

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

**Seventy-Eighth Session
February 27, 2015**

The Committee on Government Affairs was called to order by Chairman John Ellison at 9:07 a.m. on Friday, February 27, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 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 www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman John Ellison, Chairman
Assemblyman John Moore, Vice Chairman
Assemblywoman Victoria A. Dooling
Assemblyman Edgar Flores
Assemblywoman Amber Joiner
Assemblywoman Dina Neal
Assemblywoman Shelly M. Shelton
Assemblyman Stephen H. Silberkraus
Assemblywoman Ellen B. Spiegel
Assemblyman Lynn D. Stewart
Assemblyman Glenn E. Trowbridge
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblyman Richard Carrillo (excused)
Assemblyman Harvey J. Munford (excused)

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Eileen O'Grady, Committee Counsel
Aubrie Bates, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Caleb S. Cage, Director of Military and Veterans Policy, Office of the Governor
Tonja Brown, Board Member, Gold Star Families of Nevada National, Inc.

Chairman Ellison:

[Roll was called and rules and protocol were explained.] We will now open the work session for Assembly Bill 59.

Assembly Bill 59: Clarifies the authority and expands the jurisdiction of the Administrator of the State Public Works Division of the Department of Administration regarding leases for office rooms for state agencies, boards and commissions. (BDR 27-299)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 59 clarifies the authority and expands the jurisdiction of the Administrator of the State Public Works Division of the Department of Administration regarding leases for office rooms for state agencies, boards, and commissions. [Continued to read from work session document ([Exhibit C](#)).] It was sponsored by this Committee on behalf of the State Public Works Division. Assembly Bill 59 eliminates the exception for state-established boards and commissions from the oversight of the Administrator of the State Public Works Division and grants the Division jurisdiction over all buildings, grounds and property owned or leased by the state without exception. We did receive one amendment from Mr. Keith Lee on behalf of the Board of Medical Examiners. This amendment clarifies that boards and commissions do not fall under the authority of the State Public Works Division. It further clarifies that boards and commissions may continue to seek assistance from the State Public Works Division at their discretion or if they need their assistance.

Chairman Ellison:

Is there any discussion? [There was none.] Would anyone like to bring a motion?

ASSEMBLYMAN SILBERKRAUS MOVED TO AMEND AND DO
PASS ASSEMBLY BILL 59.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN CARRILLO AND
MUNFORD WERE ABSENT FOR THE VOTE.)

Chairman Ellison:

Assemblyman Silberkraus, will you please give the floor statement?

Assemblyman Silberkraus:

Yes.

Chairman Ellison:

We will now open the work session for Assembly Bill 62.

Assembly Bill 62: Revises certain provisions relating to veterans. (BDR 19-298)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 62 revises certain provisions relating to veterans. It was heard in this Committee on February 4, 2015. [Continued to read from work session document ([Exhibit D](#)).] Assembly Bill 62 makes various changes to statute regarding veterans. It creates "Veterans Day at the Legislature," creates veterans remains officers at the county level, and provides for the naming of state buildings and property constructed or acquired on or after July 1, 2015, after fallen Nevadan veterans. It revises provisions relating to preferences in state purchasing and public works for businesses owned by a veteran with a service-connected disability. It allows for the xeriscaping option at veterans cemeteries. It requires Nevada's Department of Veterans Services to provide statewide certain communities with a detailed legislative update following each legislative session. Finally, it requires state agencies serving veterans listed in Executive Order 2014-20 to provide the information listed in the order and annual report to the Interagency Council on Veterans Affairs. We did receive a rather lengthy amendment. I will defer to Caleb Cage.

