

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Seventh Session
May 22, 2013**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 2:38 p.m. on Wednesday, May 22, 2013, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator David R. Parks, Chair
Senator Pat Spearman, Vice Chair
Senator Mark A. Manendo
Senator Pete Goicoechea
Senator Scott Hammond

GUEST LEGISLATORS PRESENT:

Assemblyman Paul Aizley, Assembly District No. 41
Assemblyman D. Paul Anderson, Assembly District No. 13

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst
Heidi Chlarson, Counsel
Gwen Barrett, Committee Secretary

OTHERS PRESENT:

Martin Bibb, Retired Public Employees of Nevada
Priscilla Maloney, American Federation of State, County and Municipal
Employees Local 4041, AFL-CIO
James R. Wells, Executive Officer, Public Employees' Benefits Program
Marlene Lockard, Retired Public Employees of Nevada
Jennifer McEntee, Administrative Services Officer II, Office of the Military

Chair Parks:

We will start the meeting with the hearing for Assembly Bill 303.

ASSEMBLY BILL 303 (1st Reprint): Revises provisions relating to the subsidy for coverage of certain retired persons under the Public Employees' Benefits Program. (BDR 23-681)

Assemblyman Paul Aizley (Assembly District No. 41):

Assembly Bill 303 enables Medicare retirees to receive a possible increase in their subsidies.

I will disclose that I am a Medicare retiree from the State of Nevada with 40 years of service at the University of Nevada, Las Vegas.

Senator Goicoechea:

This pertains to Medicare retirees. If the Public Employees' Benefits Program (PEBP) changes something, additional money coming forward could be applied, and that is precluded in existing law.

Assemblyman Aizley:

Correct. For Medicare retirees, the statute specifies the number of Health Reimbursement Arrangement (HRA) subsidy dollars per years of service, and there is no possible change. Non-Medicare retirees, State employees and non-State employees could have a subsidy increase. Only the Medicare employees are excluded from a cost of living or other adjustment.

Senator Goicoechea:

Where the bill applies only to Medicare retirees, it looks to me that this could open it up to the extent that any money is available for anybody.

Assemblyman Aizley:

It is already available to others.

Martin Bibb (Retired Public Employees of Nevada):

I have provided written testimony ([Exhibit C](#)). We support A.B. 303.

Chair Parks:

I want to disclose that I am a Retired Public Employees of Nevada member.

Priscilla Maloney (American Federation of State, County and Municipal Employees Local 4041, AFL-CIO):

On behalf of the actives and retirees chapter for American Federation of State, County and Municipal Employees Local 4041, AFL-CIO, we support the bill.

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

While we would prefer that the language in the bill explicitly state excess reserves for any additional Medicare HRA contributions, I do want to go on the record that our interpretation of the language that reads "from any money that is available for that purpose," which is for the payment of an additional amount, means the excess reserves of the program that are above those actuarially required for the operation of the program. That is the incurred but not reported claims liability, the catastrophic reserve and the reserve for unspent Health Reimbursement Arrangement balances. With this clarification, we did remove the fiscal note that was attached to this bill in Assembly Ways and Means.

The Board has taken a position in support of Assembly Bill 303 with this clarification and appreciates the added flexibility and expanded authority to allocate those excess reserves that is provided by Assembly Bill 303. With that, Mr. Chairman, I would be happy to answer any questions.

Chair Parks:

We have probably all received emails relative to this bill. It is worthy to mention that the emails I have seen were predominantly from active members of PEBP who, for their own personal reasons, indicated the desire that anything in a reserve should go to active employees. I found that offensive. However, I commiserate with active employees as to the insurance rate costs.

Were Mr. Wells comments consistent with your position?

Assemblyman Aizley:

Yes. We worked together.

Senator Goicoechea:

I hope that the emails were a result of a misunderstanding. This bill is one of equity as it pertains to the different pools. Just because you receive Medicare, you should not be exempted from any available funding.

Marlene Lockard (Retired Public Employees of Nevada):

It is important to put on the record that when the Medicare retirees were forced to leave PEBP, they left funding. We have been trying to get a number of how much the PEBP Medicare retirees left with the Board, but we have been unable to do so. For clarification and for any actives who are listening, there was Medicare money left behind.

Chair Parks:

That is good to know. I wanted to reply to at least one of the emails, but I did not have that information.

We will close the hearing on A.B. 303. We will open the hearing on A.B. 364.

ASSEMBLY BILL 364 (1st Reprint): Revises provisions governing public officers and employees. (BDR 23-1014)

Assemblyman D. Paul Anderson (Assembly District No. 13):

Military reservists working for the State are allowed 15 paid days off in order to fulfill their military duties. The genesis of this bill came from a lot of State employees who were unable to fulfill their full duties within those 15 days. There is a total requirement of 39 days when they must leave their jobs to attend the weekend trainings as well as the 2-week trainings that are required each year. A lot of the employees work in the areas of our State that do not have normal workweeks, which sometimes causes reservists to take unpaid leave in order to fulfill their military duties.

We looked at this to see if there was a way to make them held harmless in that situation. There is a disparity. Military reservists working in some agencies are covered but for reservists working in other agencies, it necessitates unpaid time off, being docked for the pay and retirement, taking the 2.5 percent pay cut, merit pay cuts, and everything else. These employees are getting hit even harder because they had to work different schedules or on weekends.

Assembly Bill 364 raises the amount that State employees who are active reservists can take as paid days from 15 to 39, assuming their normal workdays are Saturday and Sunday. That component limits our fiscal cost. They are already taking that time off; the overtime required to backfill their positions is already in the budgets. Each agency is fully funded for the employee, which is money left in the agency. That is how we did this without a fiscal note, raising the paid leave from 15 to 39 days to provide them the benefit of fulfilling their military duties without taking a cut in pay and retirement.

