyman Elliot Anderson; Assemblyman John Ellison; and Assemblyman Pete Livermore. Assemblyman Skip Daly is a returning legislator who joins me on this Committee for the first time. We have three freshmen to welcome to our Government Affairs Committee: Assemblyman James Healey, Assemblywoman Heidi Swank, and Assemblyman James Oscarson. On behalf of all of the Committee members, I want to extend a sincere welcome to our new members and to our returning members as well.

A vital part of every committee is the staff, and that is a lesson that I have learned, oh so well, over the past three weeks. I would like to welcome our Committee Counsel, Jim Penrose, and our Committee Policy Analyst, Jennifer Ruedy. Both are new to this Committee, but have many years of experience with the Legislative Counsel Bureau. While you will see Mr. Penrose and Ms. Ruedy mostly in the committee room, many of our staff will be diligently working behind the scenes. I have asked all of the Committee staff to join us today for these introductions. We have Bonnie Hoffecker, our Committee Manager, and she is a veteran in these halls. Our four Committee secretaries are: John Budden, who volunteered to work our very first meeting, and Jennifer Dalton, Lori McCleary, and Maysha Watson. This is the first time working at the Legislature for all of our Committee secretaries, and I hope they enjoy the experience and return to us. Cheryl Williams is a returning member of the staff for the Committee. She served as a Committee secretary last session and has returned as Committee Assistant for the 2013 Session. Also, I want to recognize Michael Cabrera, my personal attaché. He is the person you need to go through to get to me, so make good friends with him. I look forward to working with all of our staff.

Now I would like to recognize Committee members and allow them to make their own introductions, including what district they represent, and add their own comments. Let us start with my Vice Chairwoman, Assemblywoman Neal.

Assemblywoman Neal:

Good morning, everyone. I am Assemblywoman Dina Neal. I represent Assembly District 7 in North Las Vegas. I served on this Committee as a freshman. That will be my introduction; I will keep it short. Thank you.

Assemblywoman Bustamante Adams:

Good morning, everyone. My name is Irene Bustamante Adams. I represent District 42 in southern Nevada. This is my second session. During the interim I spent time driving through and visiting the rural communities. I have a deep appreciation for what the local governments have to address in their own counties and cities, and I just want to say thank you for always welcoming me when I did visit.

Assemblyman Munford:

I am Assemblyman Harvey Munford. I represent District 6 in Clark County. This is my fifth session in the Legislature. I am happy to be here. This is also my fifth session serving on Government Affairs. I have always thought it was a very important Committee. In my district a lot of assistance and governmental

help is needed. Not only that, I am here to help my local government, as well as any local governments in the state of Nevada. Thank you.

Assemblyman Daly:

My name is Skip Daly, Assemblyman for District 31 of Sparks and northern Nevada. As the Chairwoman said, this is my first time serving on this Committee, but a lot of you probably know me from the years I spent on that side of the desk. I am happy to be here and I am ready to get to work. I appreciate your time.

Assemblyman Ellison:

I am Assemblyman John Ellison. I represent District 33, from Elko all the way down to Caliente. With all these officers in the room, I will not tell you how fast you have to go to get from point A to point B in the District. It is a great area. It covers four different counties and to me, the counties are the whole state of Nevada. That is what we are here for, as legislators, to represent the people. Thank you.

Assemblyman Elliot Anderson:

I am Assemblyman Elliot Anderson from District 15 in eastern Las Vegas and eastern unincorporated Las Vegas. This is my second time back for the Committee, and I am looking forward to tackling some more Government Affairs issues. Thank you.

Assemblyman Healey:

My name is James Healey, Assemblyman from District 35 which is a new district in Clark County this time around. It represents the far-southwest part of Las Vegas, including the Southern Highlands, Mountain's Edge, Blue Diamond area. I am thrilled to be a part of Government Affairs. It is great to see so many faces on the first round. Thank you.

Assemblywoman Swank:

I am Heidi Swank. I represent District 16, which is the central part of Las Vegas, including a lot of the historic neighborhoods, the Las Vegas Strip, and the University of Nevada, Las Vegas, and I am looking forward to a very exciting session.

Assemblyman Oscarson:

I am Assemblyman James Oscarson. I represent Assembly District 36, which goes from Pahrump to Tonopah, to Lincoln County, to Clark County; about 26,000 square miles. I am happy to be here. I am happy to represent the rural communities and all of the residents of the state of Nevada. I look forward to working with each one of you. Thank you.

Assemblywoman Woodbury:

I am Melissa Woodbury. I serve District 23 in Clark County which covers parts of Henderson, Boulder City, and Laughlin. I am looking forward to serving on Government Affairs for my third session.

Assemblyman Livermore:

I am Assemblyman Pete Livermore. I represent Assembly District 40, which is the "Capital Assembly District." I claimed that from Senator Settlemeyer. It is a pleasure seeing everyone here today. This is my second time with Government Affairs. I look forward to working with the audience and the citizens of Nevada for the betterment of our government. Thank you.

Assemblyman Stewart:

Good morning. I am Lynn Stewart. I represent District 22 in Henderson, Clark County, sometimes called the "Double Deuce." I would like to thank Dan Musgrove for furnishing these donuts this morning. I assume that he furnished them; if he did not, I encourage him to do so tomorrow.

Assemblywoman Pierce:

I am Assemblywoman Peggy Pierce. You all know me. This is my sixth term, my sixth chance to be in Government Affairs, and my last time in Government Affairs. Thank you for the donuts. Nothing makes Government Affairs more fabulous than donuts. Thank you. It is wonderful to be here this morning.

Chairwoman Benitez-Thompson:

Thank you for the introductions, Committee members. Members should have before them a copy of Committee Policies ([Exhibit C](#)) that have been revised only slightly from last session. One of the biggest changes you might notice is the actual screen in this committee room, which means we might see a visual or PowerPoint presentation. I allow all types of presentations, and that is probably one of the biggest changes that you will see within the Committee Policies. I will accept a motion to adopt the Committee Policies.

ASSEMBLYMAN LIVERMORE MOVED TO ADOPT THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS POLICIES.

ASSEMBLYWOMAN NEAL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairwoman Benitez-Thompson:

A few housekeeping matters: the Committee will begin promptly at 8 a.m. Monday through Friday. I will ask all Committee members, unless excused in advance by me, to please be in attendance at all meetings, from the time the meeting begins until the time that it is adjourned. I understand that members may need to testify on their bills in other committees, or may need to be absent at different times for different reasons. Just make sure that we are well aware of that in advance. I want to emphasize the importance of courtesy in dealing with other members of the Committee, staff, and persons who testify before us. We must never forget that we are here to serve the public, and their testimony deserves a great amount of respect as well as our full and undivided attention. I have asked Ms. Jennifer Ruedy to provide a refresher to the members on the session deadlines and a brief summary of the topics and activities of the Committee.

Jennifer Ruedy, Committee Policy Analyst:

I am a Principal Research Analyst with the Research Division of the Legislative Counsel Bureau (LCB). I have been with the Research Division since 2001. I worked three sessions prior to that for the Assembly and Senate. This is my first session staffing the Assembly Committee on Government Affairs, having previously worked with the Assembly Committees on Natural Resources, Agriculture, and Mining and on Transportation. The LCB is a nonpartisan agency, and, as such, I neither oppose nor advocate for legislation. My job is to help the Committee process the many bills that it will have and to provide the policy and research assistance that it will need to make informed decisions. Please find your Committee Brief either on Nevada Electronic Legislative Information System (NELIS), or as a hard copy ([Exhibit D](#)). These are prepared each session by the Committee Policy Analysts and presented as a quick overview of what happened on the Committee last session, and to some degree, what will be coming before you this legislative session. [Continued to read from prepared text ([Exhibit D](#)).]

Chairwoman Benitez-Thompson:

Thank you, Ms. Ruedy, for the overview. I appreciate your hard work in compiling that. Next we are going to hear a presentation from the Nevada League of Cities and Municipalities which just hired a new Executive Director who is not an unfamiliar face to us: Mr. Wes Henderson.

Debra March, President, Nevada League of Cities and Municipalities:

With me is Wes Henderson, our newly minted Executive Director; in fact, his first day was this past Friday. We are happy to have him on board. He will follow with remarks after my presentation and give you the makeup and

purpose of the League, as well as provide you with a brief overview of the League's legislation during this coming session.

What I would like to do now is brief you on some of the activities that we have undertaken to give you a broader picture and context of what we are doing as the Nevada League of Cities and Municipalities. After the great recession began several years ago, local governments began to come together for annual summits to discuss what was happening and how they could move forward through these difficult times. [Continued to read from prepared text ([Exhibit E](#), pages 5 through 8).] On behalf of the League, I want to assure you that we are ready to work with you as a partner, and we want to avail ourselves to you as a resource so that you can have a better perspective of what we as city officials face on a daily basis as we meet the needs of our mutual constituents. This concludes my remarks. I would be happy to answer any questions that you might have now or at the end of our time. With your permission, I would like to turn this over to our Executive Director, Wes Henderson.

Wes Henderson, Executive Director, Nevada League of Cities and Municipalities:

It is a pleasure to appear before you today as we begin a new legislative session. For the record, my name is Wes Henderson and I am the Executive Director of the Nevada League of Cities and Municipalities. That is the first time I got to say that publicly. I would like to briefly discuss the League and then go over the bills we have submitted for this session. The League was formed in 1959 and membership is open to all of Nevada's cities and towns as well as other government organizations such as General Improvement Districts. Currently the League has 23 members. [Continued to read from prepared text ([Exhibit E](#), pages 8 through 10).]

Chairwoman Benitez-Thompson:

Questions from Committee members? [There were none.] Thank you so much for your presentation. I appreciate your time and the work that you do. Next, we will hear a presentation from the Office of Veterans' Services, from Mr. Caleb Cage. The Speaker gave me a great deal of latitude when she allowed me to have PowerPoint presentations, but I do not know about mood lighting.

Caleb S. Cage, Captain, U.S. Army, Executive Director, Office of Veterans' Services:

I would like to thank you for the opportunity to present to you this morning. I will provide an agency overview and discuss our upcoming efforts including the Green Zone Initiative, which is a yearlong study that we have undertaken. I will tell you the what, why, and how of what we do including our mission,

vision, statutory responsibilities, and the services we provide, and will share some highlights from last year.

Our vision is to be the leading provider of services to veterans, service members, and their eligible dependents, and to be the standard for performance and innovation. [Continued with PowerPoint overview of agency ([Exhibit F](#)).]

