

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

**Seventy-Seventh Session
March 28, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 8:10 a.m. on Thursday, March 28, 2013, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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:

Assemblyman Randy Kirner, Washoe County Assembly District No. 26

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Jim Penrose, Committee Counsel
Bonnie Hoeffcker, Committee Manager
Jennifer Dalton, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Glen Whorton, President, Nevada State Prison Preservation Society
James R. Lawrence, Administrator and State Lands Registrar, Division of
State Lands, Department of Conservation and Natural Resources
E.K. McDaniel, Deputy Director, Operations, Carson City, Nevada
Department of Corrections
Robert L. Crowell, Mayor, Carson City
Ronni Hannaman, representing Carson City Chamber of Commerce
Marlene Lockard, representing Retired Public Employees of Nevada
Martin Bibb, Executive Director, Retired Public Employees of Nevada
Glen Trowbridge, President-elect, Retired Public Employees of Nevada
Ruth Hart, Private Citizen, Carson City, Nevada
Peggy Lear Bowen, Private Citizen, Carson City, Nevada
James T. Richardson, representing Nevada Faculty Alliance
John Farley, President, University of Nevada, Las Vegas Chapter, Nevada
Faculty Alliance
James R. Wells, Executive Officer, Public Employees' Benefits Program
Luis F. Valera, representing Nevada System of Higher Education
Constance Brooks, representing Nevada System of Higher Education

Chairwoman Benitez-Thompson:

[Roll was taken. Protocol was explained.] We will be hearing two bills today. Assembly Bill 356 will be presented by Assemblyman Livermore. We will also hear Assembly Bill 419. I will now open the hearing on A.B. 356 and welcome Assemblyman Livermore to the table.

Assembly Bill 356: Encourages the development of a plan to preserve the Nevada State Prison for historic and certain other purposes. (BDR S-493)

Assemblyman Pete Livermore, Assembly District No. 40:

I am proud and pleased to present a bill that is important to Carson City and the state of Nevada as a whole: Assembly Bill 356. It is an act related to the Nevada State Prison and encourages a plan to preserve the Nevada State Prison for use as an historical, educational, and scientific resource for the state of Nevada and provide for any other matters properly related thereto. This bill is laid out in the form of a resolution, but it is a bill. There is a friendly amendment to this bill that was proposed by Mr. James Lawrence from the Division of State Lands that will be presented later. We fully understand and will accept that amendment.

I will talk a little about the bill itself. The Nevada State Prison, located on East Fifth Street in Carson City, was originally built in 1860 by pioneer Abraham Curry as the Warm Springs Hotel. The landmark prison was established in 1862 by the Nevada Territorial Legislature and administrated by Abraham Curry at the site of the Warm Springs Hotel. It represents the first executive agency created in the state of Nevada. This bill would hopefully create the preservation of that facility for the citizens and people of Nevada and the United States to enjoy forever as an historical monument that sits on East Fifth Street.

I would like to go through the presentation by Glen Whorton in order to explain what the plan is and how we foresee it ([Exhibit C](#)).

Glen Whorton, President, Nevada State Prison Preservation Society:

We are here today in support of Assembly Bill 356. Our organization was formed about 15 months ago, primarily by Mr. Myron Carpenter who is here today. He is a former teacher from Douglas County. Our goal is to assist and encourage the preservation of the Nevada State Prison. We are a Nevada nonprofit organization. We are currently seeking our 501(c)(3) status with the federal government [([Exhibit C](#)), slide 2]. We are interested in the historic portion of the Nevada State Prison, which is essentially defined by the red lines that you see [([Exhibit C](#)), slide 3]. That encompasses the administration building attached to the cell house and the culinary area. We are also interested in the old gym as a possible resource for activities.

Nevada State Prison is interesting because, as has been pointed out by the University of Nevada, Reno (UNR), it represents a continuum of architectural development for corrections from the mid-1800s on through to the 1980s. We believe that the preservation of the institution is important for its historical value to the state of Nevada, the educational benefit that it could represent to the community and to our citizens, as well as the economic value to Carson City and the state [([Exhibit C](#)), slide 4]. It is a resource that we believe should be

preserved, maintained, and ultimately developed in contrast to some of the other reasonably historic sites in this community that were allowed to deteriorate and ultimately vanish.

The Nevada State Prison is of historical significance, as Assemblyman Livermore indicated [([Exhibit C](#)), slides 5 and 6]. It was the first executive agency created in the 1860s, so in reality its association with the Legislature is extremely strong. It is an obvious part of our history. You can see some of the historic incidents that occurred there: the fire, the Convict Lake escapes, and the identification of paleontological fossils on the property. It is important to that kind of development on the site. The other things that have occurred there are obviously some of the more notorious items such as the executions by firing squad, lethal injection, and gas. We also have the prison gambling. If you look online—people who are interested in the development of corrections—we are somewhat unique in the state of Nevada.

Interestingly, and perhaps most obvious, is the contribution of the prison to the architecture of this community and the architecture of the state of Nevada [([Exhibit C](#)), slide 7]. It is so obvious when you move around this community that the quarry that existed and was operated on the prison, with the labor of the inmates there, contributed to the construction of this state such as the Capitol Building and the Attorney General's office building. Many other structures in the community that are still here and designated as historic sites and others, which, unfortunately, have gone, were built with stone from that quarry. From an educational interest, we have had discussions with various stakeholders on this issue. University of Nevada, Reno has expressed interest in the architectural aspects of the institution and believes that it should be preserved and studied. There is a paleontological interest with the finding of the giant sloth footprints. Museums and the state archeologists are very interested in that. There is archeological interest. Interestingly the Warm Springs Hotel, an area that housed members of the Territorial Legislature, was on this site and was the original structure on the site. That is an opportunity for study and preservation. We believe if you look at historic, architectural, and the economic elements of this proposal, the site would be multiuse in terms of study and tourism.

Obviously, from a tourism and economic standpoint, what you have seen in other parts of the country are the development of these museums from historic institutions [([Exhibit C](#)), slide 8]. Typically, there would be some sort of food service, as well as gift and retail shops. The facility itself has already been used by the movie industry for filming. It is suitable for that use in the future, which would be an economic benefit to the state and to the community. I have seen all the other prison museums that exist in this country. I believe the

Nevada State Prison is the most appropriate for that particular activity. Of course, we have the relationship between the Carson City community with hotels, restaurants, gaming, and generally our business, which is mostly tourism in this state. Having seen those other locations, like Montana, Arizona, Missouri, and Pennsylvania, where they have developed these historic sites as museums and destinations, I believe that Carson City has the best opportunity to take advantage of tourism. The only other site that even comes close to what we could have is the old Eastern State Penitentiary in Philadelphia. If you go to Montana and look at their site, it is in Deer Lodge. Deer Lodge, Montana, is not exactly a destination area.