Caleb S. Cage, Director of Military and Veterans Policy, Office of the Governor:

I will give an overview of the high-level items we are addressing through the amendment process, which is also outlined in the memo I have provided ([Exhibit E](#)). The first provision of this bill creates "Veterans Day at the Legislature." We made no changes to that section. The second section establishes procedures for handling the cremated remains of veterans at the county level. This replaced the language referring to "veterans remains

officers" and assigned that duty to the county coroner instead. We changed the language to the county agency responsible for interring remains of indigent persons. Based on the recommendations from this Committee, we changed the one-year time period for reporting from the county agency to the Department of Veterans Services upon their awareness of having the remains of a veteran to immediately. Other changes were made that this provision only applied to the remains of veterans who were indigent. We want to make sure that that is the case. We are not expanding this to all veterans to keep that within the duties and responsibilities of the county agencies handling the remains.

The next provision we have amendments for provides for the naming of state buildings and properties after fallen Nevada veterans. We wanted to make sure that this was based on conversations with the State Department of Conservation and Natural Resources. We want to make sure that these new structures or areas named after fallen Nevadans were created, built, constructed, leased, or purchased after the effective date of this bill. That was the intention. We wanted to add language to ensure that was the case going forward. We also changed the previous language, which was strictly for Iraq and Afghanistan veterans, to all fallen Nevadans as determined by the Nevada Veterans Services Commission.

The most significant changes to this bill were to the veterans preference language that was created in *Nevada Revised Statutes* (NRS) Chapters 333 and 338. In discussions with the Governor's Office of Economic Development, the state Purchasing Division, and State Public Works Division of the Department of Administration, we decided it was more complicating to remove this from the two agencies that currently provide this function and move it to the Governor's Office of Economic Development, though they were more than willing to take it on. We decided, instead of changing it over to another agency, to amend the current NRS statutes that provide for preferences in order to expand those areas. The memo I have provided ([Exhibit E](#)) also shows the two-tier expansions of the thresholds in NRS Chapter 333. A business owned by a veteran with a service-connected disability of any level can receive a 5 percent preference on any state purchasing bid proposal ranging from \$50,000 to \$250,000. That is tier one, just for an individual with a service-connected disability of any percent. A person who has a service-connected disability of 50 percent or greater can receive a 5 percent preference on bids from \$250,000 to \$500,000 within the state purchasing system. In NRS Chapter 338, we have established the same two-tiered system. A business owned by a veteran with any level of service-connected disability can receive a 5 percent preference on public works proposals under \$100,000. If the veterans have a 50 percent disability or greater, they can receive a 5 percent preference on public works bid proposals ranging from \$100,000 to

\$250,000. Although the values are different, they are still in the two-tiered structure.

We have removed language requiring each state agency to provide an announcement of each solicitation of award or contract because that was language for when this was going to be under the Governor's Office of Economic Development. We have added language to ensure that the preferences cannot be combined with other preferences. There was already similar language in NRS Chapter 338, but we have added that language to NRS Chapter 333 because the function reverted to NRS Chapters 333 and 338. We removed the provisions regarding tie breakers and maintained the requirement for a single-veteran ownership. That is something that we need to correct. I understand that the Chairman has some recommendations regarding that correction.

The next three sections allow for a xeriscaping option at veterans cemeteries. There are no changes to that. There is also no change to the requirement of the Department of Veterans Services to provide a detailed legislative report following each regular and special session. Finally, the bill requires state agencies listed in Executive Order 2014-20 to provide the information listed in that order. Language requiring data on workers' compensation from Department of Employment, Training and Rehabilitation (DETR), per their request, has been removed. We have added clarifying language for the section for the Department of Motor Vehicles. I would like to note that based on these changes, the fiscal notes originally associated with this bill as introduced have been removed.

I am happy to answer any questions.

Assemblyman Stewart:

Veterans will have the option of having desert landscaping over their graves. Is that correct?

Caleb Cage:

Yes, that is correct.

Assemblyman Stewart:

Would that result in a patchwork of grass and xeriscaping, or will there be separate sections?

Caleb Cage:

The intent is not to create a patchwork, but instead to create a separate section for xeriscaped graves so that they are not immediately next to grass-covered graves.

