

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

**Seventy-Seventh Session
May 29, 2013**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 2:19 p.m. on Wednesday, May 29, 2013, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 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

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst
Heidi Chlarson, Counsel
Martha Barnes, Committee Secretary

OTHERS PRESENT:

Martin Bibb, Executive Director, Retired Public Employees of Nevada
James R. Wells, Executive Officer, Public Employees' Benefits Program
Marlene Lockard, Retired Public Employees of Nevada

Chair Parks:

We will have a hearing for one bill, and there are three bills on the work session for today's meeting. We will open the hearing on Assembly Bill (A.B.) 419.

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

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

Assembly Bill 419 is a simple bill that will add one more person to the Board of the Public Employees' Benefits Program (PEBP). The bill specifies the new member must be a retiree. All the members who serve on the Board must be in the health plan in order to serve. There is an exception for two members from the private sector who also serve on the PEBP Board.

There are approximately 40,000 people in the PEBP as primary members and some with dependents. Of that 40,000, 42 percent are retirees. The Board of the Retired Public Employees of Nevada is made up of nine people, and only one member is a retiree. We think there should be more proportional representation on the Board. It is important to have more representation due to ongoing changes in the program, including going to a consumer-driven health plan for early retirees, pre-Medicare age retirees, actives and the Medicare Exchange. There is no major impact to adding one more person to this Board. The monetary estimates are in the range of \$4,000. The amount includes the pay a person receives to sit on a State board, plus potential travel money and worker's compensation coverage. We believe with 17,000 retirees in the program, adding another retiree to a nine-person Board is responsible. The biennial budget for this program is nearly \$1 billion, so the costs should be minimal.

Senator Goicoechea:

A balanced board with ten members could be problematic.

Mr. Bibb:

This issue was raised and received some discussion during the hearing in the Assembly Committee on Government Affairs. Typically, not all boards have every member in attendance at each meeting. It could just as well go from odd to even or even to odd at any particular meeting. This concern was considered in the Assembly hearing and Assemblyman Randy Kirner, Assembly District No. 26, who formerly chaired the Board, thought his concern over the even number of Board members had diminished.

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

Although the vote was not unanimous, the PEBP Board has an official position of opposition to this bill for two reasons. The first reason was brought up by Senator Goicoechea, and that is the ability for the Board to provide adequate

direction to staff in light of the potential for tie votes, several of which we have had when the Board has vacancies or members absent from the meeting.

The second issue is the increase in the quorum from five to six; our ability to get quorums has been a challenge even with the nine existing members. One member expressed further concern with constituent representation. He stated the Board members should represent all the participants in doing what is best for the program. The Board did not take a position relative to the composition or the makeup of the membership of the Board, believing that should be left up to the Legislature and the Governor. I have additional information regarding the fiscal note submitted for A.B. 419.

Chair Parks:

I looked for the fiscal note and was unable to locate it. Was the fiscal note submitted during the hearing in the Assembly?

Mr. Wells:

The fiscal note was an unsolicited fiscal note. When the bill originally came out, there was no formal request from the Legislative Counsel Bureau. However, given the rules relative to providing fiscal impact statements, we provided a fiscal note outlining what was pointed out by Mr. Bibb. We pay the retiree member \$80 per day, and we have an average ten meetings a year. There is a statutory requirement for continuing education that the Board members attend annually. We also have to pay a small workers' compensation for each of the Board members who are not employed.

Senator Spearman:

Did you say you had a problem getting a quorum sometimes? If you are increasing the number, how will you ensure you have a quorum, or is that possible?

Mr. Wells:

I wish I had a good answer for those questions. We schedule Board meetings via teleconferencing during the Legislative Session, and that has been the most difficult time to get a quorum. During the first part of the Session, the Board members meet every other week and as the Session progresses, they meet every week. We have cancelled all but one meeting due to lack of a quorum. We also had to cancel a meeting last March and move the meeting back 2 weeks because there were only four of the nine members in attendance.

Senator Spearman:

You indicated there is one retiree on the Board now?

Mr. Wells:

Yes.

Senator Spearman:

How many times has that member been absent, causing you not to have a quorum?

Mr. Wells:

The one time last summer when we did not have a quorum, the retiree did not show up for the meeting. At other times, it has been a combination of members who did not show up.