Others and I believe that this is a real opportunity [([Exhibit C](#)), slides 9 and 10]. This belief is demonstrated by our supporters here. We have the Mayor of Carson City here today as well as the Carson City Chamber of Commerce. We have received support from the school districts. We believe there is significant community interest to support this bill. Assembly Bill 356 would legitimize the effort to preserve the facility. It would also make available support for the nomination to the U.S. Department of the Interior as a National Historic Site. If that were accomplished, there would be funds available for planning for that development. We believe this bill, as an attachment to that nomination, would communicate to the Secretary of the Interior that the State believes this is a significant site that is worthy of recognition and preservation.

If you have any questions, I am available.

[Additional information for Committee review is provided in: ([Exhibit D](#)), Department of Corrections Future Use Report; ([Exhibit E](#)), Nevada State Prison, Division of Museums and History Recommendations dated January 29, 2013; ([Exhibit F](#)), Nevada State Prison, UNR Faculty Working Group Recommendations; ([Exhibit G](#)), Nevada State Prison, Geoscience Recommendations; ([Exhibit H](#)), Nevada State Prison, Prison Plan.]

Assemblyman Livermore:

There is no fiscal impact to this bill. If this bill were passed, it would develop a recommendation to the next legislative session. It develops the preservation, development and use of the Nevada State Prison as an historical, educational and scientific resource for the state of Nevada. It would present a plan to the Nevada Legislature, along with any other recommendations for ways it may be used. This is the very beginning of what I perceive to be a motivated process of research regarding what this facility could provide and bring to education and the tourism industry of Nevada.

Assemblyman Munford:

Mr. Whorton, were you the former director of the Nevada Department of Corrections (NDOC)?

Glen Whorton:

I was formerly the director of Corrections. I retired in February 2007 after 32 years with the department. I started my career in 1973 at the Nevada State Prison.

Assemblyman Munford:

I congratulate you for that. I have visited the facility several times. It is worthy of what you are proposing to do because it is quite an interesting site to visit and tour. It is sad that many of my colleagues today will not have the opportunity to see it in operation as I did. Is it older than Alcatraz?

Glen Whorton:

Yes, it is. Alcatraz was originally developed as a military site for the protection of San Francisco Bay. It ultimately became a confinement area for the military. In terms of its actual use as a federal prison, Nevada State Prison predates Alcatraz. Architecturally and technically, they are very similar. If you walk through Nevada State Prison and Alcatraz, you will see the consistent kind of architecture.

Assemblyman Munford:

I could also relate to your comment about Deer Lodge, Montana, because I have been there many times. I went to college in Montana, so I know Deer Lodge.

Assemblyman Stewart:

I am supportive of the bill. I first went inside Nevada State Prison in 1956 as a Boy Scout. We were up here for scout appreciation day, or whatever it was called. That was a memorable experience for me. One thing I remember is what they called "the hole." It was a metal box where they put the incorrigibles. I am sure that would not go over today, but it was so fascinating to me. I would be very supportive of this, and I think it is a great thing to go forward with. Do you plan to tear down some of the newer parts so it will be more as it was in the 1860s?

Glen Whorton:

There would be no plan to modify that in terms of tearing things down. The State is the custodian of the property. This bill foresees a resolution to develop a plan, not necessarily execute a plan that is already developed. I do not see that there would be any incentive to tear down any portion of that facility, whether it is the historic part or the modern part. Again, we believe this is

a multiuse facility. This is something that many entities could profit from, including the Nevada Department of Corrections if they were to engage in training in those more modern areas of the institution that relate to their current housing styles. I do not see that there is any need to tear anything down.

Assemblyman Ellison:

I have seen some of the older facilities in Utah that were really gearing up. They use a lot of these facilities for Halloween and stuff like that. They make a lot of money. It is amazing. I was on a committee last summer in which we talked about the state prisons, including this prison, and what it could do for the film industry and the money it could bring into Carson City. A lot of good can come out of saving this facility. My biggest concern is how are you going to maintain the facility up until the time you get your funding?

Glen Whorton:

Deputy Director McDaniel can talk about that. He will be speaking to that issue.

Assemblywoman Neal:

You said there were possibly 11 bodies buried there. How old are they, or how old do you think they are? In [Exhibit F](#) it mentions there might be prehistoric sites in the immediate vicinity that may be sacred to the Washoe Tribe; what is that? I also want to know more about the sloth footprints.

Glen Whorton:

There are two cemeteries in proximity to Nevada State Prison. If you look at the picture where it says middle years, to the right of the property there is a flag on a hill in the upper right corner where that V is. That is an ancient graveyard [[Exhibit C](#)], slide 10]. The headstones are either missing or were never provided. There are some inmates who died. Also, if you look over here at the Warm Springs Correctional Center athletic yard, there is another graveyard that was fenced off and restored by the prison and by the inmates. It has been maintained and marked to the degree that they know who is there.

Assemblywoman Neal:

How old are those bodies? Do they go back to the 1870s?

Glen Whorton:

There is that possibility, yes. We are not exactly sure.

Assemblywoman Neal:

And for the Washoe Tribe prehistoric site?

Glen Whorton:

This is part of the issue. We are not exactly sure what exists on that site. We know that it is paleontologically rich in the sense of the sloth footprints that were identified in the 1880s. Several months ago, we were walking in there over the hole that Assemblyman Stewart mentioned. We could see fossilized animal bones sticking out of the wall. If you speak to Dr. Hattori at the Nevada State Museum, he would indicate that this is a very interesting site for further study. In terms of the warm springs themselves, we do not know exactly what was there or where. There is potential for identifying those kinds of sites. Those would be worthy of identification, preservation, and study.

Assemblywoman Neal:

Can you tell me more about the ichthyosaurus? Is it an ichthyosaurus?

Glen Wharton:

We are not exactly sure. As we walk through that, there appears to be an outline that is similar to that. We do not know what that is. We are trying to communicate that to the state museums to see if that would be appropriate for study. Ichthyosaurs were not uncommon in this region. If you have ever been to Berlin-Ichthyosaur State Park, it is amazing to see the concentration of fossils there. We believe there is potential to find some here.

Assemblyman Healey:

Assemblyman Livermore, thank you very much for bringing us this bill. I think it is a great way to add another shot in the arm to tourism here in Carson City. You had mentioned prison gaming. Is there an opportunity to tax that as a new source of revenue? People want to tax gaming more. Maybe this is the way to do it and we do not have to touch the casinos anymore.

Glen Wharton:

I think that is an issue that exists outside this particular issue. That did exist there. There are photographs that I am sure many of you have seen in some of the publications from the 1960s. It was deemed very much inappropriate, but it was unique to Nevada in the sense that it was legitimized by the administration. Gambling exists in every institution in this country, but it is an underground economy so to speak. It is not tolerated. In that regard, there is not a lot of opportunity for revenue unless we can partner with a gaming organization.