The statutory requirements of the Office of Veterans' Services are shown on slides 5 and 6 ([Exhibit F](#)). We are advised by the Nevada Veterans' Services Commission, a nine member commission. We have two cemetery committees, the Advisory Committee for a Veterans' Cemetery in Northern Nevada and the Advisory Committee for a Veterans' Cemetery in Southern Nevada.

Our three major programs are the Nevada State Veterans Home, the veterans' memorial cemeteries in Boulder City and Fernley, and the Veterans Advocacy Support Team (VAST). [Continued with PowerPoint ([Exhibit F](#)).]

Last session, as many of you will recall, Assemblyman Elliot Anderson helped pass the women veterans' license plate bill, Assembly Bill No. 277 of the 76th Session, and that was really the first step towards creating this program and establishing that educational aspect. That was an overview of what we do as an agency.

I would like to go through the Green Zone Initiative very briefly if that is okay, Madam Chairwoman. This will set the foundation for the discussion of Assembly Bill 58. I see several copies of the brochure that we have developed over the last year ([Exhibit G](#)). It is really a strategic effort to say, "What do we need to do to support veterans moving forward?" including their family members and survivors.

Here is the background, the philosophical underpinning, the foundation, or whatever you would like to call it. In 2004, the Office of the Chairman of the Joint Chiefs of Staff for Warrior and Family Support wrote a paper called "Sea of Goodwill: Matching the Donor to the Need." The basic argument of "Sea of Goodwill" is that right now in America we have unprecedented community interest and support for veterans, military families, survivors, et cetera. We need to do everything we can to marshal that support. A fundamental aspect of what they are doing is saying communities in states like Nevada need to focus on veterans as assets to their communities, workforce, and higher education and not as damaged people who are "others" in sociological terms.

The other fundamental aspect of this is to create a grassroots solution. We do not believe that there is a piece of state policy that can solve all of the issues for veterans and service members and their families as they return. Part of that "sea of goodwill" is the understanding that, as the wars in Iraq and Afghanistan wind down, military and family support and other expenditures from the Department of Defense will come to an end. We, as a community in Nevada, need to ensure that we are doing everything to marshal the available resources statewide to support our service members, our existing veteran population, and our returning veteran population.

There are two major goals. One is to attract veterans' resources to Nevada to develop a very broad offering for new veterans. In order to do that, we need to optimize support for the existing veteran population as well. We are focused on three primary areas: education, workforce development and entrepreneurship, and wellness. Again, it is a grassroots effort. We want to give the veteran community the tools to coordinate and allow the solutions to come from the community level. This includes three phases: planning, research, and execution. Again, the purpose is to marshal all available resources in the areas of health, education, and employment outcomes to attract transitioning veterans and their families to live, prosper, and thrive in the state of Nevada. The other purpose is to ensure the successful reintegration of Nevada's existing service members, veterans, and their families into the communities, by providing systems of access, services, and service delivery through regional planning, coordination, and evaluation strategies.

Phase one has been planning and development. This has taken place over the last year. We have been convening statewide with members of the community, members of the private sector, members of the nonprofit sector, government officials, and of course, members of the veteran service organizations to develop the recommendations that you see in the Green Zone Initiative brochure.

We have held four community convenings around the areas of wellness, higher education, and workforce development, as well as several statewide surveys to gather what we see as the existing programs and landscape for veteran services in Nevada. [Continued to read from prepared text ([Exhibit F](#), pages 21 through 28).] Phase two is under implementation right now and many of the components will be discussed with the presentation of Assembly Bill 58. It also includes the creation of local veteran coordination councils throughout Nevada, a social networking site, and annual convenings to bring veterans' service providers together to discuss issues and services. The social networking site will provide veterans a one stop location to learn about services, benefits, resources, and opportunities. It will launch in August 2013. It really is an

opportunity for the State of Nevada. It will be the first effort to operationalize the Green Zone Initiative. Madam Chairwoman, that concludes my brief, and I will answer any questions that you may have.

Assemblywoman Neal:

When did these statutory requirements come into place? What year were they passed?

Caleb Cage:

The statutory requirements began developing in 1945, at the end of World War II. In the late 1990s, the Office of Veterans' Services and the cemetery program were created in statute so that we could receive federal money for the cemetery program. The Nevada State Veterans Home was approved, I believe, in the 2001 Legislative Session.

Assemblywoman Neal:

What were the problems, impediments, or issues that prevented the statutory requirements from being implemented? If it says, "give aid, assistance and counsel to each and every problem," "serve as a clearinghouse and disseminate information," and "conduct any studies which will assist veterans," then why, under the Green Zone Initiative, do we need the grassroots interagency effort which includes planning and research? What prevented the law from being implemented? That is what I am trying to understand. That is why I asked when the law was created. If it was last year, then I understand that it might be slow getting off the ground. Why is this not happening? What studies have been done?

Caleb Cage:

I cannot speak about the agency before August 17, 2010, when I started there. I can say some studies have been done over the years about the veteran's population. There have been studies every two years to find out what policies should be pursued through legislative efforts, so on and so forth. I would say the change was coming at the end of a decade of war, when we are trying to bolster ourselves for downsizing the military. We are expecting 25 percent cuts in the U.S. Army and the U.S. Marine Corps. That is going to have an impact at the state level.

If you look back and really see what happened in the post-Vietnam era—what resources were available, and what the cost to broader society was for the lack of coordination—we have said, what can we do differently this time around? Another driving aspect of this was the "sea of goodwill"—the huge amount of public support out there. Yet we were still constantly being contacted by veterans, employers, and others who were saying they did not know where to

get the information, they did not know where to go. We are established and funded to operate a veterans' service officer program, cemeteries, and a nursing home. Additional duties include serving as a clearinghouse, and all of those other things, but if you really look at how we are funded, those are the things we are funded for, and have been funded for, for a very long time.

In the last 15 years, those programs have grown immensely. We see this as the next step. How do we develop? There are approximately 300,000 veterans in Nevada, and we have 9 veterans' service officers. How do they know what services are available to them? Currently in Las Vegas, they have an eight-week wait for applying for those services. There is a 1 million claim backlog at the federal level. So, they are going to wait a year, at the minimum, to get their response from the federal government on whether they are getting compensation, whether they have a disability, whether they have any of these things. What can we do for them in the meantime to ensure that we can address things like suicide among the veteran population? What can we do to address things like employment opportunities or higher education opportunities? Currently, we have a great system to provide for our three fundamental service areas. We do not have a great system, but we have developed a system for integrating the broader community effort throughout the state.

Assemblyman Oscarson:

I represent approximately 4,000 veterans in the Pahrump area. I was curious where you have done these study groups. How does this program interact with services for homeless veterans? How does it interact with Disabled American Veterans and Veterans of Foreign Wars? Last but not least, since I have not been on this Committee before, could you tell me what a Gold Star Parent is?

Caleb Cage:

A Gold Star Parent is a parent who has lost his or her son or daughter in combat and has received that recognition as being a Gold Star Parent. We work very closely with a large part of that community here in the state. Your first question was about where the convenings have been held. The official convenings that we have held throughout the state were held in Reno, Elko, Carson City, and Las Vegas. We wanted to hit northern Nevada, southern Nevada, and rural Nevada. We also held two convenings for legislative efforts, which was a piece of this, in Tonopah in 2012, and again last month. We will continue to take this out to the community throughout the state as well. At those convenings we have had representatives of Veterans of Foreign Wars, Disabled American Veterans, the American Legion, the Nevada Military Support Alliance, and all kinds of other organizations and groups, including the American Red Cross and groups that have not necessarily participated before but are interested in doing so, such as JPMorgan Chase and

Northern Trust. There are banks in southern Nevada that are very interested in funding aspects of this, and we have had conversations with them. We have had conversations with the Office of the Chairman of the Joint Chiefs of Staff and the Office of Warrior and Family Support out of Washington, D.C., which generated the "Sea of Goodwill" paper. We met with them about two weeks ago and they said that no state has taken what they wrote about in the "Sea of Goodwill" paper and implemented it to the degree that Nevada has, and they have given us their full support moving forward. We really wanted to get huge buy-ins from the defense community, from the veteran community, and from the broader civilian community. We want to provide an opportunity for the broadest possible offering of resources, opportunities, benefits, and services to service members, veterans, and their families throughout the state.

Assemblyman Stewart:

I have a series of questions. Captain Cage, I think you are doing a great job. First of all, are the cemeteries, the hospital, and the proposed hospital adequate for the foreseeable future for taking care of the needs of veterans who expire or who need treatment?

Caleb Cage:

Currently the cemeteries are adequate. We do have land in Boulder City as well as in Fernley to expand. I mentioned about \$9 million in expansion grants we have received over the last 15 months. As we expand, we have increased grounds, opportunities, and burial options for veterans and dependents, but we have not increased staffing. Staffing is a piece that is getting to the point of being inadequate. However, we are doing the best we can. We are mobilizing service organizations and volunteer communities to assist us with that. In addition, the U.S. Department of Veterans Affairs (VA) has pinpointed Elko as one of the eight communities in the state that will receive funding for what they are calling a federal burial ground. This is not a state-operated function. This is a federally operated program. We are working with them to coordinate with the Bureau of Land Management and local cemeteries, and we are working with Elko County Commissioner Charlie Myers out there to connect them to the people in Elko who can assist them with this program and opportunity as well.

From the cemetery perspective, I think we are strong on capacity, if you will. The Nevada State Veterans Home in southern Nevada reached the census of 180. We reached 100 percent census this last year for the first time, and that was a year-long effort. That is a major initiative, and it is hugely helpful to our ability to deliver services. Ninety-eight percent of our veterans and family members in the Nevada State Veterans Home in Boulder City come from Clark County. So, we are not serving the rest of Nevada with that home, except for about 2 percent of our current facility. We are doing a needs

assessment with the Department of Health and Human Services right now to determine the statewide need. The statute currently reads that if a new nursing home is authorized by the Legislature, it will go into northern Nevada, so we are looking at locations in northern Nevada around population centers and their proximity to VA facilities.

Assemblyman Stewart:

What is the timetable for the northern Nevada home if it is—and I hope it is—approved by the Nevada Legislature?

