

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

**Seventy-Eighth Session
February 3, 2015**

The Committee on Government Affairs was called to order by Chairman John Ellison at 8:35 a.m. on Tuesday, February 3, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website: www.leg.state.nv.us/App/NELIS/REL/78th2015.

COMMITTEE MEMBERS PRESENT:

Assemblyman John Ellison, Chairman
Assemblyman John Moore, Vice Chairman
Assemblyman Richard Carrillo
Assemblywoman Victoria A. Dooling
Assemblyman Edgar Flores
Assemblywoman Amber Joiner
Assemblyman Harvey J. Munford
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:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Eileen O'Grady, Committee Counsel
Betty Jo Vonderheide, Personal Secretary
Judith Bishop, Committee Manager
Erin Barlow, Committee Secretary
Aubrie Bates, Committee Secretary
Lori McCleary, Committee Secretary
Jordan Neubauer, Committee Secretary
Cheryl Williams, Committee Assistant
Carl Henry, Proofreader

OTHERS PRESENT:

Gustavo Nuñez, P.E., Administrator, State Public Works Division,
Department of Administration
Chris Chimits, Deputy Administrator, Public Works - Professional Services
Section, State Public Works Division, Department of Administration
Thomas P. Federici, Deputy Administrator, Buildings and Grounds
Section, State Public Works Division, Department of Administration
Kelly Lafayette, Management Analyst 4, Leasing Services, Buildings and
Grounds Section, State Public Works Division, Department of
Administration
Carole Vilardo, representing Nevada Taxpayers Association
Michael D. Hillerby, representing Board for the Regulation of Liquefied
Petroleum Gas, Nevada State Board of Accountancy, and State
Board of Pharmacy
Keith L. Lee, representing Board of Medical Examiners
K. Neena Laxalt, representing Board of Veterinary Medical Examiners,
Board of Massage Therapists, and Board of Dispensing Opticians
Mendy Elliott, representing Chiropractic Physicians' Board of Nevada
Jeffrey M. Kintop, State Archivist, Division of State Library and Archives,
Department of Administration

Chairman Ellison:

[Roll was called. Committee rules and protocol were explained.] I would like to welcome everyone to the Assembly Committee on Government Affairs. I hope it will be an exciting year. If anyone has any questions, please come to my office. I would like to welcome everyone to the first meeting of the Committee, including those on the Internet. Please silence your cell phones. If you need to leave the room, please do so quietly.

This will be my third session on this Committee and my first session as Chairman. We have five returning members: Assemblyman Munford, Assemblywoman Neal, Assemblyman Stewart, Assemblywoman Spiegel, and Assemblywoman Woodbury.

We have one returning legislator, Assemblyman Carrillo, and this is his first session on Government Affairs. We have seven new freshman legislators: Assemblywoman Dooling; Assemblyman Flores; Assemblywoman Joiner; Assemblywoman Shelton, Assemblyman Silberkraus; Assemblyman Trowbridge; and our Vice Chairman, Assemblyman Moore.

I would like each of you to introduce yourselves, including the direction you would like the Committee to take, your experiences, and what you can bring to this Committee. We will begin with Assemblyman Moore.

Assemblyman Moore:

I have 24 years in the military, 15 years active duty. That is one reason I wanted to serve on the Assembly Committee on Government Affairs, primarily to deal with government issues and veteran issues. I believe I can bring a good understanding in that area.

Assemblyman Munford:

I represent Assembly District No. 6. This is my sixth session, and I will be termed out after this session. I do not know what my future has in store, but I have enjoyed serving on Government Affairs for every session I have been here.

I am looking forward to working with everyone on this Committee, especially the Chairman. We have always had a good relationship, and I know he will do an excellent job. I look forward to some exciting things happening in this Committee.

Assemblywoman Woodbury:

This is my fourth session and fourth session on Government Affairs. I am looking forward to being here again.

Assemblyman Stewart:

I am from Henderson, the second largest city in the state. Las Vegas is a suburb of Henderson, as most of you know. This is my fifth session and fifth term on Government Affairs. I would like the Chairman to know I visited Elko this summer. He would not answer his phone, so I could not visit him. We have a new room, a new Chairman, and it looks like we are going to have a great session.