Assemblyman Livermore:

When the facility was decommissioned, the Division of Museums and History went into the site. They have artifacts that they are restoring. Many of those artifacts pertain to the gaming that occurred there. I believe there are between 150 to 200 units of artifacts that the Nevada State Museum is restoring. The

study finds the potential for this site. We do not fully know what the potential is. This is why we are asking this body to recommend that we move forward with a study to make recommendations about the potential uses for this site. We all have good ideas about what the uses could or should be, but this will allow a lot of agencies to come together and bring a full recommendation to this body.

Assemblywoman Bustamante Adams:

Assemblyman Livermore, I remember when you were trying to explain this to me. I did not fully understand or appreciate what you were trying to do, so thank you. I am really grateful to have the testimony. On the bill, it says there is no fiscal effect on the state. I know we are not the finance committee. Can you go back and touch on that portion of this to make sure that I understood exactly what you were saying? The plan that you are going to bring back to the Legislature with recommendations, will that include fiscal notes to try to contribute money to make sure preservation occurs?

Assemblyman Livermore:

There is no known fiscal note at this time. The facility contains some components that are still being operated by Department of Corrections. They have the tag plant and the execution chambers. The operation of that is still funded through the Department of Corrections. We are not asking for any continued funding for that. The recommendation will surely come back with fiscal notes, because I could not imagine how a recommendation could exist without fiscal notes.

Assemblywoman Swank:

Thank you, Assemblyman Livermore, for bringing this forward. As you know, historic preservation is really important to me. I wanted to follow up on Assemblyman Healey's comment about revenue sources. It seems to me that taking part of the prison and making it into a prison-themed hotel might be a good way to go. I guess there would be some people who would have a really fun time staying overnight in a prison cell. That seems like something that would bring more people into Carson City.

Assemblyman Livermore:

I totally agree with you. In fact, I hope your term in office will carry you to the next legislative session and that you would participate in the study group. I think your background and your expertise would be invaluable.

Assemblyman Oscarson:

To follow up on my colleagues' comments, maybe you could put a mine there, too.

Chairwoman Benitez-Thompson:

Now, now, Committee members. You are going to make the public think all we do is sit around and try to find ways to tax people. That is not what we do all the time.

Assemblyman Daly:

I have been listening to the comments, and I do support this. I do not want to see any of our buildings of this nature, age, or importance in history torn down. I did hear you say that you do not see any reason that any of it would be decommissioned and torn down. Was there talk that not all of it was going to be saved but only the more older historic parts that go back to the territorial times? I did take a tour there two years ago. There are some of the newer parts that would be useful for movies and various things. Do you think they will be able to preserve the whole site?

Glen Whorton:

The University of Nevada is very specific and very vocal in their support of preserving the entire site. In terms of its historic value, perhaps the older part up on the hill where you see the newer elements outside the red are not as historic, but they are useful [([Exhibit C](#)), slide 3]. There are things that could be done and uses that could be found for it. I do not know anyone in the state who would advocate the destruction or deterioration of the resources that we have. In terms of maintaining the entire facility, that is absolutely what we want to do. There would be some use for those that would benefit the state or community. We talked about the past when I was with the department. There were discussions of closure of the old historic part. State Archives was very interested in a location for storing documents. If you have areas that are climate controlled and secured, that could be a use, as well as many other uses. Determining what those uses might be could be an element of the planning.

Assemblywoman Neal:

I was reading the geoscience recommendations, which were quite interesting. I do not know why I am stuck on this, but there is a statement about the giant man footprints that were found traveling through the tunnel that were also associated with the fossil of a mammal or bird. Has anybody been able to identify what this was? Was it a giant man, or is this a fable?

Glen Whorton:

The giant man was put forth when the footprints were initially discovered because of their resemblance to a human footprint. They were identified as the footprints of a giant sloth. Interestingly, those footprints were identified immediately below the license plate factory on the property. If you see the number 9 on the map, that shows the approximate location of the footprints

[([Exhibit C](#)), slide 3]. There will need to be some restoration and work there. Again, Dr. Hattori has looked at that and done the best he could to preserve them under the circumstances.

Chairwoman Benitez-Thompson:

I read through the Nevada State Prison Future Use Report ([Exhibit D](#)), and there has been a lot of good conversation among your working group to flesh out a plan. I know it is just the beginning stages of bringing folks together to establish a plan. Once the Nevada State Prison gets approval—and it looks like you have already applied for the National Registry of Historic Places—and once the working parts of NDOC and Department of Motor Vehicles are relocated other places, then you would be eligible for Historic Preservation Fund grant money that you were talking about, right?

Glen Whorton:

That is my understanding.

Chairwoman Benitez-Thompson:

Would that Historic Preservation Fund money be enough to go in, evaluate the buildings, and see where you need to bring them up to code for whatever specific projects you have?

Glen Whorton:

It would be.

Chairwoman Benitez-Thompson:

The point of the working group and what this bill would allow you to do would be, I imagine, to plan through different nonprofits and such how you would raise the money to bring it up to code. From the numbers in the evaluation provided by Mr. Nuñez of the State Public Works Division, it looks as if it is quite an expensive process—about \$57 million or so to bring the building up to code. Is that correct?

Glen Whorton:

I respectfully disagree with my friend, Mr. Nuñez. With their mandate in his organization, he has a tendency to look at things from one point of view. Their point of view is very intense, dense occupation and use of a facility. What this would do, this designation and development of planning funds, would allow for the use of experts in museum development—people who have experience in developing museums and evaluating historic structures—to give us that kind of information from the standpoint of a museum. There has been a lot of discussion about the estimates from the Public Works Board. Many of those estimates relate to its continued use as a correctional facility, which is an

extremely intense use of a facility. Part of the difficulty of that site was the significant deterioration of the infrastructure and the staffing inefficiencies that existed there. We do not believe it is going to cost that much, and we believe that will be borne out by the evaluation that would be facilitated by the designation.

Chairwoman Benitez-Thompson:

The prison itself would stay under the purview of the state. This is in no way a transfer of land at this point. As your plan develops and as your recommendation develops, would the prison fall under an entity other than the Public Works Division or would they still be responsible for the maintenance and so on?

Glen Whorton:

If you look at these institutions that have been developed as museums and historic sites, there are different models for that. Which model would be adopted or recommended based upon this bill would depend upon the planning that took place and the evaluation of the experts. There are models, for instance in Montana, where a nonprofit organization has essentially taken over the facility and operates it as a nonprofit. I am not quite sure how Idaho does theirs. There are states that have maintained them and operate them themselves. We have a model here in the state of Nevada, which is used for the Nevada State Railroad Museum, which is supported by the Friends of the Nevada State Railroad Museum. The Nevada State Museum itself is very much supported and staffed by volunteers. There are opportunities for revenue here. In 2012, Idaho's revenue from the visitors was over \$200,000, so that model, cost, and revenue would be all elements of the planning effort and part of the recommendations that would come to this body and to the Governor.

Chairwoman Benitez-Thompson:

That would be fleshed out in a different planning process. I know you have filed the application to receive the National Registry of Historic Places designation. Is getting on that registry a very lengthy process?