Caleb Cage:

The Governor has asked for funding through the Capital Improvement Program (CIP) budget. I believe it is approximately \$3.7 million for the planning phase this biennium. I cannot speak to future biennia at this time and to what the plan will be. But, with that planning in place, we are on the list to receive a two-thirds grant from the federal government for construction of the new home. The next step would be for the state to raise, or, as you have seen in A.B. 58, for us to raise privately, the one-third for construction of that facility in northern Nevada. I know the timetable for the 77th Session. I cannot speak to the 78th and beyond.

Assemblyman Stewart:

What is the total estimated price of the hospital?

Caleb Cage:

Approximately \$40 million.

Assemblyman Stewart:

The total population of veterans now is 300,000?

Caleb Cage:

It varies. The federal census shows it at 243,900. We know that number is incorrect. Every state has this problem. We have taken several steps on this issue and have a new bill coming before the session this year that will help us to identify the size of the veteran population in Nevada. Based on the study we conducted last year, we estimated the total veteran population to be approximately 300,000.

Assemblyman Stewart:

I have one final question. In your coordination with the VA, has your predecessor Mr. Tetz been of help? Do you coordinate with him in helping Nevada?

Caleb Cage:

He was recently with the American Legion, and I understand that the American Legion is not in support of A.B. 58. We have worked with the American Legion. I understand he is no longer there. We have worked with that organization. They have a national vice commander who is in Reno, and he has been helpful as well.

Assemblywoman Bustamante Adams:

Mr. Cage, I just want to say thank you. As a military spouse, I appreciate the services that you offer to our men and women. My question has to do with page 11 ([Exhibit F](#)), regarding your grants. Can you tell me what the source of the grants are? If you are working with the State's Office of Grant Procurement, Coordination, and Management, in the Department of Administration, make sure that we maximize and leverage every opportunity.

Caleb Cage:

Regarding the grants shown on page 11 ([Exhibit F](#)), the VA has two major granting sources. There are three legs to the VA: benefits and compensation, health care, and the National Cemetery Administration. The National Cemetery Administration actually has a grants coordinator and a grants program manager in Washington, D.C. We work very closely with them. We go to the national conferences and ensure that we are next in line for these grants. These grants are prioritized based on need, so what the projected growth of a cemetery is going to be, and when you will run out of certain capacity to inter veterans and their family members in niches, for instance, or in ground for cremains, or in ground burial, and so on is uncertain. Based on that need, we get prioritized. We applied for the \$3.4 million grant right after I started with the agency, and our need was such that we got it immediately. At the time, \$3.4 million was an unprecedented amount for the grants coordinator to give. The director of the program came out and actually presented us with the check; it was a huge deal at the time. Because we had received that grant, we were not prioritized for phase two funding. However, we had all of the paperwork submitted and when several other states backed out, we were prioritized for that \$5.2 million grant as well. We are hoping that something similar happens for the \$1.44 million for phase three, but we anticipate we will be prioritized for that next year. I do know the Office of Grants Procurement, Coordination, and Management very well, but this is something we handle internally with the State Public Works Division. All of the money is sent through State Public Works; they manage the program and we go through the contracting process. I believe we are leveraging every opportunity right now for those grants.

Assemblyman Ellison:

This is more of a statement than anything, because a lot of my questions have been answered. I watched our veterans in northern Nevada, during the worst part of the winter, trying to travel between Elko, Salt Lake City, and Reno to get health care. We have an outreach clinic there now, thank God, but watching these veterans trying to get to health care has been unbelievable.

I have watched the work this Committee has done in the last several years about veterans' issues such as the women veterans' license plates that Assemblyman Anderson introduced and Assemblyman Stewart's bill on burying the unclaimed remains of veterans [Assembly Bill No. 124 of the 76th Session]. I stand behind you. You have done a lot. You have come a long way, but we have a long way to go; we are just barely scratching the surface. Anything we can do to help our veterans, I think we need to do.

Madam Chairwoman, in the audience today, we have Gil Hernandez, a Purple Heart recipient from Vietnam. This individual just got invited to go to Vietnam, and I would like him to stand. It is an honor that these individuals are finally getting the recognition that they deserve. Thank you very much.

Chairwoman Benitez-Thompson:

Thank you so much, Assemblyman Ellison, and thank you for making sure that we have that acknowledgement as part of our Committee record today.

Assemblyman Munford:

I have received several telephone calls from my constituents. They were asking if there was a proposal on the board to exempt veterans from license registration fees. Have you heard anything like that?

Caleb Cage:

Currently, veterans of varying degrees of disability can receive exemption from the Government Services Tax through the Department of Motor Vehicles (DMV). Active members and their family members can receive exemptions from the Government Services Tax from the DMV, and they can also receive exemptions at the assessor's level. There is a bill that would extend that exemption to family members as well as survivors, I believe.

Assemblyman Munford:

So there is a bill draft request in the works?

Caleb Cage:

Yes, that is my understanding. Again, I have not seen the bill. I have only seen the description which states that it would extend those exemptions to family members and survivors as well.

Chairwoman Benitez-Thompson:

Any other questions from the Committee about the presentation? [There were none.] With the presentation being concluded, we are going to flip-flop the two bills on the agenda and actually begin with A.B. 58. I will go ahead and open the hearing on A.B. 58.

Assembly Bill 58: Revises various provisions relating to veterans. (BDR 37-303)

Caleb S. Cage, Captain, U.S. Army, Executive Director, Office of Veterans' Services:

Thank you for the opportunity to testify for you this morning on Assembly Bill 58, as well as the opportunity to talk about the Green Zone Initiative, our major effort over the last year. I think that you will see that our bill this morning grows out of the Green Zone Initiative and the research efforts that we have conducted over the last year. As you have noticed, Assembly Bill 58 covers a diverse selection of veterans' issues and proposals for your consideration during this session. If passed in its current form, it would change the name of our office from the Office of Veterans' Services to the Department of Veterans Services; it would create the Office of Veterans Policy and Coordination within the Office of the Governor; it would create the Interagency Council on Veterans Affairs in statute; it would authorize the construction of a veterans home in northern Nevada while also revising provisions relating to donations for veterans homes and creating exceptions to provisions governing public works and lease-purchase agreements with respect to certain projects of our agency; it would require the Division of State Parks, of the Department of Conservation and Natural Resources, to issue annual permits for the free use of state parks and other recreational areas to certain veterans; and it would make conforming changes for any and all parts of this bill that are passed. [Continued to read from prepared text ([Exhibit H](#)).] I would be happy to answer any questions that the committee may have.

Assemblyman Elliot Anderson:

First of all, I think you are doing a great job. I think that you have been knee-deep in the trenches and that has shown because the policy that the office has been coming up with has generally been pretty good. I started in politics as a veterans' advocate, so it is nice to see someone getting their hands dirty and being down in there. The first question I have is about the Office of Veterans' Policy and Coordination inside the Office of the Governor. I wanted to get your

feel for how that person would get the same sort of experience that you have gotten from being in a service agency, working with veterans day to day. One of my big concerns about that office is that he or she would be spending time pushing paper, being a bureaucrat, and not getting down there and interacting with veterans. So, could you expound on that, and talk about how the director of that specific office would get that experience in working with veterans on a day-to-day basis?

Caleb Cage:

That is a great question. I glossed over what I have envisioned out of respect for the Committee's time. Those Veteran Community Councils, the Interagency Council on Veterans Affairs working with the Nevada Office of Veterans' Services, all of those would be absolutely fundamental to this new office, this person, as they take up the mantle and start moving forward. They would need to be out at the community level. They would need to be out at those committee meetings in Elko, Pahrump, Las Vegas, Reno, and wherever we have them established. We are looking at 15 of them as often as possible; at least every other month. If there are 15, then it would be difficult to be at one every month. They would need to be holding these convenings with the various focus area efforts: the Suicide Prevention Task Force, the Interagency Council on Veterans Affairs, the workforce committee, and the higher education committee. They would need to work hand in hand with my office to ensure that there is a clean transition from what we are doing to what that office is going to do, so that they can really drive this effort moving forward.

Assemblyman Elliot Anderson:

Thank you for expounding on that. The other questions that I have relate to section 36 and section 35, the lease-purchase section and the public works section. I am just wondering why we would be exempted from those requirements when you were talking about section 36 and the lease-purchase agreements. What you said was that this would allow you to enter into purchase agreements. The way I read *Nevada Revised Statutes* (NRS) Chapter 353, right now you already have that authority. The way it is written it looks like you are taking yourself out of the definition of a state agency and then not having to deal with the requirements of the chapter. Same idea with the public works definition. Could you talk about the reasons for that request to take you out of those sections? I just was not clear on why that was being requested.

Caleb Cage:

Absolutely. When I started with the Nevada Office of Veterans' Services in 2010, one of the key priorities for the veteran community in the state of Nevada was to establish a veterans' home in northern Nevada. There had been

a great deal of research and a great deal of legwork in developing a plan, getting space and all of that, and then, as we all remember in 2010, there just were not going to be any General Fund dollars to pursue that during the last session. It was just a matter of fact. Shortly after I started as the Director of the Office of Veterans' Services, the Nevada Budget Director was quoted in the newspaper saying that Nevada's bonding capacity would be nonexistent until 2019, and I am paraphrasing, of course. So, we did not recognize an opportunity to pursue a bonding measure to pursue that either. What I stated to the veteran community at the time was that, for the \$40 million project that is on the table right now, the State match would be \$13 million. We do not see an opportunity to pursue that in this budget landscape. So what we are going to do is go back to the drawing board. We are going to look at ways of bringing down that number, and we are going to look at ways of raising the dollars outside of the General Fund as much as we can.

In the event the economy turns around, or there is an appetite for the State to fund this through the budget process, then we will obviously support that and be very appreciative. However, in the meantime, we cannot wait for ten years, when we could be doing something as an agency to slowly raise those dollars.

What we wanted in this bill was the opportunity to do three things. One would be traditional construction. That would be well within the State Public Works Division's program. We would get the two-thirds match from the federal government, we would come up with the one-third at the state level, and we would pursue that as is. If that were not an option for ten years, then what we wanted to do was create an account, a "lockbox" if you will, that would allow us to slowly but surely save the money that we would need in order to develop this. Like the Nevada System of Higher Education, if we raise 75 percent of that money from private funds, then we could use those dollars to renovate an existing facility to turn a hospital or a private nursing home into a veterans' nursing home using that same opportunity that is provided to the Nevada System of Higher Education. Or, we could construct a new home, if we were able to raise that much money throughout the state. The third option would be to enter into a lease-purchase agreement. We are looking for the broadest authority we can possibly have. Of course, we will take whatever this body and the Legislature determines appropriate.