Assemblyman Carrillo:

I represent Assembly District No. 18 in southern Nevada. This is my third term and first term on Government Affairs. I am looking forward to some interesting conversations.

Assemblywoman Joiner:

I represent Assembly District No. 24, and I was recently appointed to fill former Assemblyman Bobzien's seat. Although this is my first session as a legislator, it is my seventh session being in and around the process. I had the honor of being in Mr. McDonald's seat in 2007 as the Committee Policy Analyst for the Assembly Committee on Government Affairs, so I am thrilled to be on this Committee. Ever since then, the issues affecting state and local government have been of extreme interest to me. I most recently served as Deputy Director for the Department of Health and Human Services, which provided me with insight about how the Executive Branch works. I am excited to be here.

Assemblyman Flores:

I represent Assembly District No. 28, which is the northeast portion of Las Vegas. I am prepared to work long, hard hours. I am presently an attorney in Las Vegas. I practice immigration law and some personal injury, but primarily immigration law. I am very excited to work with everyone.

Assemblywoman Neal:

I represent Assembly District No. 7 in North Las Vegas. This is my third term. I served as Vice Chairwoman of Government Affairs last session. I graduated from law school and earned a law degree. Some of my expertise comes from being here since 2011 and being under the direction of Speaker Kirkpatrick last session.

Assemblywoman Dooling:

I represent Assembly District No. 41, which encompasses part of Las Vegas and part of Henderson. My background is corporate business. I am very excited to listen and learn from all my colleagues and all of you about government affairs. I am willing to do anything I can do to help.

Assemblyman Trowbridge:

I represent Assembly District No. 37, which is the west side of Las Vegas and includes a big portion of Sun City. I look forward to serving on the Government Affairs Committee and putting forth my 35 years of experience in local and county government to benefit the Government Affairs activities. I know what it is like to be on the receiving end of some of the laws that are passed. Hopefully, I can help make some sense out of them.

Assemblywoman Shelton:

I represent Assembly District No. 10. I am excited to be on Government Affairs because my district has many veterans. I am happy to be a voice for those people. My husband is also a veteran, so we have experienced some different scenarios throughout our lives. I am a small business owner and cannot wait to get started.

Assemblyman Silberkraus:

I represent Assembly District No. 29, the Green Valley and Henderson area. I am very excited to be here on the first day, and I am looking forward to getting to work.

Assemblywoman Spiegel:

I represent Assembly District No. 20, which is the north part of Green Valley and Henderson and up into Paradise and the Las Vegas area. This is my third term in the Assembly and my second term on Government Affairs. I am delighted to be back and continue the good work of this Committee.

Chairman Ellison:

I represent Assembly District No. 33, which stretches from the Idaho border, the Utah border to Elko, all the way to Caliente. If you ever want to get lost in Nevada, take that road. It is a large district. My experience includes eight years as a city councilman in Elko, two years on the planning commission, and ten years as a county commissioner. I have served on this Committee for two terms. With the broad experience on this Committee, I believe we will have a great Committee and get a lot done. There is a lot of experience here, and I am happy to get started.

I would like to introduce our Committee staff. Jered McDonald is our Committee Policy Analyst and has been with the Research Division of the Legislative Counsel Bureau (LCB) since 2012. He previously staffed the Senate Committee on Transportation and the Legislative Committee on Public Lands during the interim. Mr. McDonald has a master of science degree in resource and applied economics and a bachelor of science degree in environmental policy analysis from the University of Nevada, Reno.

Our Committee Counsel is Eileen O'Grady. Ms. O'Grady received a degree in political science from the University of California, Berkeley, and her juris doctorate from the University of California, Davis, School of Law. She began with the Legal Division of the Legislative Counsel Bureau in 1993 and is currently a Chief Deputy Legislative Counsel. Prior to working for the LCB, she served as a clerk for Nevada Supreme Court Justice John Mowbray.

I would like to introduce Judith Bishop. Ms. Bishop is Committee Manager of the Assembly Committee on Government Affairs. She was a Committee Manager in 2013 for the Assembly Committee on Taxation. She was also the personal attaché to Assemblywoman Bustamante Adams. She worked four previous sessions from 1989 to 1995, which included working with former Lieutenant Governor Sue Wagner. She has prior experience as a professional legal secretary, as well as in economic development. She retired from the Northern Nevada Development Authority in December 2012.