Glen Whorton:

The Department of Transportation was tasked with the development of a nomination. That was a condition of receiving federal highway funds for the freeway that will circle Carson City. They submitted that to the state historic preservation officer. He returned it to them for editing and modification. That is where it is at now. There is a cycle which the Department of Interior uses. In the month of March, they will probably close the request for nominations for this year. Generally, they announce those nominations in November or

December. It is on an annual cycle, which we missed for this year. We will certainly be on time for that next year.

Assemblywoman Swank:

I think there is some fruitful collaboration that can go in with the Departments of Anthropology at the University of Nevada, Reno (UNR) and the University of Nevada, Las Vegas (UNLV). I know UNR has an excellent museum studies program and that UNLV has an excellent program in cultural resource management, which could really help you figure out what is going on with those graves. I want to encourage you to collaborate with those entities.

Glen Whorton:

The University is very much interested in this. We have received written support from the Department of Criminal Justice. Obviously, the history department has been engaged in the talking group. The Desert Research Institute has also been there because of the geological interest in the site. Again, we believe in collaboration and think that would be a great resource.

Chairwoman Benitez-Thompson:

Are there any further questions from the Committee? [There were none.] I will now accept testimony in support.

James R. Lawrence, Administrator and State Lands Registrar, Division of State Lands, Department of Conservation and Natural Resources:

I am here in support of Assembly Bill 356 with the amendments, which have been shared in advance with Assemblyman Livermore, and he is agreeable with the proposed amendments ([Exhibit I](#)).

Assembly Bill 356 is regarding the Nevada State Prison. The Nevada State Prison is located on one of our oldest properties. Much of the property came to the state in a series of acquisitions between 1864 and 1879, starting with the first acquisition of 20 acres from Abraham and Mary Curry to the people of the Nevada Territory. This property is a valuable asset to the State and to the Carson City community.

Assembly Bill 356 provides that Carson City, any nonprofit organization, and any other interested stakeholders are encouraged to work with the State Historic Preservation Office and the State Land Registrar to develop a plan for the preservation and use of the Nevada State Prison. I am recommending amendments to the bill to add the Department of Corrections to the list of state agencies as they are currently the managing agency of the property and any recommendations may have an effect on their current operations, as well as

operations of the correctional facility that is immediately adjacent to the property.

The proposed amendments also change the wording in section 1, subsections 2(a) and 2(b) from developing a "plan" to developing "recommendations." The reason for this change is that a plan can be interpreted to mean a variety of different things such as archeological studies, feasibility studies, site plans, architectural plans, and so on, all of which can be very expensive. I wanted to avoid putting a fiscal note on the bill. We believe that the most important first step is to develop recommendations to help with the protection of this valuable asset. You heard a lot of questions and testimony this morning. There are many different proposed uses out there. Currently, it is used for some correctional operations. There are some tourism opportunities. It is adjacent to National Guard property. It has archeological and paleontological significance. I think we need to have that first step as to recommendations as to the best land use of the property. Recommendations as to disposition of the management of the property can come from that. I would be happy to answer any questions.

E.K. McDaniel, Deputy Director, Operations, Carson City, Department of Corrections:

The Nevada Department of Corrections is in total support of this bill. I have provided for you a copy of the Future Use Report ([Exhibit D](#)). I had the opportunity to share a committee we call the working group that would involve as many stakeholders as we could in looking down the road at what the possibilities would be for the Nevada State Prison, understanding that the Nevada Department of Corrections still operates that facility. We have cooperation with the Public Works Division and with the State Fire Marshal. Parts of that facility have been classified as decommissioned, which entails turning off all the resources as far as the water, power, and all those things, as well as securing those areas in the manner that the Public Works Division has asked us to do. We continue to monitor that. We have secured the areas in the facility that we are not currently using. We have people who secure that site on a daily basis. It is adjacent to Warm Springs Correctional Center, which is on the same property, and that is still an operating correctional facility for the department. We support the bill with the recommendations that Mr. Lawrence submitted that a plan be developed. Through this working group, we discovered that there are so many possible future uses of Nevada State Prison, and we wanted to make sure that all the stakeholders were involved in that. We agree that a plan should be developed with experts that are familiar with how to proceed forward on the older buildings and the older areas. We totally support that. We continue to operate, as was noted before, all the areas associated with the execution chamber and the tag plant, using inmates from

Stewart Conservation Camp who are transported there on a daily basis to build tags for the Department of Motor Vehicles. I will be glad to answer any questions you may have concerning the property and the Department of Corrections' involvement.

Chairwoman Benitez-Thompson:

I know everything is still in the planning phase right now, and there are a lot of moving parts. From what the work group discussed, it looks like the Department of Motor Vehicles tag plant and the Department of Corrections gas chamber would all have to be removed from the prison site before any other museum activity could begin. Or, would that at least have to wait until the grant funding money could come through? I just wanted clarification on where we are as a starting point. If we move the gas chamber and the tag plant and funding comes through, then costs can be assessed. Maybe that is better for the bill sponsor to answer. What do you know of these things being addressed?

E.K. McDaniel:

First of all, the execution chamber is no longer a gas chamber. It was at one time, but we do not use that method for execution in Nevada anymore. That would not be moved. We have a capital improvement project in the Legislature asking for the funding to place the execution chamber for the state of Nevada at the Ely State Prison in Ely, Nevada. The Department of Motor Vehicles has also submitted recommendations to their budget to build a new tag plant in another location away from the Nevada State Prison. If both of those are approved and built, then we would abandon those areas and just maintain them. There would be no need for any further use by the Department of Corrections for those particular areas. That is pending funding and legislative approval in regard to that. Otherwise, we will have to continue to operate the execution chamber and the tag plant.

James Lawrence:

If I may add to that, there is a pending recommendation for designation of the site as an historic resource. That designation would open the door to potential funding for different types of things, including preservation of buildings. That historic designation, as well as the possibility of grant funding, is not contingent upon relocating existing uses. Certainly, any recommended future uses will be affected one way or another by existing uses. Existing uses do not preclude the opportunity for historic preservation designation or opportunity to apply for grant funds.

Chairwoman Benitez-Thompson:

Are there any additional questions? [There were none.] Is there any further testimony in support?

Robert L. Crowell, Mayor, Carson City:

The Board of Supervisors and our Carson City community unanimously supports Assembly Bill 356. On their behalf, I would like to thank the sponsors of this bill and this Committee for bringing this forward. This is a big issue for Carson City. I will not repeat what you have heard before, because I agree with nearly everything that has been said. Let me just give an anecdotal example of why I believe this bill is important. I think it goes to what Assemblywoman Swank was talking about. About three blocks north of here, the old Virginia & Truckee (V&T) roundhouse was located. It was built from the same sandstone that the Nevada State Prison was built from. It was a magnificent structure. It was privately owned. It fell into disuse, and, for lack of a better term, our committee could not get its hands around it or its act together. Then, because of liability concerns, that historic structure was torn down. It is now a vacant lot. I do not think there is a day that goes by that I do not think about that or that I do not get somebody from our community asking why we did not do something to save that historic structure. It would have been a beautiful addition to our community.