Assemblyman Ellison:

The only thing that I can see that is in Assembly Bill 58 for fiscal impact is actually the state parks for waiving fees for veterans with a service-connected disability of 10 percent or more, which is estimated at about \$40,000. Madam Chairwoman, would that go back to the Assembly Committee on Ways and Means for review?

Chairwoman Benitez-Thompson:

I believe we have someone here to address the fiscal note. Is Mr. Morrow here?

Assemblyman Ellison:

In the last interim session, we did look at some of the veterans' exemptions for boating and other recreational activities, but I know that I had several veterans who were disabled and could not get to the parks because of finance, and we were trying to get money raised for that. I think this is a great deal, but only if it does not have a large impact.

David K. Morrow, Administrator, Division of State Parks, Department of Conservation and Natural Resources:

Thank you for the opportunity to be here and express my support for A.B. 58 and also to address some of the issues with regard to the fiscal note. [The witness submitted prepared text that included additional testimony ([Exhibit I](#)).] One of the things that has been very difficult to do, and we have worked very closely with Caleb Cage and his staff, is to determine exactly what that note would involve. In our first estimates, through the administrative fee that we plan to charge for operating the program, we would generate about \$40,000 in revenue. Based on further information, the fact that we now believe there are about 35,000 disabled veterans in the state that would qualify for this exemption, we have downgraded what we believe would be the fiscal impact. That is, that we would generate about \$10,500 for the administrative fee. That covers the costs of developing the placards, checking it with veterans, and just generally administering the program. We do not know what parks may lose by going with the discount for veterans. With that said, we believe the revised estimate on revenue that I have just given you (\$10,500) will cover the cost of administering the program, and although we do not have a specific idea of what it might cost us to run it, we believe it is important enough and a big enough issue that we support the bill.

Chairwoman Benitez-Thompson:

Thank you, Mr. Morrow. Just to clarify, I believe the fiscal note that we have as stated was around \$40,000, and with the revision you think it is actually closer to \$10,000?

David Morrow:

That would be correct, Madam Chairwoman.

Assemblywoman Bustamante Adams:

Mr. Cage, I am trying to get my arms around this, so help me to understand. Could you clarify, is this a best practice throughout other states to set up this

type of entity? Can you help me to understand, from an organizational perspective, who reports to whom? I cannot figure that part out.

Caleb Cage:

Thank you for those questions. Is this a best practice? We believe it will be. The only other state that is aggressively pursuing the coordination that we are trying to do right now is Illinois. My counterpart there and I had a phone call about two weeks ago, and we went over our specific programs. There are slight changes, but we have been working in a vacuum, both off of the "Sea of Goodwill" concept from the Pentagon. We have developed similar programs for what we are trying to do, down to the social networking website, and the language we use in our presentations, such as "thriving" and "reintegration," and so on.

The Chairman of the Joint Chiefs of Staff's Office for Warrior and Family Support is really driving this effort nationally, and they are telling us that we and Illinois are by far the lead on this and are addressing it at a much higher level of research and implementation than what is going on elsewhere throughout the country. I will be giving a presentation next week to my counterparts from around the country in Washington, D.C. The U.S. Department of Veterans Affairs (VA) is very interested in this model from an outreach perspective, and how they can use state offices like ours to really generate that outreach capacity as well. Nobody else has created the best practice, I guess is the shortest answer.

As far as who reports to whom, the way the Governor has asked to organize this is for the Office of Veterans Policy and Coordination to be specifically on his staff. We think that is appropriate. If it were under the Nevada Office of Veterans' Services, then it would be basically filtering through our three major programs. Instead of saying your three major programs are a part of the greater pie, they are a part of what the American Red Cross, the American Legion, and the other veterans' service organizations do. They are part of what the universities offer. They are a part of what the workforce offers, but not the whole answer to the situation, so, we would still report to the Governor as a cabinet-level agency. We would report to the Director of the Office of Veterans Policy and Coordination, through the Interagency Council on Veterans Affairs (ICVA). This would create an opportunity for this office to look down over the landscape and see what nonprofit, state, federal, local, and community organizations opportunities are provided, and to look up and make those recommendations to the Legislature, to our federal delegation, and to the Governor as well.

Assemblywoman Bustamante Adams: Because I am a visual learner, is there something that is drawn out that I could actually see?

Caleb Cage:

Not at this time. Again, we are developing the structure with the quarterly meetings of the ICVA, the monthly meetings of the veteran community councils, and the focus-area quarterly meetings as well. I think that the structure would be thus: the Office of Veterans Policy and Coordination Director would be the Chair of the Interagency Council on Veterans Affairs, and my office as Director of the Department of Veterans Affairs would answer to that office through the interagency council that this bill also asks us to create in statute. We would also have access to the Governor and the Legislature through cabinet meetings and committee meetings like this.

Assemblywoman Neal:

I have two questions. I need clarity on who the administrative fee was going to be charged to. The second question may relate to both of you. On page 5, section 11, subsection 4, lines 11 through 15 of A. B. 58, the person who is going to serve on this interagency council will be absent from work, but will still get paid while they are in the meeting. I have a question or concern about whether it is like they are getting paid and are not really working. I do not understand why that exists in the bill.

David Morrow:

I can answer part of that question. I will have to defer the other part of it to Mr. Cage. As for the administrative fee, when we established this proposal for a discount for disabled veterans, we designed it to be just like the current program for senior citizens. There is a small administrative fee charged to the person who comes in and gets the permit. The permit entitles an individual to have free day use, free access, and free boating in any of Nevada's 24 state parks. It covers the cost of administering the program.

Assemblywoman Neal:

What is the reasoning behind section 11, subsection 4, lines 11 through 15 of the bill?

Caleb Cage:

It is my understanding, through conversations with the Legal Division of the Legislative Counsel Bureau, that this is basic established language that would be provided for our current executive directors or directors who are on the Interagency Council on Veterans Affairs. We get together quarterly in order to meet the terms of the executive order that established this interagency council. All of us get together in our capacities as agency directors, or representatives,

and we talk about veterans' issues, develop priorities for veterans' issues as they deal with our individual sectors: higher education, corrections, public safety, or health and human services. I believe that language says that the individuals who would be there are on duty. They are serving a function of their jobs in serving on this commission. I do not know if that answers your question.

Assemblywoman Neal:

You are saying that they are going to be in the meeting and still get paid and function as if they are still doing the work of the Department of Business and Industry and the Department of Health and Human Services? That is what you are saying, right? So, it is okay for them to get paid and not be in their physical, actual duty, because it has now been altered to the veterans' issues?

Caleb Cage:

They are still dealing with the Department of Business and Industry. So, Director Bruce Breslow would come to the meeting as the representative from the Department of Business and Industry, but his focus would be to develop priorities and opportunities for dealing with veterans' issues within the Department of Business and Industry. So, the bill language is essentially saying, this is an additional duty. For instance, I serve on the Veterans Rural Health Committee. I have to take a day off of my job as the Director of the Nevada Office of Veterans' Services to travel to those meetings because it is a federal commission. This bill would say these are additional duties for the directors as they are appointed, and they do not need to take annual leave in order to participate because they are, in fact, addressing the needs of veterans as they pertain to the Department of Business and Industry, to use your example, Assemblywoman Neal.

Assemblywoman Neal:

Thank you. I think it is interesting. I might use that on one of my bills and see if I can get some people paid.

Chairwoman Benitez-Thompson:

Mr. Cage, this is a standard practice that is used. It is just assigning their duties so that they are not having to "volunteer" as a department head or take paid leave, or use annual leave or paid time off to participate. It just makes it a part of their assigned duty. Is that correct?

Caleb Cage: That is my understanding. If I go to a cabinet meeting, which would be a similar version of this meeting, I do not take vacation to do that. This would just be assigning an additional duty to the executive directors.

Assemblyman Daly:

I have two questions. Other than the creation of this council that is going to meet quarterly and do all of those things, when I read through the rest of what you changed of NRS Chapter 417, you delete the word "Executive" several times and just call yourselves "Director" and "Deputy Director." Under this new structure, what are you really gaining? What else can you do that you cannot do now? You already have authority under NRS Chapter 417 to do a great many things, and coordinate all of the things that you are claiming you are going to do better. Other than the executive order that started this ball rolling, where is the difference in your new structure and your old structure? I am not really following what you cannot do now.

Caleb Cage:

The portion of the bill that creates the Office of Veterans Policy and Coordination changes nothing structurally to what the Nevada Office of Veterans' Services currently does. It creates an opportunity to better coordinate the services throughout the state. So, currently what we do are those three primary activities. We have the veterans service officers, we have the cemeteries, and the nursing home. We also have the authority, and we take it very seriously, to be a clearinghouse for information to coordinate between other service providers and to find different opportunities, different coalitions that we can build throughout the state. We take that very seriously. However, if there is a hot water heater at the Nevada State Veterans' Home that blows up right now, which happened two months ago, we are going to focus all of our energy on taking care of that, because that has a direct effect on the quality of care and quality of life to 180 veterans and their family members in Boulder City. The Nevada Office of Veterans' Services is programmatic. It is funded to be programmatic. We do everything else as other duties as assigned, and because of that we are able to do things like the research effort here. We are able to do things like the convenings, but in my opinion, although I would do everything I possibly could, without a statewide coordinating body, there would be no physical way for our current agency and our current agency structure to be out in the local communities as much as this organization would be to address the needs of Ely, for instance, or Pahrump, or Elko, or wherever outside of the major areas where we currently serve.

We would have very limited opportunity to coordinate the policy development piece. Again, I think we would do the best we could, but it is our understanding that with the downsizing that we are expecting in the military,

the budget cuts will most likely happen and those will affect the Department of Defense and the VA to a lesser degree. We, as a state, need to be very, very well prepared to receive veterans back into our community and serve the existing veterans within our communities. Again, that is something that we currently do, but this would allow us the opportunity to take that to the next level.

Assemblyman Daly:

I appreciate that. I am just trying to understand it a little bit more, because you are currently a state agency that answers to the Governor. You said earlier that you are going to be directly under the Office of the Governor. I do not know what difference or changes that makes, or what flexibility that may or may not give. Maybe you can talk about that.

My second question is about section 55 on page 38, lines 29 through 31 of the bill, which talks about how the Legislature is going to authorize you to enter into lease-purchase agreements, et cetera. My understanding is that you are already a state agency. You have that authority already. I also believe that you talked about the State Public Works Board being the office that you go through if you are doing any constructions, designs, remodels, et cetera. Is that still going to be the case, or are you going to try to be your own agency to do public works? I have similar concerns over sections 35 and 36. My understanding is that you can already do these purchases. Are you going to try to get out from underneath the umbrella of public works overseeing your projects?