Erin Barlow is a Committee Secretary to the Assembly Committee on Government Affairs. She is a native of southern Nevada. She recently graduated from Northern Arizona University with a bachelor of arts degree in English and a minor in music.

Aubrie Bates, no relation to Norman, is a first-time Committee Secretary for the Assembly Committee on Government Affairs. She recently graduated from the University of Puget Sound in Tacoma, Washington, with a bachelor of arts degree in international political economy. While attending school, she worked as an English, Spanish, and math tutor.

Lori McCleary is a Committee Secretary for the Assembly Committee on Government Affairs. She retired from the Department of Taxation in 2011 after 32 years in state government. She has over 25 years of experience in medical transcription.

Jordan Neubauer is a Committee Secretary for the Assembly Committee on Government Affairs. She has a bachelor's degree in criminal justice and experience working for both federal and state government.

Cheryl Williams is the Committee Assistant for the Assembly Committee on Government Affairs. She is a Native and a native Nevadan. Her people are from Pyramid Lake. She was raised in Reno. This is her fifth session with Government Affairs.

Last but not least is Betty Jo Vonderheide, who was pulled kicking and screaming out of retirement to be my attaché. Her family is from Tonopah, Nevada, and they moved to Carson City, where she was raised. Betty Jo graduated from the University of Nevada, Reno. She worked for the Washoe County District Attorney's Office and Washoe County District Court. She was also Chief Deputy County Clerk of Washoe County and was the Rural Director and District Director for Congressman Gibbons.

Our first order of business is adoption of the Committee policies which are before you ([Exhibit C](#)). I hope you all had time to read these. These policies consist of Assembly rules and contain a few policies which are unique for Government Affairs and which will be useful in making the Committee more efficient. Please familiarize yourselves with the Assembly rules, which were adopted on the floor on Monday. Are there any questions regarding the Committee policies? [There were none.] I will entertain a motion to adopt the Committee policies.

ASSEMBLYMAN MUNFORD MOVED TO ADOPT THE COMMITTEE POLICIES.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairman Ellison:

Our Committee Policy Analyst, Jered McDonald, will present the Committee Brief ([Exhibit D](#)).

Jered McDonald, Committee Policy Analyst:

I am with the LCB's Research Division. You should all have the Committee Brief ([Exhibit D](#)) in front of you. There are also some copies available for the public, and it is on the Nevada Electronic Legislative Information System (NELIS) for those watching over the Internet.

The Committee Brief is designed to give you some background in jurisdiction and information on workload for this Committee in particular. It also provides some resources I hope you will find useful throughout the session. The brief begins on page 1 with an introduction, which we just ran through. I do want to highlight that I will be receiving additional assistance from a secretary in the Research Division, Gayle Nadeau, who will be making sure all my work looks halfway decent.

I know you have all heard about the committee deadlines. I do want to point out a couple that are important to committees. The first one is April 10, 2015, which is committee passage in the first house. The other date is May 15, 2015, which is committee passage in the second house. These two dates are important because if a bill does not get out of committee by these dates, for the most part, it will not be going forward.

The Assembly Committee on Government Affairs is scheduled to meet five days a week [page 2, ([Exhibit D](#))]. That gives us about 50 meetings before the first

committee passage on April 10, 2015. If we have a workload similar to last session, we will need to hear two or three bills per meeting on average before that date to get through all of our work. Between the first house passage and the second committee passage date, we will have about 28 meetings. Again, we will need to hear about three bills per meeting to get through our workload, if it is similar to last session.

Regarding jurisdiction, this Committee generally has jurisdiction over a wide range of issues affecting state and local government. In past sessions, the Assembly Committee on Government Affairs has heard bills relating to state executive departments, public records and Open Meeting Law, cities, counties, cooperative agreements, and housing authorities. I have a long list you can review, but I would also like to point out that this Committee hears many bills on military and veterans' affairs. We should be getting some water bills in this Committee this session, as well.

During the last session, this Committee received 120 bills. Seventy-eight of those measures were passed out of both houses and went to the Governor. Of the 1,052 total bills last session, 11.4 percent came to this Committee. This is one of the busier committees in the Legislature.

To review any of the legislation from previous sessions, I would recommend looking at the Summary of Legislation provided by the Research Division. You can get a copy of that online at the link provided [page 3, ([Exhibit D](#))] or you can contact us directly. This is a great resource to quickly go through the bills from previous sessions.