I have included a document ([Exhibit D](#)) that summarizes the need and intent of A.B. 364.

Senator Goicoechea:

This would extend to county and local government?

Assemblyman Anderson:

It stops at State agencies. The local and municipalities have different agreements, and we did not want to reach down that far.

Senator Goicoechea:

Technically, do we not classify a county as a political subdivision of the State?

Assemblyman Anderson:

I would have to refer to the Legal Division. The intent was to keep it at the State level because the original 15 days were applied to that. We did not want to interject ourselves into other agreements.

Chair Parks:

Section 1, subsection 1 of A.B. 364 says political subdivision or an agency of a political subdivision.

Ms. Maloney:

There are situations in which *Nevada Revised Statutes* (NRS) 281 applies to both local government and State employees. This particular kind of leave is a standard component of most collective bargaining agreements. Our interpretation is NRS 281.145 would be specifically for State employees.

Heidi Chlarson (Counsel):

The language in section 1, subsection 2 says "a public officer or employee of the State or an agency thereof," it does not include the political subdivision language. The new language being added in subsection 2 only applies to State officers and employees.

Senator Goicoechea:

The 15 days apply to all of the local government. Political subdivisions have to live in the 15 days in statute, and this extends the additional in subsection 2. There are counties that do not have bargaining agreements.

Ms. Maloney:

Generally, this is covered in those type of agreements.

Chair Parks:

We will close the hearing on A.B. 364 and open the hearing on A.B. 448.

ASSEMBLY BILL 448 (1st Reprint): Revises certain provisions concerning the state militia. (BDR 36-1142)

Jennifer McEntee (Administrative Services Officer II, Office of the Military):

The proposed revisions to NRS 412 are an effort to modernize and clarify the language of the statutes. I have a brief description ([Exhibit E](#)) of the changes, along with my original testimony.

Senator Manendo:

Your written testimony indicates authorizing the Adjutant General to accept federal funding for personnel support and equipment supplies, arms, etc. Are these not receiving funds now?

Ms. McEntee:

We receive funds now, and a generic statement in NRS alludes to that, but A.B. 448 specifically authorizes us to accept other funds. The wording is changed in section 4, subsection 2 from "must" to "may," and "or from other available money" is added at the end of the sentence. This wording removes the implication that the General Fund must support it wholly. In practice, that is not how the Master Cooperative Agreement works. This broadens the language to specifically authorize other available money to be used.

Senator Manendo:

Were we the only State not receiving federal funds?

Ms. McEntee:

We do receive federal funds; this makes the language consistent. This is a housekeeping bill.

Senator Goicoechea:

These are special funds held in the General Fund. These funds never revert.

Ms. McEntee:

The NRS addresses various situations. We were just discussing the ability to bring in funds or obtain other available funds for the operations of the military, the main budget account 101-3650. These funds would revert to the State General Fund. The language also references the Patriot Relief Fund 101-3654 that has a provision where those funds do not revert to the State General Fund. Long-term facility rentals has a reserve within the emergency operation center budget account 101-3655. The special facility budget account 101-3652 funds also do not revert to the State General Fund.

Senator Goicoechea:

The rental accounts do revert or just the two smaller ones?

Ms. McEntee:

The special facility account 101-3652 and the emergency operations center account 101-3655 do not; those are reserved.

Senator Manendo:

The repeal part of section 8 in NRS 412.184, the allowances on uniform and equipment, why are we repealing that section?

Ms. McEntee:

It was specific to officers and not enlisted, which is interesting. As we do not provide it as a benefit in business practice and we do not have the funding for it, we need to request that in a budget in order to pay it out.

Senator Manendo:

We had something in statute and were not following it. Since we have not been following it for so long and we have not had the money to follow it, we will just repeal it?

Ms. McEntee:

It says "must be paid from money available to the office only after the officer has furnished satisfactory evidence to the Adjutant General that he or she is properly entitled thereto."

Senator Manendo:

Except they gave the evidence, we must do it, we have not been doing it, we do not have the money to do it, and so we will repeal it?

Ms. McEntee:

That would be our recommendation, to repeal it.

Chair Parks:

The statute references July 1, 1973, which was 40 years ago. It is probably an antiquated provision, anyway. Senator Spearman can probably substantiate that an allowance of \$100 for a uniform and equipping the commissioned officer is a minor amount of money. It appears to be obsolete language.

Senator Spearman:

I would concur with the Chair that much of NRS 412 is obsolete. We now have uniformed military both at the State and federal level. At the time this was enacted, that was not the case.

George Washington did not have conscription. He asked people if they believed in the cause, and they all saddled up. Now, we have gone from conscription, which is the draft, to an all-volunteer force. The all-volunteer force at the federal level and the National Guard level are more than capable of making sure that the land of the free and the home of the brave is adequately protected.

Chair Parks:

We will close the hearing on A.B. 448. That concludes our bills posted for today.

SENATOR GOICOECHEA MOVED TO DO PASS A.B. 303.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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SENATOR MANENDO MOVED TO DO PASS A.B. 364.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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SENATOR GOICOECHEA MOVED TO DO PASS A.B. 448.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Committee on Government Affairs
May 22, 2013
Page 10

Chair Parks:

We are adjourned at 3:20 p.m.

RESPECTFULLY SUBMITTED:

Gwen Barrett,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	3		Attendance Roster
A.B. 303	C	1	Martin Bibb	Written Testimony
A.B. 364	D	1	Assemblyman D. Paul Anderson	Written Testimony
A.B. 448	E	2	Jennifer McEntee	Written Testimony