Caleb Cage:

I would like to answer the second part because it is fresher in my mind if that is okay. We are not trying to get out from under anything. What we are doing is trying to have the broadest possible options, so that whatever situation presents itself first for us to be able to provide a nursing home in northern Nevada, we are able to do it. So, if we were to enter into a lease-purchase agreement, we would enter into that through the state public works process and go through it that way. If you were to fund construction of a home through a future appropriation, we would go through the state public works process as well. If, for instance, neither one of those were an option, and we were not able to get the General Fund appropriation to do either one of those things, or to secure the funding through the lease-purchase process, to construct it through that measure, then what we want, and the part that I think is the rub here, is to have the same capacity that the Nevada System of Higher Education currently has on their campuses. For instance, if Foundation X gives \$3 million to the University of Nevada, Reno to build the Foundation X Building there on campus, then they have the capacity to privately contract the design and construction of that outside of the state public works process. If we are able to assume an

existing facility that requires modest upgrades, the VA facilities must have certain additions that private homes do not have to have. Let us say there is a private home in Carson City that is vacant or available, and we could purchase it, or receive it as a gift, if we could raise 75 percent of the money privately, it would allow us to privately contract with a design team and to put something like that into place. Again, the point of this section of the legislation would be to allow us the broadest possible opportunity to get a home in northern Nevada, much, much, much sooner we think than if we were just waiting for one option to take place.

Assemblyman Livermore:

My question is regarding the structure. Is this going to create a new cabinet position in the Office of the Governor?

Caleb Cage:

I cannot speak to how the Governor wants to organize his staff if this is passed. It is my understanding that it would not necessarily be a new cabinet position. It would be a staff position on the Governor's staff, but the Office of Veterans' Services would remain a cabinet position on the Governor's cabinet. Again, I would ask you to direct that question to the Chief of Staff.

Assemblyman Livermore:

Will you be the Director, or the Executive Director, or are they one and the same?

Caleb Cage:

It is my understanding that I am the Director. Under this bill it would change the Office of Veterans' Services to the Department of Veterans Services, and my position would change from Executive Director to Director. This bill would also create the Office of Veterans Policy and Coordination within the Office of the Governor, and it would create an Executive Director position there. My position would be Director of the Department of Veterans Services, and this person would be a coordinator through the Interagency Council on Veterans Affairs for me.

Assemblyman Livermore:

In the bill it also says that you are neither classified nor unclassified so how do you fit in the personnel manual?

Caleb Cage:

My understanding of the bill is that this person, position, and the office would serve in the unclassified status, which is what the Governor's staff is currently.

When I was with the Office of the Lieutenant Governor, I believe I was unclassified there as well. I am currently unclassified.

Assemblywoman Pierce:

I have the same confusion about this bill, particularly the point that Assemblywoman Bustamante Adams brought up. This bill seems to be the opposite of coordination and efficiency. It seems like we are creating two agencies dealing with veterans' issues. I can picture some of the freshmen in their last term getting a bill to put these agencies together and everyone wonders why we created two agencies in the first place. So, that is confusing to me. Why would we want to create two offices? It is particularly odd to me that, in section 10, you list the people who are going to be on this Interagency Council on Veterans Affairs, and yet the Office of Veterans' Services is not going to be on that interagency council. That is odd to me. So, as some of my colleagues have asked, it would be nice to see a flow-chart on this. I have concerns that other people have talked about in section 35. Also, what is the thinking behind section 8, subsection 4, on page 3? Why would the employees of the Office of Veterans Policy and Coordination not be in the classified or unclassified service? I can understand the Executive Director, but why would the employees be neither classified nor unclassified?

Caleb Cage:

The office would be within the Governor's Office, and Governor's Office employees tend to be unclassified, so that is the argument for that. It is not a stand-alone agency in the sense that the Nevada Office of Veterans' Services is a stand-alone agency with an administrative services officer, a human resources officer, and so on. The staffing is an executive director, a policy advisor, and an administrative assistant. Of course, any of those changes to the classification of their service could be made through legislation as well. The best analogy for understanding this is the example of the Director of National Drug Control Policy, the "Drug Czar." The Drug Czar oversees a small Washington, D.C., Executive Branch agency that coordinates with all of the other agencies: Homeland Security, the Drug Enforcement Agency (DEA), and others. They are not staffed and funded to programmatically oversee the DEA and all of the other agencies, but they provide an opportunity to convene, to coordinate, and to develop policy between these agencies.

That is the shorthand for this development. So far, it has been the "Veteran Czar," which is unpopular or popular depending on who is saying it, when, and so on. That has been the focus of it: to develop those community-level resources to develop the statewide focus to drive the Green Zone Initiative to the next level.

Assemblyman Healey:

Thank you for your service, and to all the men and women in the military who have joined us today, thank you for your service. Where does the funding come from for the development of these new agencies?

Caleb Cage:

The funding for the Office of Veterans' Services comes through the Governor's request and the budget process through the Legislature as it becomes the Department of Veterans' Services. Again, we foresee a negligible fiscal impact on that; actually, a completely avoidable fiscal impact for that. The Interagency Council on Veterans Affairs is currently operating under executive order with no additional funding so the directors of different agencies travel to the meetings. We hold meetings in Reno and Las Vegas and phone in from Elko because one of our members is there, and it requires no additional funding. The agencies absorb travel or other costs. The funding for the Governor's Office of Veterans' Policy and Coordination is introduced through the *Executive Budget*. There is a budget request, so there is no fiscal note associated with this as the policy piece.

Chairwoman Benitez-Thompson:

Any other questions from Committee members? [There were none.] We will go ahead and take testimony from folks in support of A.B. 58.

Dave Dawley, Carson City Assessor, representing the Assessor's Association of Nevada:

I am here representing Carson City, as well as the Assessor's Association of Nevada. We are in support of the bill; however, we would like to make a friendly amendment to it ([Exhibit J](#)). This is specifically in regard to section 38. The assessors' offices in Nevada are responsible for the personal exemptions that the veterans and disabled veterans receive. Those personal exemptions can be used on property taxes or the Governmental Services Tax when they register their vehicles at the Department of Motor Vehicles (DMV). Currently section 38 says that, if a veteran chooses to pay the tax, that portion that he would have received he can donate toward the building of the veterans' homes. In section 38, it actually states that if a veteran donates that portion of the tax, the county assessor shall deposit the funds toward the building of a home. The assessor actually does not have anything to do with that, so we would like to amend section 38 to state the "tax receiver" instead of the "county assessor."

Chairwoman Benitez-Thompson:

Any questions from the Committee? [There were none]. Any other testimony in support?

Caleb Cage: I have a letter ([Exhibit K](#)) from Mr. Perry Di Loreto who was unable to join us today due to his travel schedule as the Chairman of the Nevada Military Support Alliance. I would like to enter it as testimony in support of A.B. 58. [Read from the letter ([Exhibit K](#)).]

Chairwoman Benitez-Thompson:

Thank you for that. If there is no one else to testify in support of A.B. 58, we will move to those who would like to testify in opposition to A.B. 58.

Jack Mallory, representing the International Union of Painters and Allied Trades, District Council 15:

Our opposition to this bill is primarily due to section 35, although we do have concerns with sections 36 and 55 as they relate to lease purchases. Our position on lease purchases over the years has consistently been that this is not necessarily very good fiscal policy, simply because it is the easy way to get something, but in the long term it ultimately may end up resulting in greater cost for the construction and occupancy of the structure. Our problem with section 35, and it is my personal belief that the exemption for the Nevada System for Higher Education should be repealed as well, is, let us say you have a \$5 billion project. If less than 25 percent of that, which is \$1.25 billion, comes from public sources, that project is deemed to be a non-prevailing wage job. If it has \$1 billion in public funding, it is a non-prevailing wage job under the proposal that is in front of you today. It was stated they intend to build a \$40 million hospital in northern Nevada. We support the construction of the hospital; there is no question. But, if there is not more than \$10 million of public funding in that, it is deemed to be a non-prevailing wage job. Now, at the state and federal level, there have been arguments over prevailing wage versus free-market forces since the National Eight-Hour Day Act of 1868 which, coincidentally, was supported by both of Nevada's first United States Senators: Republicans William Stewart and James Nye. In testimony on the bill, Senator Nye stated:

The eight-hour day not need be rejected, even if there was not as much work done in the eight hours, because there might be other good results following from it. There might be greater comfort given to the working man, there might be an improvement in the condition of society; and if there should be an approximate amount of labor, something near the same amount as now, the other good results might be sufficient to justify the adoption of the reform.

Ultimately, proponents of the National Eight-Hour Day Act argued that the increase in hourly pay would come primarily from, and be justified by, increased

hourly productivity. This goes back to 1868, and we have had this same argument numerous times. The federal Davis-Bacon Act was passed in 1931. It was actually introduced by Senator Robert L. Bacon from New York in 1927, and his statement in support of the measure was that the government was engaged in building a Veterans' Bureau Hospital in his district:

Bids were asked for. Several New York contractors bid, and in their bids, of course, they had to take into consideration the high labor standards prevailing in the State of New York. . . The bid, however, was let to a firm from Alabama who had brought some thousand non-union laborers from Alabama into Long Island, N.Y. into my district. They were herded onto this job, they were housed in shacks, they were paid a very low wage, and the work proceeded . . . It seemed to me that the federal Government should not engage in construction work in any state and undermine the labor conditions and the labor wages paid in that State . . . The least the federal Government can do is comply with the local standards of wages and labor prevailing in the locality where the building construction is to take place.

Now in that statement, Senator Bacon covers a number of different things. He talks about fair competition amongst contractors in the "free market." At the same time, he talks about the plight upon the working person when you have diminished wages, diminished working conditions, and diminished living conditions because of a lower wage rate.