Assemblyman Stewart:

Senator Manendo was very concerned several sessions ago about having grass over the graves and making it look nice. This still provides for that with the additional option of xeriscaping.

Assemblywoman Spiegel:

I did not see the memo ([Exhibit E](#)) you mentioned. Will you please talk about the decision to change the threshold for the bidding preference? It seems that the lower threshold would help more service-disabled veterans than a higher threshold would.

Caleb Cage:

We had a conversation with the Purchasing Division about that. Based on their structure, the State Public Works Division has different bidding processes for the different levels of contracts they offer. The Purchasing Division has different numbers. Basically, if it is under \$50,000, then the agencies are handling them directly, and it is not coming through the Purchasing Division. The appropriate range for local businesses owned by veterans with a service-connected disability seemed to be \$50,000 to \$100,000, as it pertains to NRS Chapter 333.

Assemblywoman Spiegel:

That is great. However, it seems that in the amendment the threshold is going to go from \$50,000 to \$100,000, so any potential public works jobs between \$50,000 and \$100,000 would then no longer be eligible for bidding preference. Am I reading this incorrectly?

Caleb Cage:

I do believe you are reading that incorrectly. The amendment specifically states that jobs from \$50,000 to \$100,000 would be available with a 5 percent preference for all veterans with any level of service-connected disability. The range for state purchasing is \$50,000 to \$250,000. If they have a 50 percent disability, they would be eligible to compete with their preference for purchasing contracts from \$250,000 to \$500,000.

Assemblyman Moore:

I want to make sure that as many veterans as possible are eligible for the preferences. I want to make sure that it is not set at a higher bar. Am I reading it correctly?

Caleb Cage:

We have created a two-tiered structure. Currently, there is not a percentage of disability requirement. This expands the preference for state purchasing contracts from \$50,000 to \$250,000 for veterans with any service-connected disability. Then, if they have a service-connected disability of 50 percent or greater, they can also compete for contracts ranging from \$250,000 to \$500,000 with a 5 percent preference.

Assemblyman Moore:

What about the contracts that are less than \$250,000?

Caleb Cage:

The range for any service-connected disability is \$50,000 to \$250,000.

Assemblyman Moore:

What is the range for non-service-connected disability?

Caleb Cage:

There is not a provision in this bill for a non-service-connected disabled veteran.

Assemblyman Moore:

Would you be open to including that?

Caleb Cage:

I think we would have to talk to stakeholders and agencies who are implementing this. It would probably take another couple of weeks to bring it back to the table. I think there would be some resistance to doing that, as well. However, if that is what this Committee asks us to do, we will find a way to do it.

Assemblyman Trowbridge:

I will vote in support of this bill with the understanding that this preference would be in addition to any other preference that may be available for local bidders.

Caleb Cage:

Are you asking if this will be or will not be?

Assemblyman Trowbridge:

I am asking if it will be in addition to any current provision for local bidder preference.

Caleb Cage:

Based on remarks from the last meeting, we have added language to NRS Chapter 333 that says that these preferences cannot be used in addition to other preferences. *Nevada Revised Statutes* Chapter 338 already has that language.

Assemblyman Trowbridge:

That language has been vetted?

Caleb Cage:

Yes, it has.

Assemblywoman Neal:

You increased the threshold. What types of contracts would service-connected disabled veterans now be eligible for? I remember that some of the discussion regarded whether or not they could get contracts, the type of contracts they could get, and whether or not they can get the 5 percent.

Caleb Cage:

The preference in NRS Chapter 333 deals with commodities contracts, not with service contracts.

Assemblywoman Neal:

Will you please give me an example of a commodities contract?

Caleb Cage:

It does not apply to service contracts, so it would not be something like writing a strategic plan for an agency, providing reports, or those sorts of things. A commodities contract would be providing products. Kimberlee Tarter of the Purchasing Division gave me the example of providing something like soap for the soap dispensers in the Grant Sawyer State Office Building in Las Vegas.