This bill gives the impetus to the stakeholders and to our community to speak out about preserving this asset for our state and our community. People can get together, work with all the stakeholders, and find out what the highest and best uses of the property are so we can move forward. At the end of the day, we all recognize the importance of preserving this piece of history and heritage for Carson City and for the State. That is what this bill does. If you pass this bill, I want to assure you that Carson City, as an organization, will participate fully as a stakeholder. I understand that there are a number of bridges to cross and a number of things to talk about; however, we are fully prepared, this time around, to try to stay in the mix to preserve this asset.

Ronni Hannaman, representing Carson City Chamber of Commerce:

[Ms. Hannaman presented a number of letters in support of A.B. 356 ([Exhibit J](#)).] For all of those who do not live here, welcome to Carson City. We love having you here every other year to see what is happening in our community. I echo much of what Mayor Crowell has said to you this morning and what you have been hearing. Carson City is uniquely Nevada. Here is where the history of Nevada began, and we feel that any of the old buildings from the 1860s or earlier belong to the state of Nevada and to the Carson City area. Mayor Crowell told you about the Virginia & Truckee roundhouse, which is still sticking in the craw of many people here because that building was

so historic. We do not want to lose this building. Like Mayor Crowell and others, we hope that you will see fit to put this on your agenda and to pass Assembly Bill 356. We are uniquely Nevada. Thank you for your consideration of this bill.

Chairwoman Benitez-Thompson:

Are there any questions from the Committee? [There were none.] Is there any additional testimony in support? [There was none.] Is there any testimony in opposition? Opposition means that you agree with the spirit of the bill but might have some technical concerns or amendments that have not yet been worked out with the bill sponsor. [There was none.] Are there any comments in neutral? [There were none.] I will invite the bill sponsor back up for closing comments.

Assemblyman Livermore:

I would like to start by personally thanking the Nevada State Prison Preservation Society. When it brought this issue to me when the decommissioning process started, I quite understood the significance of the facility, but I did not understand how we could preserve it. One of the things that I did not want to see was a boarded-up facility that was owned by pigeons and rats. This site's significance, as you heard in testimony today, is worthy of whatever we can do to sit down and collectively decide how this facility could benefit the citizens of the state of Nevada. I am pleased and proud to offer this bill. I hope that the Committee will see fit to support this. I cannot tell you how proud I am as Carson City's Assemblyman to present this bill.

Chairwoman Benitez-Thompson:

Thank you, Assemblyman Livermore. The pride you have in your community always shows through every time you talk and present. Your constituents must be so proud of you. I will close the hearing on A. B. 356. I will open the hearing on Assembly Bill 419.

Assembly Bill 419: Revises provisions governing the Public Employees' Benefits Program. (BDR 23-1119)

Marlene Lockard, representing Retired Public Employees of Nevada:

With me is Mr. Marty Bibb, the executive director of the Retired Public Employees of Nevada. He will make the presentation.

Martin Bibb, Executive Director, Retired Public Employees of Nevada:

As a brief background, the Retired Public Employees' of Nevada (RPEN) was formed in 1976. The purpose was to represent issues of retired public employees before the Legislature and other places in an educational effort so

people understood the needs of retired public employees. Our members are retirees of the state, cities, counties, school districts, and other local government entities in Nevada. We have more than 9,000 dues-paying members across the state and some living out of state.

We appear today in support of Assembly Bill 419. This measure will bring representation that is more equitable to nearly 17,000 retirees whose health insurance is provided through the state's Public Employees' Benefits Program (PEBP). The measure would add one more retired member to the PEBP board. There is presently one. Retirees comprise 42 percent of the primary insureds in PEBP, yet of the nine PEBP board members—seven of whom must be participants in the plan—only one may be retired while all the others are required to be workers. That underrepresentation needs to be addressed in our view in light of the rapidly changing nature of this health plan, particularly as it affects retirees. Less than two years ago, nearly 10,000 Medicare-age retirees in PEBP were removed from PEBP's preferred provider plan, and they were sent to a dramatically different program—Medicare Exchange—making Nevada the first state among all states to have made that type of change. That rapid shift caused a great deal of consternation among retired public employees who were Medicare age. Additionally, there are approximately 7,000 pre-Medicare age retirees whose health plan changed dramatically in 2011 to a consumer-driven high-deductible health plan. All these retirees, whether they are early retirees or Medicare retirees, have one PEBP board member. These events heightened concern among retirees for whom PEBP provides health insurance. These former workers depend upon a viable health plan and not only knowledgeable representatives who serve on the board, but they should have an additional, more reasonable percentage of board representation in our view. It is one thing to have an understanding about retiree health insurance and another to actually be retired and experience firsthand the effects of being retired on a reduced income while dealing with the challenges of aging.

For retirees these days, there really is no bigger concern than health care. Assembly Bill 419 would bring representation that is more proportionate to retirees. We urge the Committee's approval of this measure ([Exhibit K](#)).

Assemblywoman Swank:

I understand there is a problem of representativeness on the Public Employees' Benefits Program board in terms of retirees. How does that apply to the other groups represented on the board?

Martin Bibb:

There are nine PEBP board members of whom—under the formation of this plan some 14 years ago in 1999—there are nine board members and of those

nine, two are members from the general public. They are private sector folks who do not belong to this plan. That means there are seven actual covered employees or retirees who sit on the board. It is a requirement for those seven that they be participants in the plan. Of that number, one is a retiree and the other six are in various capacities of employment. We can go through the list in terms of exactly where these folks come from if you would like, Assemblywoman Swank.

Assemblywoman Swank:

Could you supply that list to us? I am wondering about general issues of representativeness on the PEBP board beyond the retirees. I understand there are a lot of those issues going on with the PEBP board.

Martin Bibb:

We cannot speak for other groups who are covered in the makeup of the PEBP board, but I know for some time we have felt that having one out of seven nonprivate sector people on the board would amount to about a 14 percent representation of board voice. There are 42 percent of all the participants in the plan who are retirees and 58 percent who are actives. With a representative base of 42 percent, we think that one out of seven folks simply—for our organization and for retirees as a whole, whether they belong to RPEN or not—is just inadequate representation.

Marlene Lockard:

To address Assemblywoman Swank's question, one of the representatives is the representative from the Nevada System of Higher Education. They have a representative from the Budget Office, from the Deputy Director of the Department of Administration, and from the Department of Business and Industry. In statute is another representative from local governments. When the person filling that slot resigned from the board, that slot was filled with another representative from Nevada System of Higher Education. I think Dr. Richardson is going to speak to the history of that.

Chairwoman Benitez-Thompson:

Are there any additional questions from Committee members?