Moving on to the establishment of the Nevada law, in 1914, there was a law passed that effectively established a number of different regulations that were determined and geared towards encouraging development within the state along a high-skill, high-wage growth path. Some of this included support for indigent mothers and children, free public school, and compulsory school attendance. There were a number of different things. Included in that were hours restrictions and minimum wage on public works. That was followed in 1937 with a minimum wage on public works that primarily affected construction laborers and helpers. It was replaced in Nevada by prevailing wage regulation in 1937. Now there are folks who will do "back of the envelope" math when it comes to the construction of a facility. There are folks who effectively say that half of the total cost of a construction project is attributable to the cost of labor and they can save 25 percent on the cost of that construction project by removing prevailing wage components from that project. The problem with the math is that somewhere between 20 and 25 percent of the total cost of a project is attributable to the cost of labor. So, if you are going to save 25 percent of the cost of building and developing a facility, theoretically those

workers have to work for free in order to achieve that cost savings. There are a number of other statistics that go towards what happens when you remove prevailing wage requirements and diminish wages of workers. Ultimately when you pay workers a higher wage, you are going to have increased competition between workers to ultimately provide the best quality product.

I would like to close with a quote from former Governor Mike O'Callaghan, who in 2000 penned an editorial for the *Las Vegas Sun*:

So, it is not a Democratic or a union gimmick to up the salaries of union workers. All workers benefit from the law and so does our economy. The "little Davis-Bacon Act" requires that state and public works construction contractors pay workers the wage rates prevailing in local areas. Without this requirement, contractors can bring cheap labor into Nevada, gobble up our tax dollars set aside for public projects, and then return home, leaving behind nothing but an inferior product. Nevada's taxpaying workers, who must live in an area with a high cost of living, are left unprotected. Our taxpayers, contractors, and workers are all victims without a prevailing wage law.

These arguments are going to continue in the future, throughout our history, and throughout this legislative session. I appreciate your indulging me with the additional time on this, but, at the end of the day, we do not believe that section 35 belongs in this bill.

Chairwoman Benitez-Thompson:

Questions from the Committee? [There were none.]

Danny Thompson, representing the Nevada State AFL-CIO:

I represent over 200,000 workers in the state of Nevada, and I cannot tell you how many tens of thousands are veterans, but when you talk about constructing anything, we have programs to help veterans, and we have veterans in the building trades. We have the Helmets to Hardhats program where we try to take returning war veterans and get them jobs in the building and construction trades. For those of you who do not understand prevailing wage jobs in Nevada, each county surveys employers yearly and determines what wage prevails in that county based on the surveys that are sent back to the Labor Commissioner. So, the wage may differ, and does differ, by county. The prevailing wage in Storey County is different than the prevailing wage in Clark County. It is not a union wage, necessarily; it is the wage that prevails based on the amount of work that is done. The reason that you have that law is to maintain a standard for the community and for that particular county. So,

it is ironic to me that today you are being asked to help the veterans by lowering the standard of work that is performed in the community. We have experienced the highest unemployment rate in the nation for years. Work, salaries, and benefits have diminished. Section 35 in this bill is a road to the bottom. I can tell you that we are foursquare in support of veterans and we are absolutely opposed to sections 35 and 36 of this bill for the very reasons that were laid out by Mr. Mallory, but more importantly, for the communities in Nevada to maintain the standard of living that they have right now and not be diminished by an agency that has the benefits of being a state agency, but then is being asked to be treated differently than every other state agency. I was not here in 1913, but this is my thirty-second year in this building, and I can tell you that if you adopt this measure, every agency in Nevada is going to be before this Committee, and they are going to be asking you for these exact exemptions for homeless children, for seniors, and others. We do not think it is right, and we do not support it. Therefore, if you are going to move this bill, I ask that we have the opportunity to work with the proponents of the bill to see if we can come to some resolution. Thank you.

Assemblywoman Neal:

When I read this bill, the first thought that I had was the 75 percent exemption. I understood the broad authority that Mr. Cage was looking for in order to get the project done, but the first thing I thought about was, what if there were actual veterans who were in the apprenticeship program, or were looking for work, who then were not able to take advantage of this opportunity? What would be the impact of that upon those actual individuals who wanted to work? Because ideally, what you are looking for is, if we do not have the money, we can get private donations to make it work, right? It still will have an impact. That was the first thing that I thought about: was it going to have a negative impact on workers who were looking for work, because there is not a lot of work, and there may be one or two projects that may be public works. Could you help me flesh that out, to understand that you considered that within that broad authority, that it may have a negative impact upon the actual workforce?

Danny Thompson:

I can tell you, there is no work. I do not believe there is the money currently to construct this home, and as far as prevailing wages in Nevada, there is minimal work. Probably the biggest work project that is being done right now under prevailing wages is federally supported highway construction. Barring that, local governments are not building anything. The City of Las Vegas is finishing up their projects; after that, there is not a lot of stuff on the books. It is minimal. To your question about apprentices, we have a number of apprentices

who are veterans in the 18 construction trades that I represent who would be working to construct any kind of facility, and in particular, this one.

Assemblywoman Bustamante Adams:

Mr. Cage, in the development of the bill, I know there are several stakeholders, and we try to incorporate them into the discussion so that we can come up with a well-rounded solution. Were members of Mr. Thompson's and Mr. Mallory's organizations involved in the discussion and helping you to draft this portion? If they were not, what vision did you have to do it this way instead of the other way that they are proposing?

Caleb Cage:

To answer your initial question, no. I would welcome that opportunity which you had suggested as well, to figure out a way ahead on this. To reiterate my point from earlier, this portion of the bill is to provide three options for us. The first option would be an appropriation from the General Fund, which would go through the State Public Works Board, and would not be subject to any of the concerns Mr. Thompson or Mr. Mallory brought up. The second would be the lease-purchase agreement, which would also go through State Public Works and would not fall under these provisions. If there is a nursing home or a vacant hospital in northern Nevada that we could retrofit and assume, the construction costs are already there, but there would be a small price tag for retrofitting it or putting it into the standards of the VA nursing facility. If we could raise 75 percent of those dollars privately, like the Nevada System of Higher Education can, then we could do so quickly, instead of waiting for another state appropriation, and move forward as quickly as possible. To state again, the purpose and intent of this section of the bill is to provide authority to the Nevada Office of Veterans' Services to pursue construction of a home in northern Nevada and to provide the options to pursue it as quickly as possible. I would like to conclude by stating the Governor's request for a \$3.7 million appropriation to the Capital Improvement Program budget request is for the planning of the construction of a home which would come through State Public Works and fall under NRS Chapter 338. It is the direction that the Governor has indicated that he is interested in going. It is not necessarily what is at controversy here.

Assemblyman Ellison:

Did you say that most of this funding is going to be raised privately?

Caleb Cage:

One of the options through the creation of this account would be for us to raise this money privately. Again, going back almost three years ago when I started at the agency, the prospect of building a home in northern Nevada was ten,

twenty years away, and we wanted to create a strategy that would allow us to do that in half the time, if possible. That is why you see the three-pronged approach.

Assemblyman Ellison:

By creating this with private funds, you are exempt from the Davis-Bacon Act, is that correct?

Caleb Cage:

Per the language in this bill, if we raise 75 percent of the funds privately, then we would be able to pursue contracting as a state agency.

Assemblyman Ellison:

I have a difference of opinion with Mr. Mallory and Mr. Thompson. The reason is, I think that some of these projects are so far underfunded, they need to do anything they can to get these projects built, and I can guarantee that about 35 percent of this can be saved by going under this chapter the way it is right now. I would be willing to help. I would sit down and work with these individuals. I am in the construction trade. I can tell you, I think we have a great start, and if we can do most of this by private funding, we need to do that.

Assemblyman Munford:

I am directing my question to Mr. Thompson. To your point on prevailing wage, you are saying that you get the best skilled and qualified workers and that gives the project the chance to be a project that will be more sustainable or more acceptable. When you do prevailing wage, do you also sometimes eliminate people who do not meet that standard of skilled ability or working background? As Assemblywoman Neal was saying, when you go strictly with prevailing wage, you do eliminate a certain segment of the population or workforce that is not able to qualify at that skill level—even an apprentice would be totally eliminated. Is that what you are getting at?

Danny Thompson:

In the 18 trades that I represent, what they sell are qualified workers. They train to the code and the standard in the community and, in particular, in the state. Our apprentices go to school for a minimum of four years. They do on-the-job training during the day, and they go to school at night. I would put our apprentices against anyone. In states that have done away with prevailing wage jobs, or prevailing wage laws, or do not have prevailing wage, you do not have that higher level of trained workforce. In states that have done away with this, the trained workforce will go places that pay what they deserve. More importantly, in this particular bill, prevailing wage is the standard in the

community. I think you heard Mr. Mallory speak to the purpose of prevailing wage, which was because a group of unskilled workers, in a depressed economy, flooded an area and did the work for virtually nothing. Two things happen: you lower the standard in the community, and you get a poor quality of work. The reasons that prevailing wage laws were adopted in the first place were to prevent that. If you fast-forward to today, I do not know of an economy more depressed than Nevada's, and I do not know of an industry more ruined. Certainly, Assemblyman Ellison can tell you that in the building industry, if you are a contractor today, and you are still in business, chances are you are spending your kids' college money to be making those payments on your equipment. It makes no sense to me to lower the standard and compound that problem even more. I think we should be doing more to put Nevadans to work, and prevailing wages do that. Prevailing wage laws ensure that you have qualified people, and that you uphold the standard in the community. More importantly, you hire the people from the community.

Assemblyman Munford:

Does this in any way affect the lack of hiring of minorities? They do not seem to have the background, the qualifications, or the training, even when they get into an apprenticeship program. This has come across my desk before—minorities objecting to the prevailing wage because it removes them from the competition. Is that true?

Danny Thompson:

I can only speak of the people I represent. I can tell you, we have strict antidiscrimination policies in place. There is a policy and a procedure in place for people to be accepted to those programs, but we do not discriminate.

Assemblyman Livermore:

The issue that I see here is to provide for veterans and veterans' needs. I compliment Mr. Cage for doing that. Mr. Thompson, I would encourage you to work with the veterans' organizations. You might even decide to make substantial contributions to accomplish this. I do not believe this is a debate about prevailing wage. I am sure that will come in this session yet, but it is about veterans, and I think it is the issue for the Office of Veterans' Services.

Danny Thompson:

The only thing I would say is, I have spent a lot of time in this building, and I can tell you that I have seen this issue before. I have seen it for homeless youth. I have seen it for low-income housing. I have seen it for seniors. I have seen it for disabled children. You decide who is more deserving. I mean, certainly veterans are deserving, and we support veterans, but I will tell you

that this is a can of worms that you would never be able to get the lid back on, if you adopt sections 35 and 36 of this bill.