Assemblywoman Neal:

It would be providing products, goods. Is that correct?

Caleb Cage:

Yes, that is correct.

Assemblywoman Neal:

How many contracts typically fall into the \$250,000 to \$500,000 category?
Is this beneficial or not?

Caleb Cage:

There is a reporting requirement in the bill that will give us that answer every six months following the passage of this bill. There are not many that exceed the \$500,000 value. There are some that go from \$250,000 to \$500,000. I believe Purchasing would agree that most of them fall within the \$50,000 to \$100,000 range.

Assemblywoman Neal:

Does section 15, subsection 1, paragraph (a) of the amendment ([Exhibit D](#)) pertain to service contracts?

Caleb Cage:

That amendment states, "A local business owned by a veteran with a service-connected disability submits a bid or proposal for a contract for which the estimated cost is more than \$50,000 but not more than \$250,000 and is a responsive and responsible bidder...." This is the section addressing NRS Chapter 333, so it pertains to commodities contracts, not service contracts.

Assemblywoman Neal:

Why are there two different thresholds for the same type of goods?

Caleb Cage:

There are two different thresholds for different levels of disability, not for the same type of goods.

Assemblywoman Neal:

It is the level of disability. Why did you strike out the language "and operated"?

Caleb Cage:

I believe that was legal staff providing cleanup language. I can certainly defer to legal counsel, who has provided this mock-up. I believe they are looking to strike redundancies.

Assemblywoman Neal:

It seems like it limits how it can be proven whether or not a business is owned by a veteran. The language "certified" and "and operated" has been eliminated, so does it just say "am" and "be"?

Caleb Cage:

Both the State Public Works Division and the Purchasing Division have affidavits and applications where people self-certify and provide additional paperwork to support their claims that they are service-connected disabled veteran owned businesses in order to compete with these preferences. One of the conversations we had with the Governor's Office of Economic Development is how the Office would implement this provision in the original conception of the bill. How would the Office implement it without having additional staff to ask those questions, which Purchasing and State Public Works already have?

Assemblywoman Neal:

That makes sense because they currently self-certify in other situations. I wanted clarification so that there would be an alignment and an explanation of the reasoning.

Chairman Ellison:

I would like to address the language regarding ownership. We met in my office and talked about the issue of 51 percent ownership of the business.

Caleb Cage:

Are you asking where we are with regard to 51 percent ownership of the business?

Chairman Ellison:

That is correct.

Caleb Cage:

It was my understanding that once the process was moved away from the Governor's Office of Economic Development, we did away with that conversation altogether. Legal staff pointed out to me that NRS 338 reads, "of which at least 51 percent of the ownership interest is held by one or more veterans with service-connected disabilities." I think that presents an issue because you get into a problem of adding up multiple service-connected disability percentages in order to achieve that 51 percent. That is not the intent of this. I am certainly open to any ideas on how to address this.

Chairman Ellison:

That was a very important issue we had discussed, and now we are back to where we were before. It is a great bill, and I would hate to vote against it because of one portion of it. I explained some of the issues regarding 1 percent ownership. Someone could hire several people at 1 percent ownership with different preference percentages, and soon they are adding up. I have

a problem with that. If we cannot figure that out, then I will be opposed to the bill. I would like to get that corrected.

Caleb Cage:

I think we could look at any sort of opportunity to fix the language that would address NRS 338.13841, with striking out "or more" and replace it with one veteran. I would defer to legal counsel to explain the implications of that change.

Chairman Ellison:

It could be multiple veterans to reach the 51 percent ownership. However, 1 percent ownership does not constitute ownership of a business. We will talk to legal counsel.

Eileen O'Grady, Committee Counsel:

The current statute states, "at least 51 percent held by one or more veterans." You could definitely change that to one or any number of veterans, if you would like.

Chairman Ellison:

I know that Assemblyman Moore also has some questions. We may need to talk about this more.