Assemblywoman Neal:

With the addition of one member, if an issue comes to a vote, you will have ten people on the committee. Do you have a solution if there is a tie in the vote? Would you be willing to go up to 11 members so that votes cannot be stuck in a tie?

Marlene Lockard:

Absolutely we would because, even with adding this additional retiree representative, we are still underrepresented on the board. If you went to 11 members, that gets us closer to parity.

Assemblywoman Bustamante Adams:

I also had the concerns that Assemblywomen Swank and Neal spoke of, so my question is the opposite. Instead of going up to 11 members, was there any thought about replacing 1 of the 6? Instead of having six active members, there could be five active and two retirees.

Martin Bibb:

We did not consider that. Our baseline consideration was equity in representation for retirees. It ended up being what is proposed in this bill. We did not look at it from the perspective of reducing it, but I suppose any way that brings more equity in terms of a large user group with 42 percent, which at this point has 14 percent of the board representation, however we can get to that point, would be better.

Assemblywoman Bustamante Adams:

Is there parity between the six active and one retiree between classified and unclassified?

Marlene Lockard:

No, currently the actives that are on the board are all unclassified.

Chairwoman Benitez-Thompson:

Are there any additional questions from Committee members? [There were none.] I will take testimony in support of the bill.

Glen Trowbridge, President-elect, Retired Public Employees of Nevada:

I would like to go on the record as supporting Assembly Bill 419 in that it does not have any fiscal impact on the state or on any local government entity, but it does provide for more equitable representation by the 42 percent of the members that are covered by this particular benefit plan. As a retiree's income goes down, their concern with health care issues and retirement benefits increases. We are also very concerned with the stated objectives of this particular group, which is to ensure the program is funded in a sound manner and is operating in accordance with sound insurance and general business practices. We are also very concerned that the program is administered to share concerns with the responsive management of the program where, when members have questions, they can get them answered promptly, accurately, and consistently.

Marlene Lockard:

Assemblyman Kirner reminded me. I misstated when I said there were only unclassified. There is one classified member on the board—the representative from American Federation of State, County and Municipal Employees.

Chairwoman Benitez-Thompson:

Thank you for correcting that.

Ruth Hart, Private Citizen, Carson City, Nevada:

I have been in this state for 49 years, having come from Boston. I was a state employee for 27 years and a proud member of Retired Public Employees of Nevada for the last 19 years. I am here to support the bill.

Chairwoman Benitez-Thompson:

Thank you for your comments.

Peggy Lear Bowen, Private Citizen, Carson City, Nevada:

I am here as an orphan person who taught for 35 years in the state of Nevada. The last 28 years were in Washoe County. We were granted the privilege of being a participant in this program by virtue of legislative action. We were short-lived as participants. There was about a four-year period in which people could choose to participate in this program. I would also like to go on the record in support of this proposition that the retirees have better representation on the board. When you raise the questions about 1 or 2 new seats and an even number of board members and to break a tie make it either 9 or 11, that you consider that representation be expanded if possible. Thank you very much for hearing us today and making us a part of your deliberation.

Chairwoman Benitez-Thompson:

Are there any questions for Ms. Lear? [There were none.] Are there any additional comments in support? [There were none.] Are there any comments in opposition?

Assemblyman Randy Kirner, Washoe County Assembly District No. 26:

I am only sitting here in opposition because to be in support, you have to support exactly what the bill says. I do support the concept. I think our retirees may be underrepresented, so the initiative to add a retiree is fine. I think you have asked the right questions in terms of the numbers. I served on the Public Employees' Benefits Program board for 11 years, 2 years as chair. Typically, the chair does not vote unless it breaks a tie, so, quite frankly, I would like to see an odd number, whether it is 9 or 11. It does not matter to me which it is, but you really need an odd number.

Assemblyman Ellison:

I totally agree. I was going to bring that up. I sat on a planning commission for two years, city council for eight years, and county commission for ten years. You always kept at odd numbers because of the possibility of a tie vote. I think this is important that we amend this to where it is not an even number because that could come back and lock up a vote. I am hoping they will amend that to make it an uneven number.

Assemblywoman Bustamante Adams:

I appreciate your comments, Assemblyman Kirner. I think there is a bigger issue pertaining to this group and several other groups that may not have the adequate representation of the makeup of who they are trying to serve. That concerns me because things have shifted, right? Our population has increased. There are people moving from one category maybe to another. My question goes back to the one about the total of the seven other board members besides the two general public. What are your thoughts about taking one of the six and making that a retiree? I think that may be a solution, but obviously I do not live in this world, so I wanted to see what your thoughts were.

Assemblyman Kirner:

I think you are on the right track. I really do. When you say things have changed, things have dramatically changed. Let me go through a couple of those changes. One of the changes is that there are a number of retirees. Those that have switched from active to retirees have grown. That is a fact. Another fact, based on the last session, those that were hired since the last session, ultimately will not have retiree medical benefits. There are a number of our retirees who are Medicare age, and as we all age, we move into that category. It is a supplemental thing, so it is really not so much the definition of benefits anymore as it is what direction. They are using an exchange, and there is a supplemental amount. There are a number of variables. Clearly, you are right. I think when you get from 9 to 10 to 11, it becomes a very difficult board to manage to get things done. If I had my preference, I would stay with nine and change one of the other seven positions to include an extra retiree.

Chairwoman Benitez-Thompson:

Are there any additional questions for Assemblyman Kirner? [There were none.] Is there any additional testimony in opposition? [There was none.] We will move to testimony in neutral. We have some neutral comments in Carson City and then down in southern Nevada.

James T. Richardson, representing Nevada Faculty Alliance:

I very much appreciate the chance to comment on this bill. A little bit of history that might be useful, though I will not prolong this, Mr. Bibb and I have been

around here a long time, as you can probably tell. When the current statute was written, we were part of the working group that was put together by the Legislature to draft a statute that included adequate representation from the various groups that were participating in the Public Employees' Benefits Program. I remember distinctly at that time having quite a discussion with my dear friend, Senator Raggio, about the value of having two members from the general public who were experienced in the insurance realm, and, of course, Senator Raggio won that discussion. We have those two public members, one of whom was, in fact, Assemblyman Kirner who served very ably on the board for many years before he was elected to this body. My point in mentioning that is that there are some here who know something about the history of why the current listing that is on pages one and two of the bill exist. I also wanted to point out to you—as some of you have asked—there have been significant shifts within the population served by the PEBP board and this program over the years. Retiree numbers have grown, and, as some of us who are old in years and long in the tooth die off, we hope to increase those numbers of retirees. There is an argument to be made for more representation at this time for retirees.