Caleb Cage:

As a point of clarity, I would like to say something to Mr. Thompson and to the group here: There are three possible approaches here, two of which require a federal match. Mr. Mallory was talking about "back of the envelope" math, and he said 25 percent of \$40 million. It would not be 25 percent of \$40 million; it would be 25 percent of the \$13 million. The other 75 percent of that money is coming from the federal government. So, the lease-purchase option and the new construction option both would come from federal grants, meaning they would fall under federal law. They would have a state match, which means they would fall under state law as well. We are not asking for any leeway in that. What we are saying is, if we are to rehabilitate or retrofit an existing facility and we could do so for a very small price tag, we would like to have the same option that the Nevada System of Higher Education has to pursue that through private funding if we raise 75 percent. So again, the two options, and the one that has been indicated as the way ahead, the new construction option, will fall under federal law and state public works law. The controversy here does not even affect those at all.

James Sala, representing Southwest Regional Council of Carpenters:

I know many veteran members of this Committee, even though I have not been here for a while. I do not want to debate. I think Mr. Mallory and Mr. Thompson have covered the issues that are of concern to us in regard to sections 35, 36, and 55. But I want to put a little bit of a different spin on this, because I think it is about veterans. I do not think we can ever do enough for veterans. My father was a veteran. My father is a beneficiary of some of the services of the Office of Veterans' Services. He is interred at the Veterans Memorial Cemetery in Boulder City. They did a wonderful job, and we had a wonderful service there.

The one thing that I think is important for this Committee to understand is something that Mr. Thompson touched on very briefly: the building trades. I know the carpenters, the painters, and many of the craftsmen who are here and involved are probably some of the largest employers of veterans. We have veterans' preferences in our apprenticeship programs. We have pushed here at the Legislature for preference to veterans in the hiring process, and much of the work that you are talking about will be performed by veterans, and will support veterans' families. So, obviously, we support a prevailing wage and what that does to the community. But I also want to make sure that the Committee understands what Mr. Caleb Cage may be talking about doing with some of these sections. Prevailing wage covers not just the wage, but it covers health

care benefits, pension benefits, it covers the total package, that later on this community and veterans do not have to pick up. So you have to be careful about being a little short-sighted about a building which could have ramifications or long-term costs for the community and/or veterans. All of those things are included in this process.

As I said, I do not think we could ever afford to do as much for veterans as should be done in this community or in this country. But, I want you to make sure. The Helmets to Hardhats program, which is sponsored nationally by the building trades, has put thousands and thousands of returning veterans to work in the building and construction trade programs at good wages, with health care benefits that help supplement those veterans' benefits so that they do not have to wait so long for those services, with pensions to supplement those pensions that they may get from service. All those things are included in this; it is not just a snapshot of a building or two. So, we are very concerned about sections 35, 36, and 55 on the lease-purchase issue, and we look forward, with Mr. Mallory, Mr. Thompson, and the rest of the building trades, to working with Mr. Cage to maybe find a clear resolution that supports his short-term goals, and the long-term health of veterans and the construction industry in this community and in this state. Thank you.

Jack Mallory:

I would like to more directly answer Assemblyman Munford's question regarding participation of minorities. If you base the number strictly on ethnic minorities, 57 percent of the people that are members of the district council that I work for are ethnic minorities. If you expand that to include women, that number is 62 percent. So, when you talk about the face of an organization, it is not what it was years and years ago. Related to the veteran issue itself, in 1995 when I started my apprenticeship, I was granted additional preference for entering that apprenticeship program because I am a veteran with a service-connected disability. Thank you.

Patrick Sanderson, representing Laborers' International Union of North America, Local 872:

I was born and raised here in the northern end of the state. I have worked on many hospital jobs in the Reno area. The one thing that you have to remember is that every tax dollar that we get is paid by the people who earn the tax dollars. When you lower it at this end, that means fewer tax dollars going in. The whole state of Nevada is hurting tremendously right now when it comes to construction. You can work on a highway job, but there are hardly any building construction jobs. You train your members through working on the job. Without work, you lose this training, and you lose the good hands which make for the construction of good buildings. We need to keep things as they are.

We need to help the working men and women in this state. What happens when you go where it is not a prevailing wage? Ninety-some percent of the time it winds up being an out-of-state contractor, and that is not what we need because we need our contractors and construction workers here in Nevada to do the work here. Now, when I work construction, around 90 percent of everything I make goes right back into the community. Construction is a job where you make money when you work, and there is nothing guaranteed. For most jobs in America, you have a 40-hour work week. In construction you work when there is work. You save your money until the next job and you continue working.

I worked for over 45 years here in Nevada. I have always put my money into the community, and I was a tremendous hand. I made money for the contractor. I helped build buildings, including this one, and did good work. But you have to have jobs and a livable wage in order to do this. Nothing that I do, now that I am retired, is paid for by the State. I have earned my own wages. I live on my own. I do not ask for services from anyone, and I pay my own way. If you want a state where people are like this, then you continue with the prevailing wage, and with the livable wage, in construction. If you want everyone to be dependent on the State of Nevada, the government, the VA, whoever, then you cut it out. I do not think there is a question on what is right, what is needed; you have to think ahead for the years that you have after you retire, and how much the State picks up. So, I think it is a moot question.

This is not a good deal for Nevada. It is not a good deal for the workers in Nevada. It is not a good deal for the contractors who live in Nevada, and it will not be a good deal for the Office of Veterans' Services because there will not be people paying in taxes to where they get it back in return. I would like to have them take a little wider look at how they run this program, and take care of the people in Nevada. Our construction workers are veterans. Let us try to move forward and work together to get rid of this section. If there are any questions I would be more than happy to answer them, because I have been here, I have worked all my life, and I know what happens here in the state of Nevada.

Chairwoman Benitez-Thompson:

Any other opposition to the bill? [There was none.] Before I go to those who are neutral, I want to circle back to those in support of the bill. We had someone who wanted to testify in support of it who was in another hearing.

Gerald Gardner, Chief of Staff, Office of the Governor:

I would like to thank the Chairwoman and Assemblyman Livermore for their efforts in focusing this discussion on what this is really about, which is

providing services to veterans. Equally, Assemblyman Ellison's offer to join in discussions with Mr. Cage, Mr. Thompson, and Mr. Mallory was a very favorable offer, and we appreciate that as well. We will support Mr. Cage going forward in that direction.

The fact is, this bill is about ways to better serve our veterans who are returning to Nevada; our veterans, our active servicemen and women, and their families as well. Assembly Bill 58 is one of the Governor's primary priorities this legislative session. You heard Mr. Cage's presentation about the Green Zone Initiative, and we see this as nothing less than an effort to allow Nevada veterans to thrive; to create a state where health and welfare is the finest in the nation, where we will lead the country in providing educational, employment, and entrepreneurial opportunities for returning veterans, active servicemen and women, and their families.

The key provision that I briefly wish to address is the elevation of the Office of Veterans' Services. I believe that is a critical component of this bill. It currently employs, I believe, 240 employees, including veterans service officers, nursing home workers, and cemetery workers. It is a very big job and Director Cage has overseen it and his staff has performed remarkably in doing this job. It is also a job that continues to grow as we pass out of a decade of war. Given the magnitude of the administrative and operational functions of that office, the Governor believes it is critical to elevate this position from the Office of Veterans' Services as a department-level position to a full cabinet-level department, which will enhance the status of this agency, within both state government and military spheres. It will also help to better deliver services at the state level.

The final component that I wish to discuss is the establishment of the Office of Veterans Policy and Coordination itself. The important component is that this office will coordinate the delivery of services across multiple jurisdictions and agencies. It is intended to deliver on the promise of the Green Zone Initiative, which you have heard so much about, and to serve in many areas, in a way that we believe needs to be separate from the administrative-operational role of the department that runs our state veterans home and cemeteries and other state services. We seek to put this position in the Office of the Governor. We believe that will facilitate these interagency and interjurisdictional relationships and will permit that office to focus on developing broad policy initiatives. We thank you very much for your support of this bill, and we look forward to helping to answer any questions in the future.

Chairwoman Benitez-Thompson:

Questions for Mr. Gardner? [There were none]. Thank you for your testimony. We will now move to those who want to speak as neutral on the bill. [There was no one]. We will go ahead and close the hearing on A.B. 58. I am going to open the hearing on Assembly Bill 27.

Assembly Bill 27: Expands the category of personnel of the Department of Public Safety upon whom the powers of a peace officer are conferred.
(BDR 23-335)

Assemblyman Livermore:

I want to put on record that I do have a family member who works for the Department of Public Safety. There are a lot of employees in this bill, but I wanted to disclose that to this Committee.

Chairwoman Benitez-Thompson:

Thank you for disclosing that out of an abundance of caution. I will allow you folks to introduce yourselves for the record.

James Wright, Deputy Director, Department of Public Safety:

We are pleased to be here today on behalf of Assembly Bill 27, one of the first bills that you are hearing. With me today is Lieutenant Jaime Brown. She will be making the presentation on the bill. Part of the excitement is a lot of the firsts that are going on today; this is Lieutenant Brown's first experience in presenting a bill in front of committee, so I will let her carry on with the presentation. Thank you.

Lt. Jaime Brown, Commander, Training Division, Department of Public Safety:

I appreciate the Deputy Director pointing me out like that. Good morning, Madam Chairwoman and Committee members. The intent of A.B. 27 is to clarify wording in paragraph (d) of subsection 1 of *Nevada Revised Statutes* (NRS) 289.270 as the current wording causes the inadvertent exclusion of the peace officers from two Department of Public Safety (DPS) divisions. [Continued to read from prepared testimony ([Exhibit L](#)).]

When DPS sworn personnel are assigned to the Training Division or to the Office of Professional Responsibility, the principal duty of these officers is not to enforce one or more laws of the State of Nevada. The principal duty of the Training Division is to provide training, whereas the principal duty of the Office of Professional Responsibility is to conduct administrative investigations. Therefore, the wording in NRS 289.270 needs to be broader and more generalized to include all sworn personnel for the DPS, not just those whose principal duty is to enforce one or more of Nevada's laws.

Chairwoman Benitez-Thompson:

I will open the Committee up for questions.

Assemblyman Stewart:

Lieutenant, I think you have done an amazing job with your first bill presentation. Perhaps you should do training on bill presentation as well as your other training duties. You have won me over completely.

Assemblyman Ellison:

Could you have done this administratively versus a bill change? It is pretty minor. Is there a reason for that? It looks like this actually could have been done administratively.