Senator Spearman:

My point is the retiree is usually more reliable because he or she is retired.

Mr. Wells:

About 40 percent of those members in the program are retirees. There are a significant number of retirees who are non-State retirees and the other half are former State employees.

Senator Spearman:

I need to understand why it is not prudent to have someone else. Adding one person to the board only brings the number of members to 20 percent. The Board is still at a 22 percent deficit if you are talking equity.

Mr. Wells:

Of the nine-member Board, six members represent constituent groups and the other three are fixed members; two of those three members come from the private sector and are experts in the field of health insurance. The ninth member is the Director of the Department of Administration or his designee. Of those representing constituent groups, one member is a retiree, two members are active State employees, one member comes from the Nevada System of Higher Education, one member is in a managerial capacity, and until last year, a sixth member represented local government. That sixth seat currently occupied by a university professor from southern Nevada could be assigned to

any of the groups; it could be an employee, it could be a retiree or it could be another person from the university.

Marlene Lockard (Retired Public Employees of Nevada):

With respect to the fiscal note, this bill was heard before the Assembly Committee on Ways and Means, and the Committee determined the minimal cost for this bill could be absorbed by the PEBP budget. With respect to an even-numbered Board, we have conducted some research. An even number of members were in attendance at the last 14 Board meetings. Having a tie on measures before the Board will not be a problem. Not all members can make the meetings on the same day, so some meetings end up having an even number of members.

Mr. Bibb:

Our point was specific to a person's employment. If you exclude the two private sector members of the PEBP Board, you have seven members. Yes, six of those members could be designated in one way or another to a seat and, as Mr. Wells pointed out, the seventh would be the Director of the Department of Administration or his or her designee. The simple fact remains that all seven of those people are coming from one place. Six are coming as employees of the State or a local group and the seventh is a retiree. That is the disproportion we alluded to in the equity issue as far as representation on the Board.

Chair Parks:

I will close the hearing on A.B. 419.

SENATOR MANENDO MOVED TO DO PASS A.B. 419.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

That takes us into our work session, and we have three bills to consider this afternoon. We will begin with A.B. 31.

ASSEMBLY BILL 31 (1st Reprint): Revises various provisions relating to public records. (BDR 19-211)

Patrick Guinan (Policy Analyst):

The work session document ([Exhibit C](#)) is for A.B. 31, sponsored by the Assembly Committee on Government Affairs.

SENATOR SPEARMAN MOVED TO DO PASS A.B. 31.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now hear A.B. 139.

ASSEMBLY BILL 139 (1st Reprint): Revises provisions relating to the state business portal. (BDR 7-127)

Mr. Guinan:

The work session document ([Exhibit D](#)) is for A.B. 139 as sponsored by Assemblyman Richard (Skip) Daly, Assembly District No. 31 and others. It was presented to the Senate Committee on Government Affairs by the Secretary of State's Office because it deals with the business portal.

Chair Parks:

I had concerns in regard to the Cities of Las Vegas and Henderson as well as Clark County, but they support the Proposed Amendment 9331.

SENATOR MANENDO MOVED TO AMEND AND DO PASS AS AMENDED A.B. 139.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now go to A.B. 408.

ASSEMBLY BILL 408 (1st Reprint): Revises provisions governing business impact statements prepared by state agencies and governing bodies of local governments. (BDR 18-416)

Mr. Guinan:

The work session document (Exhibit E) is for A.B. 408 sponsored by Assemblywoman Dina Neal, Assembly District No. 7.

Senator Spearman:

Sometimes we forget small businesses are really the engine of our economy. This bill makes everyone cognizant of whatever policy we put in place, we must consider the impact it will have on small businesses. These small businesses are usually the ones that are least likely to absorb new policies and continue to function. This bill goes a long way to improve sustainability.

SENATOR HAMMOND MOVED TO DO PASS A.B. 408.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

That concludes our work for today's meeting. We are adjourned at 2:47 p.m.

RESPECTFULLY SUBMITTED:

Martha Barnes,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	4		Attendance Roster
A.B. 31	C	1	Patrick Guinan	Work Session Document
A.B. 139	D	20	Patrick Guinan	Work Session Document
A.B. 408	E	1	Patrick Guinan	Work Session Document