Another thing that has occurred is that by virtue of some changes in statute—that I can go into if you desire—the participation by local governments has virtually disappeared. It used to be the case that we had many smaller local governments participating. For various reasons, they have dropped out, including a statute change not too many sessions ago that said if you are going to put your retirees in PEBP, you have to also have your actives. The cost of doing that for the participants turned out to be pretty high, so virtually all have dropped out. For that reason, the City of Elko dropped out of PEBP and that seat became vacant. Lines 6 through 8 on page 2 of the bill say that, "One member appointed by the Governor upon consideration of any recommendations of organizations that represent employees of local governments that participate in the program." There is just a handful, as Mr. Wells will testify, somewhere in the thirties, I think, of local government actives now in the program. So, when that seat did become vacant when Elko withdrew, the Nevada System of Higher Education (NSHE) group made a strong recommendation to the Governor that, given the fact they had 17,000 lives in this program, not counting retirees, that they should have a second slot, and the law allowed the Governor to make that appointment. He eventually did, in fact, appoint someone who is a faculty member at UNLV in the area of health education. So, NSHE now has two people on the board. Even though, by law we are allowed one slot, the Governor had the authority to make that appointment, and he did. I am saying some of that history for a bit of education here. To go back to the point that has been made several times, it may be time—and maybe Mr. Wells can give us some numbers now or later—to revisit the makeup of the board in terms of who

is represented and who is not and to make some adjustments in the language. I did want to say on the record that NSHE is not opposing the idea of increased retiree representation. We just think the whole issue might need revisiting; check what the numbers are and see if the law needs adjusting. It has been 14 years—as was said by Mr. Bibb, who was on that working group with me and a number of legislators that helped write that current statute—since that working group. I will close for now, saying I would be happy to answer any questions. I hope you will take a look at these issues that have been raised by the introduction of this bill. It is a timely bill. I am glad it was introduced. It opens up this question.

Chairwoman Benitez-Thompson:

Thank you for your comments. I know that when we get into a discussion about parity and equal representation, it is one in which many people have different comments. I appreciate the fact that all of the groups have been talking about this and are thinking about different types of policy solutions. I also acknowledge that sometimes when we make progress towards parity in our boards, it is done incrementally as opposed to in one fell swoop. I really do appreciate your comments, Mr. Richardson. Are there any questions from the Committee?

Assemblywoman Bustamante Adams:

I think you also brought up another point that you will hopefully include in your discussions because—and no disrespect to the Executive Branch—I realized in a lot of these evaluations of these boards and commissions that the appointment is made by our Governor. The ability to make recommendations is great, but sometimes those recommendations are not taken into consideration. I am not sure how that whole process actually works, but in those discussions that, hopefully, we will continue to have, is that the appointments may not be made all by the Executive Branch. I just wanted make that comment.

John Farley, President, University of Nevada, Las Vegas Chapter, Nevada Faculty Alliance:

I am John Farley, professor of physics at UNLV and a member of the UNLV Faculty Senate representing the College of Sciences. I am also president of the UNLV Chapter of the Nevada Faculty Alliance. I would like to comment on Assembly Bill 419. [Continued to read from prepared text ([Exhibit L](#)).]

Chairwoman Benitez-Thompson:

Thank you for your comments. Are there any questions? [There were none.]

James R. Wells, Executive Officer, Public Employees' Benefits Program:

I am going to expand a little bit on the history that Dr. Richardson started with. In 2002, a couple years after this program was created in the 1999 Legislature, there were about 31,900 participants. Of those, about 22 percent, or 7,000 of them, were retirees. The remaining were active employees split between the university system, the state employees, and about 2,300 nonstate employees. In 2013, we have 40,258 participants. The number of state employees, including the Nevada System of Higher Education (NSHE) is about 23,390, so we have really gone up less than a thousand active employees over that ten-year period. At the same time, our retiree representation has increased from that 7,000 to 16,800. That happened for a couple of reasons. First, the state retiree population went from about 5,400 to about 8,800, an increase of about 3,400 state retirees. The bigger population increase was the result of Assembly Bill No. 286 of the 72nd Session that allowed nonstate retirees to join our program without the active employees of their programs being insured through the Public Employees' Benefits Program. We started seeing significant increases in the number of nonstate retirees joining the program. They are rated separately, so there is a state pool and a nonstate pool. The more retirees we got, the more expensive the nonstate pool got, the more the nonstate active population left. We have just received notice that half of the remaining 28 will be leaving on July 1st, so we are down to what amounts to a retiree-only pool for nonstate retirees. The other piece of this, and we have a bill to address it, Senate Bill 34, would change the pool structure for the Public Employees' Benefits Program to a participating pool versus a nonparticipating pool.

Chairwoman Benitez-Thompson:

Because that is a specific Senate bill, there will testimony on that. Let us forego further discussion on that because that will be for that committee to consider.

James Wells:

The reason I bring that up is if that bill passed, it has the potential to change the makeup of our population yet again. It needs to be taken into consideration, because I think that there could be a change in our population should that bill be approved. That is the only reason I brought that forward. In 2007, the Legislature closed the nonstate retiree population from joining our program unless their active employees were insured through PEBP. So, we capped out at about 9,400 nonstate retirees in 2010. That number has dropped off by about 1,400 since that point, so we are currently in a state where we are seeing our retiree population decrease right this minute because the nonstate retiree pool cannot get bigger. It can only get smaller. They have about 8,000 nonstate retirees today; that number will never increase, but it will slowly decrease. While the board makeup on current enrollment may be

underrepresented at the retiree level, that retiree makeup is ever changing at this point.

Last May, one of the things that we had asked the board to consider is a change to the makeup of the board for submission to the Governor's Office as a bill draft request. What we had done is in the nonstate position that Dr. Richardson mentioned in section 1, subsection 1(d) of this particular statute. There are not any nonstate retiree organizations left, so we did not think it was appropriate for a nonstate person to represent what was about 60 people at that time when we had other populations that were severely underrepresented. We had submitted a potential bill draft that would have changed the makeup of the board. At that point, our legal counsel advised us that subsection 1(d) is allowable. The other sections of this bill provide for specific positions. You have to be a classified person. You have to be a faculty member at the System of Higher Education. You have to be a retiree. This one section does not include such language. It allows the Governor to appoint anyone to that seat as long as he considers the recommendations of nonstate employers of which there are none.

Chairwoman Benitez-Thompson:

Is that a proposed amendment for this bill that would be supported by the bill sponsor?

James Wells:

That is current language that is in statute.

Chairwoman Benitez-Thompson:

You are referencing a previous draft that you had. I just want to make sure that, if you are going to be proposing any kind of a change, we get your testimony in the right spot as opposed to neutral.

James Wells:

Correct. I am not proposing an amendment. What I am saying is that subsection 1(d) allows the Governor to appoint a person who is not a nonstate employee. We forwarded this information to the Governor's Office with the recommendation that he consider either a university system person or a retired person because those populations were underrepresented versus the population of the nonstate employees, of which there were none. He could have appointed a retiree to that position that was referred to by Mr. Farley. He did ultimately appoint Dr. Cochran to our board. That could have been a retiree just as easily as it could have been an active employee. At any rate, the point is that there is some flexibility in that one appointed position, other than a nonstate active employee.