Jaime Brown:

We are covered administratively through our department policy and procedure, and through Lexipol policy. However, the concern is if there ever is an issue with these two divisions. One of the divisions is actually my own. I have five sworn officers who are not specifically recognized, and that is the concern. If they were out there acting under the authority of law, and under departmental policy, there could be that question that they are not recognized by statute. This just gives a greater protection, and it encompasses all of our sworn employees.

Assemblywoman Pierce:

How many officers are we talking about? How many would this bill pertain to?

Jaime Brown:

We have nine divisions with sworn officers in them. This specifically affects ten officers in two divisions.

Assemblywoman Bustamante Adams:

I appreciate your presentation. I do not have a law enforcement background, so some of the language you used was difficult for me to understand, so can you just frame it in layman's terms so that I can process it? I would appreciate that.

Jaime Brown:

My greatest concern is that one of my officers or any of the five officers in the Office of Professional Responsibility may be involved in an incident as a first responder. For example, I and some of my personnel responded to the International House of Pancakes shooting; we have also responded to fires and to other emergency incidents. In situations like these, we may arrest somebody, become involved in a shooting, or perform some other law

enforcement type of action. However, although we are recognized by our department, held to the same standards, and are all sworn officers, the specific wording in current statute takes away the ability to perform law enforcement actions from the officers of those divisions because it is not their principal duty. We are just trying to encompass all of the duties handled by each division.

Assemblyman Daly:

Maybe I will be able to shed some light on this. This language was changed in Senate Bill No. 45 of the 76th Session. When I look at the language that you changed, it was awkwardly written before, and limited your ability to do exactly what you are doing now. The old language said "investigators and agents of the Investigative Division of the Department of Public Safety and any other officer or employee of that Division whose principal duty is to enforce." So, it took out the non-sworn employees of the division. So, then when you added the words in that we are currently looking at, you covered all the people that you intended to cover to have the enforcement ability as being sworn officers, regardless of their position, investigative or not. I think it clears it up for me when I look at last session's language on what you are doing. I had some other questions about how many people this applied to and what we were trying to get done, but when I read the language from last session, it was an oversight. I think this language clears up exactly what you are going to do. You have to be a sworn officer to have the ability; regardless of your position, it is the sworn officer part that is giving you the authority. That is my observation.

Assemblyman Oscarson:

I know that you cited some emergency situations, and some unfortunate situations that happened in the past. How often do you find that the officers from these two DPS divisions interact with the public and need to enforce those duties and those responsibilities?

Jaime Brown:

That can occur on a daily basis. I am recognized in statute and I drive to and from Reno every day, so I could have daily interaction with the public if needed. As for my staff, we have two state cars, and a lot of times they may end up driving. They are in uniform, so they could also end up in a situation where we are backing up another officer in a marked vehicle. There are situations such as those. In the Office of Professional Responsibility, they conduct numerous interviews, and a lot of those are with the public. I worked at the Office of Professional Responsibility prior to transferring over to the Training Division. We conducted some interviews with people out in the field where there was definitely a high potential that we could have ended up in some form of an enforcement action. Also, when you are taking complaints from people in the field, there are those opportunities. It is not as high as when you are in that

marked vehicle, in the uniform, and that is your primary focus, but it can and does occur. We just want to ensure that they are all protected.

Assemblyman Oscarson:

Just as a follow-up, some of the members of your staff are in uniform in the public on a general basis, and those folks have the same responsibilities and face the same peril and jeopardy in most instances as any other officer would.

Jaime Brown:

That is correct. We may not always wear the full uniform, such as the one that I am in today, but for our personnel, we may wear a polo shirt with the badge on it, and battle dress uniforms (BDUs). So, we are not in full uniform, and maybe not as easily recognizable, so that gives it greater latitude to the need for protection. You may not always be that officer in full uniform that everyone can recognize immediately. In the Office of Professional Responsibility, you typically wear dress clothes. You are still carrying your weapon and tools of the trade, such as handcuffs and things like that, but you are in dress clothes like the Assembly members here today in suits and dressed for business. Again, that does not necessarily mean that you could not be called to interact in an enforcement situation if something were to occur in front of you, if you happen to be in a restaurant at lunch, if you are conducting an interview with a person, or taking that complaint.

Assemblyman Elliot Anderson:

The only concern that I have is making sure that we are not setting up the State for liability. We are giving more people detention powers, powers of a peace officer. I just want to ensure that every person who will be exercising this has the same exact training so that we are not getting sued for wrongful arrest and that sort of thing. As long as you can tell me here today that they do have the same training and that we are not setting ourselves up for liability, then I am okay.

Jaime Brown:

Yes. All of our divisions are different departments under the same umbrella. We are all held to the exact same standards. We transfer and we promote through the different divisions. So that was a concern, that just because you came from Nevada Highway Patrol, or the Division of Parole and Probation, or one of the divisions that is encompassed under the statute, and then you go to the Training Division, or you go to the Office of Professional Responsibility, you do the same form of work, you are still a law enforcement officer, you are held to the exact same standards. We are actually not adding personnel; we are just covering personnel who are already part of that department.

Assemblyman Healey:

One of the best things about being an elected official is that I get to learn a lot more than what I have ever known. Please indulge me a little bit and explain to me the jurisdiction of the Department of Public Safety, and what you encompass.

James Wright:

The Department of Public Safety is a statewide organization encompassing several divisions including Highway Patrol, Parole and Probation, the Division of Emergency Management, the Office of Homeland Security, and State Fire Marshal Division. So we have a broad responsibility across the state in the areas of conducting law enforcement, emergency management, and regulation enforcement. Again, we are an organization of about 1,400 employees. About 60 percent are sworn officers throughout our sworn divisions. They conduct their law enforcement activities depending on the discipline they are in; Parole and Probation officers obviously deal with probationary folks or individuals on parole, Highway Patrol officers enforce the state highway laws, the State Fire Marshal enforces regulations for fire code violations and things of that nature. In a nutshell, that is a broad overview of the multidisciplined Department of Public Safety.

Assemblyman Stewart:

I think you have answered the question, but I was thinking if you were a patrol officer you would be in enforcement, and then the next week you got promoted or transferred to training, under the present system, you would not officially be still considered a law enforcement officer. Is that correct?

Jaime Brown:

Yes. Actually, you would still be considered a law enforcement officer; it is just a different division, but the primary duty of that position is not to enforce one or more laws of the state. You still have that same exact function as a peace officer, but now you are doing training, or you are doing administrative investigations which are not enforcing one or more laws of the state.

Assemblyman Stewart:

My point is then, that one week the same person would be an enforcement officer under the current law, and next week, if he was going to the Training Division, then his status would change, although he is the very same person with the very same training. Is that correct?

Jaime Brown:

Yes, sir, that is correct.

Assemblyman Livermore:

Several people have read the bill, and they have questioned me about who would be considered a police officer. It would not be a clerk at the Department of Motor Vehicles, and I think you have assured that to us. I just want to go on record to say that lateral promotion throughout the department, I think, is what causes individuals to be assigned to different departments under different sections, and I think that is fair to an employee who wishes to advance his career. When I was in the military (quasi-military), I always wanted to be that sergeant, that lieutenant, or something like that, and I just had to wait my time.

Chairwoman Benitez-Thompson:

If there are no more questions from the Committee, I will open it up to those who want to testify in support of A.B. 27. Mr. Dreher, welcome to the Committee.

Ron Dreher, representing Peace Officers' Research Association of Nevada:

We encompass many law enforcement associations and members throughout the state. I am here to speak in support of A.B. 27 for the following reasons. As Mr. Daly pointed out before, as some of you questioned, the issue of police and fire, and police and sheriffs in the state are readily defined in NRS Chapter 289 and in *Nevada Administrative Code* Chapter 289. What we have discovered, though, is unfortunately with state peace officers, unless it is written in law, they do not have the same powers that peace officers like the rest of us have. This is clarifying language, as Mr. Daly pointed out.

We had an enormous issue that came up last session, when a detective, who I believe was the training director for the Department of Public Safety, got involved in an off-duty shooting in a domestic dispute. He was not the involved party; he was the one who assisted. But that evolved to him getting very hurt. The point is, we discovered in that situation that he was not covered by some of the benefits in state law. So, we came back to the Legislature last session and we had that corrected. Protections for police and sheriffs in this state are broad; so we have every protection you can imagine. We have internal affairs, we have training, we have research and development, and they are all covered.

There are two concerns that we have: they have to be sworn, and they have to be Peace Officers' Standards and Training (POST) certified, and maintain those POST certifications. As the lieutenant pointed out in her presentation to you all, she covered both of those areas. That is really the crucial thing, but unfortunately, as we go through this process, we discover each session that we have to come back and detail yet another incident where the state peace officers are described differently in law. So, if somehow we could come up with a magical solution to say they are just like police, they are just like sheriffs,

then we would not have to come back to you repeatedly, but this is the only way we can continue to cover what they do because in an instant they go from doing training, or internal affairs investigations, to something like protecting you in a shooting. If Lieutenant Brown walks outside and she sees something going down, she is going to immediately enforce the laws. That is why we are in support of this bill. Once and for all, we are trying to do this over a period of years, and it may take that long to get there. With that in mind, I would ask that you support this.

Chairwoman Benitez-Thompson:

Are there any questions from the Committee? [There were none.] Thank you so much. Is there anybody else in the audience who wants to provide testimony in support of this bill? [There was no one.] In that case, I will open it up to anyone who would like to provide testimony in opposition. [There was no one]. Is there anyone who would like to speak neutrally? [There was no one]. In that case, we will go ahead and close the hearing on A.B. 27. With that, I will adjourn this meeting of Government Affairs [at 11:18 a.m.].

RESPECTFULLY SUBMITTED:

John Budden
Committee Secretary

APPROVED BY:

Assemblywoman Teresa Benitez-Thompson, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: February 5, 2013

Time of Meeting: 8:01 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Jennifer Ruedy	Committee Policies
	D	Jennifer Ruedy	Committee Briefs
	E	Debra March / Wes Henderson	Presentation Nevada League of Cities and Municipalities
	F	Caleb Cage	Agency Overview
	G	Caleb Cage	The Green Zone Initiative
A.B. 58	H	Caleb Cage	Testimony
A.B. 58	I	David Morrow	Testimony
A.B. 58	J	Dave Dawley	Proposed Amendment
A.B.58	K	Caleb Cage	Letter of support from Perry Di Loreto
A.B.27	L	Lt. Jaime Brown	Prepared Testimony