Assemblywoman Dooling:

Is there anything in the bill regarding the net worth of a company? I am concerned about veterans being awarded a contract they cannot handle. I am for the veterans; however, I do not want to see them fail because of their over exuberance. A company with a net worth of \$25,000 would not be able to take on a \$500,000 contract.

Caleb Cage:

The language that defined the valuation of the company was removed. However, that language said that it had to be under a certain amount, \$5 million. It sounds like your concern is going in the opposite direction. That is handled through the *Nevada Administrative Code* and the bidding process. When they look at the bids and ask if it is a responsive bidder that has the resources to perform this job, it is addressed then. We did not address it in NRS, because of that.

Assemblyman Silberkraus:

I would like to be involved in the conversations regarding the composition of the 51 percent ownership over which the Chairman expressed concern. I think there is danger in either situation, having either 51 people holding 1 percent or

requiring 1 person with 51 percent. You could have two veterans coming together in equal partnership both disqualified. I think there has to be some middle ground there. I would suggest language such as "51 percent must be owned by no more than." Something to the effect of that would be preferable. I would like to be involved in that discussion.

Assemblyman Stewart:

Somewhere in the language it says that the veterans must have been honorably discharged. Is that correct?

Caleb Cage:

I believe that it refers to NRS Chapter 417 for the definition of a veteran, which does require a discharge other than dishonorable.

Assemblyman Stewart:

Therefore, if they had a general discharge, they would still be eligible. Is that correct?

Caleb Cage:

Yes. As long as it was not a dishonorable discharge, which is the standard.

Assemblyman Silberkraus:

Would this provision pertain to a service member who was an active duty reservist and had not been discharged?

Caleb Cage:

Nevada Revised Statutes Chapter 417, which was changed during the last session, defines a veteran as a Nevadan, other than dishonorable discharge, who has enlisted, drafted, inducted or commissioned into military service, and has been assigned to active duty, or who has been with the National Guard or Reserve for six years without being activated. If they have been activated, they would automatically qualify. If they are reservists for six years, even if they have not been activated, they would still qualify as veterans in the state of Nevada.

Assemblyman Trowbridge:

When I was in the service, there were multiple types of discharges other than dishonorable. They had "convenience of the government" and "general discharge" and "undesirable," and the kiss of death, "dishonorable." There were some pretty unsavory characters who received undesirable discharges. They may have changed the rules so that there are only "honorable" and "dishonorable"; I do not know. However, if there is a variation of categories of discharge, I would like to know what the current rules are. I would prefer that it

require an honorable discharge rather than "other than dishonorable," because that would allow someone with an undesirable discharge to receive benefits. I do not think that was the intent.

Caleb Cage:

This is something we have wrestled with every session I have been involved with the Legislature. It is because it is a challenging issue. Dishonorable and honorable discharges are pretty clear cut, but everything in the middle is in the middle. You could have a person who has served honorably and has no stains against his or her record receive a general or medical discharge. Then you have a dishonorable, or other than honorable, discharge and appeal for the reinstatement of an honorable discharge. It is a very difficult grey area. The categories are changing; I do not believe undesirable discharge is around anymore. The others are. That is why when we wrote the legal definition of a veteran we surveyed other states in the region. We talked to the federal Department of Veterans Affairs, and they said the only clear cut way to do this was to say, "other than dishonorable." That has been our discussion to date. If you move it to say "only honorable," you will be excluding people who have general or medical discharge, or it could change over time.

Assemblyman Trowbridge:

We used to have "general convenience of the government." It has been given some thought. That is what I wanted to know.

Chairman Ellison:

We are going to temporarily close the work session for Assembly Bill 62 so that we can move on to the next bill. Then we will take a short recess and return to this bill afterward. We will now open the work session on Senate Bill 64.