Lastly, we just got this bill on Tuesday morning. I was unaware of it until it came out on Monday night. We had submitted an unsolicited fiscal note because there is a fiscal impact to this bill. It is nominal, but it does exist. That is in section 287.042.

Chairwoman Benitez-Thompson:

Quickly, we have a question from Assemblywoman Neal.

Assemblywoman Neal:

I wanted to stop you before you went further and I lost where I was trying to go. When you were discussing subsection 1(d), the way I interpreted what you said was that it would be a better idea to give deference to the Governor in his selection. He could select a retiree and somehow there could be a negotiation from the retirees to then ask for that position to be changed later rather than increasing the number on the board. Is that what you were trying to say?

James Wells:

We were concerned that the language in subsection 1(d) required a nonstate employee be appointed to our board. There were no nonstate employees left. Even one person sitting from a nonstate active employer would overrepresent the 60 people that were left at the time in relation to the population as a whole. Our Deputy Attorney General has informed us that their interpretation of this section allows the Governor to appoint any person to sit under this subsection. He can appoint a nonstate active employee, which it traditionally was. He could appoint a second higher education faculty. He could appoint a second retiree. He could appoint a third classified person.

Assemblywoman Neal:

Here is the thing. Here is where I am at. He made a decision and it was not a retiree, correct?

James Wells:

That is correct.

Assemblywoman Neal:

So, that puts us to the issue of the bill, which is "can I get a retiree?" They are trying to push that in statute because when it was left open for the opportunity to choose a retiree, that "could" or that "should" did not happen. That is the point.

James Wells:

That is correct. It did not happen. Keep in mind that we have heard 40 percent from retirees. We have heard 40 percent from the System of Higher Education. We have about 42.5 percent that are state active employees. That is 120 percent. It is really about 20 percent being the Nevada System of Higher Education. There are about 8,000 of our 40,000 people who are NSHE faculty and classified positions.

To finish my comments regarding the fiscal note we had submitted, *Nevada Revised Statutes* (NRS) 287.042 requires that we pay \$80 per day for those people who are not employees. As a retiree, this person would not be an employee and would be entitled to the \$80 per day at ten meetings per year. That is approximately \$800, plus the worker's compensation we are required to pay, so about \$850 a year. *Nevada Revised Statutes* (NRS) 287.0428 requires that we pay for continuing education for our board members, and that generally averages between \$2,500 and \$4,000 per year.

Chairwoman Benitez-Thompson:

Could that be taken out of your reserves? You do not have to comment, Mr. Richardson.

James Richardson:

Thank you for allowing me to make one comment. I think there is a difference in the percentages that are being cited, but it is my understanding that if you count the classified employees for the university system, it is approximately 17,000 people. I think probably before this bill is processed, you will want to get the percentages straightened out. I think we do have about 7,000 professional employees. I will have to check that number myself, but we do have a lot of classified employees. I just want the record to reflect that there is a bit of disparity in the percentages, and I hope they would be clarified before action is taken on the bill.

Assemblywoman Bustamante Adams:

My question is, Mr. Wells, I think that it keeps going back to a bigger issue. This is only one group. Obviously, there are several boards and commissions. My question is, if we were to do a reevaluation within a certain time period to see if the makeups of the boards are still really reflective of the people they are trying to serve, what would be a reasonable time frame to do that? Things shift, but we could not do it every year. That would not be good consistency. Would there be a reasonable time frame that would make sense to do the reevaluation to make sure they are still serving the people that are within that industry or profession? Also, from my colleague over here, we wanted to make sure that the Clark County School District, I think, is part of this group as well.

James Wells:

There are about 4,000 Clark County School District retirees. There are no Clark County School District active employees on our plan. As to your other question regarding the makeup, the seats are for four years, and they are on a rotational basis. Obviously, the makeup of our enrollment has changed significantly in the last ten years. Certainly, it does need to be revisited because it has the potential, depending on a couple of pieces—one being S. B. 34; another being that nonstate retiree population—of changing again within the next four to eight years. So, I think that if you were to make a change now, it certainly needs to be revisited on some kind of regular basis to ensure that the populations that are being represented are still the populations that exist within the program.

Assemblywoman Bustamante Adams:

It is not just this group, obviously. We have so many others and I think that we have tried in the past to use the same approach where we just add one more person because there is a new demographic in the pool, but I do not think that is a sustainable approach. Revisiting it in eight to ten years to make sure it is still reflective may be a solution.

James Wells:

I would agree.

Chairwoman Benitez-Thompson:

Are there any additional questions or comments? [There were none.] Are there any other comments in neutral?

Luis F. Valera, representing Nevada System of Higher Education:

We had originally registered as testifying neutral, but in light of the discrepancy in the numbers of the population, we are not ready to move forward as coming forward as neutral. If Nevada System of Higher Education is not the 40 percent that we thought it was, I think that changes some of the dynamics.

Chairwoman Benitez-Thompson:

I will invite you to have conversations with the bill sponsor off-line.

Constance Brooks, representing Nevada System of Higher Education:

I echo the sentiments of my colleague, Mr. Valera from UNLV. We look forward to engaging in discussions about clarifying the numbers as we move forward with the development of this bill.

Chairwoman Benitez-Thompson:

Thank you for your comments. I will now invite the bill sponsor back up for closing comments.

Martin Bibb:

I do not think the issue has really changed in terms of a very large and underrepresented retiree group. Perhaps not having revisited this in 14 years is part of that. I appreciate the remarks Mr. Wells made. There is a fiscal note. I would think it would be considered in view of the fact that the program's biennial budget is around a billion dollars. There are just a couple of small points unless there are questions that you or the Committee would have.

Chairwoman Benitez-Thompson:

I will close the hearing on A.B. 419. Are there any public comments? [There were none.] This meeting is adjourned [at 9:53 a.m.].

RESPECTFULLY SUBMITTED:

Jennifer Dalton
Committee Secretary

APPROVED BY:

Assemblywoman Teresa Benitez-Thompson, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: March 28, 2013

Time of Meeting: 8:10 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 356	C	Glen Whorton/Nevada State Prison Preservation Society	PowerPoint Presentation
A.B. 356	D	E.K. McDaniel/Department of Corrections	Department of Corrections Future Use Report
A.B. 356	E	Glen Whorton/Nevada State Prison Preservation Society	Division of Museums and History
A.B. 356	F	Glen Whorton/Nevada State Prison Preservation Society	Nevada State Prison Recommendations UNR faculty
A.B. 356	G	Glen Whorton/Nevada State Prison Preservation Society	Geoscience Recommendations
A.B. 356	H	Glen Whorton/Nevada State Prison Preservation Society	Prison Plan
A.B. 356	I	James R. Lawrence/Division of State Lands, Department of Conservation and Natural Resources	Proposed Amendment
A.B. 356	J	Ronni Hannaman/Carson City Chamber of Commerce	Letters of Support
A.B. 419	K	Martin Bibb/ Retired Public Employees of Nevada	Testimony
A.B. 419	L	John Farley/Nevada System of Higher Education	Testimony