Senate Bill 64: Revises the qualifications for the Chief Financial Officer of the Housing Division of the Department of Business and Industry. (BDR 18-372)

Jered McDonald, Committee Policy Analyst:

Senate Bill 64 revises the qualifications for the Chief Financial Officer (CFO) of the Housing Division of the Department of Business and Industry. It was heard in this Committee on February 24, 2015. [Continued to read from work session document ([Exhibit F](#)).] Senate Bill 64 revises the qualifications for the CFO of the Housing Division. The measure requires that in addition to having comprehensive knowledge of the principles and practices of public finance, the CFO must have either a license to practice as a certified public accountant issued by this state or another state or at least five years of responsible

experience in investment banking, general accounting, public finance, or a related field.

Chairman Ellison:

Are there any questions from the Committee? [There were none.] Can I get a motion from the Committee?

ASSEMBLYMAN TROWBRIDGE MOVED TO DO PASS
SENATE BILL 64.

ASSEMBLYMAN SILBERKRAUS SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN CARRILLO AND
MUNFORD WERE ABSENT FOR THE VOTE.)

Chairman Ellison:

We will now take a short recess [at 9:44 a.m.].

We will now call the meeting back to order [at 9:50 a.m.]. We will reopen the work session for Assembly Bill 62. Mr. Cage, please bring us up to date.

Assembly Bill 62: Revises certain provisions relating to veterans. (BDR 19-298)

Caleb S. Cage, Director of Military and Veterans Policy, Office of the Governor:

The issue of debate was the definition of a business owned by a veteran with a service-connected disability. Currently it says, "one or more." There was concern about how far that could go. We would like to recommend that the Committee consider adding language that would limit the number of veterans who own the business with a service-connected disability to five in order to address the concerns.

Assemblyman Trowbridge:

I have updated my knowledge of discharge conditions, and I have spoken with a representative of the Veterans of Foreign Wars. I am completely comfortable with the way it was presented, which would provide these benefits to any veteran who received other than a dishonorable discharge.

Chairman Ellison:

Are there any other questions from the Committee? [There were none.]
Is there a motion?

ASSEMBLYWOMAN SPIEGEL MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 62.

ASSEMBLYMAN SILBERKRAUS SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN CARRILLO AND
MUNFORD WERE ABSENT FOR THE VOTE.)

Chairman Ellison:

Assemblyman Stewart, will you please take the floor statement?

Assemblyman Stewart:

Yes, thank you.

Chairman Ellison:

Assemblyman Trowbridge, will you please take the floor statement for
Senate Bill 64?

Assemblyman Trowbridge:

Yes, sir. Thank you for the honor.

Chairman Ellison:

Is there any public comment?

Tonja Brown, Board Member, Gold Star Families of Nevada National, Inc.:

I am here today to represent the Gold Star Families of Nevada National. We really appreciate Assembly Bill 62 and Mr. Cage's efforts to bring it forward and get it passed. On behalf of Gold Star Families' founder, Roger Verala and the families, we want to thank you. Some know Roger Verala through his efforts such as the Gold Star license plate and the memorial wall on the Capitol grounds. He lost his son Alejandro Verala in 2005. Some of the concern with the family members was that when they passed away, who was going to remember their loved one who paid the ultimate sacrifice. They will live on. For that we thank you.

Chairman Ellison:

Thank you very much. I appreciate that. Is there any more public comment? [There was none.] We will close this meeting of the Assembly Committee on Government Affairs [at 9:54 a.m.].

RESPECTFULLY SUBMITTED:

Aubrie Bates
Committee Secretary

APPROVED BY:

Assemblyman John Ellison, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: February 27, 2015

Time of Meeting: 9:07 a.m.

Bill	Exhibit	Witness/ Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 59	C	Jered McDonald, Committee Policy Analyst	Work Session Document
A.B. 62	D	Jered McDonald, Committee Policy Analyst	Work Session Document
A.B. 62	E	Caleb Cage, Director of Military and Veterans Policy, Office of the Governor	Memorandum
S.B. 64	F	Jered McDonald, Committee Policy Analyst	Work Session Document