We did have one vetoed bill from last session, Assembly Bill No. 218 of the 77th Session. The Governor vetoed that bill six days after sine die, and it has been sent back for review. Had that bill not been vetoed, it would have defined "bona fide fringe benefit" for the purpose of state laws applicable to public works projects. That bill was actually placed on the Chief Clerk's desk, where I am guessing it will remain for the rest of the session. At the end of session, it will essentially be dead.

We also have 22 prefiled bills, which we will get started on today. There are 29 prefiled bills in the Senate Committee on Government Affairs. If you look at pages 11, 12, and 13 ([Exhibit D](#)), you can peruse some of the topics that we will be seeing this session.

Lastly, we did a quick review of the Bill Draft Request List, which are bills that have not come out yet. Some of the hot topics on bills you will be seeing relate

to city charters, collective bargaining, prevailing wage, public works, purchasing, state financial administration, Open Meeting Law, and many others.

For a background on these issues and other issues, I would recommend looking at the policy and program reports prepared by the Research Division. Those are available online, or you can ask us for copies, and we can make those available to you. There is a brief list available [page 4, ([Exhibit D](#))] for your convenience.

I would like to point out pages 5 and 6, which may be a useful resource for you. When we go through session, you will see many bills that reference cities and counties, but it will not reference them by name. It will reference them by size. If you are wondering exactly which cities and counties fall within these ranges, this is a quick, handy guide to help you figure out exactly who is going to be affected.

On page 7 there is a list of contact information. You may want your attaché to be familiar with this. If you need to contact any of those listed for questions or issues, this will provide you their contact information. We have contacts for state governments, some of the associations who will be before you this session, planning entities, and water entities. If you need assistance tracking down anyone, please give us a call, and we will help you find them.

The mission of the Research Division is to serve you in a professional and nonpartisan manner by providing useful, accurate, and timely information. The Research Division is available to provide assistance on any issue related to the matters that come before this Committee. Additionally, the Research Division provides information to you on a confidential basis on any topic that comes before you. If you have any questions or want some policy research or some historical background on any of the bills, please give us a call and we would be happy to help.

The Research Division is located across the street on the first floor of the Sedway Office Building. We also have an office on the first floor of the Legislative Building in Room 1122.

In conclusion, I am excited to be working on this Committee, and I think we are going to have a great session. I look forward to working with you all.

Chairman Ellison:

Are there any questions from the Committee? [There were none.]

Mr. McDonald, how many total bills do you anticipate coming before this Committee?

Jered McDonald:

We have to estimate based on what we have seen in the past. Last session we had 120 bills, which is lower than previous sessions. There will be a lot of bills related to the hot topics, and I think we may actually see more than 120 bills going into this session.

Chairman Ellison:

The question has been asked as to why we have moved the meetings to Room 4100. We are going to be going back and forth between the two committee rooms. We will use this room as much as we can. There are going to be some bills before this Committee where the room will be packed. I know during the last session, people were standing out in the hallway because there were not enough chairs in Room 3143. Using this room will make it more comfortable and easier to access the witness table.

First on the agenda is a presentation from one of our state agencies. As a reminder to those testifying today, please sign in by the table at the door and give the committee secretary your business card prior to testifying. If you are not testifying, you may want to sign in so there is a record of who is interested in a particular bill in case we need to contact you later. Please provide 20 copies of any handouts to the committee secretary prior to the testimony. Finally, when testifying, please turn on your microphone when speaking. If it gets warm and you want to remove your jackets, please do so. If you need to leave for any reason, please feel free to do so. We want everyone to feel comfortable, but we want to get a lot of work done. One of the things we are going to try to do is have a work session every Friday. If we get something we can turn out right away, we are going to do that. We are not going to let these bills sit on a desk. We are going to get them to the Assembly floor as fast as we can. I have the best staff in the building, so I know we can get these things done.

We first have a presentation from the State Public Works Division.

Gustavo Nuñez, P.E., Administrator, State Public Works Division, Department of Administration:

With me today are three colleagues from the State Public Works Division. They will all be assisting me with the presentation ([Exhibit E](#)).

The State Public Works Division was created by the Legislature under *Nevada Revised Statutes* (NRS) Chapter 341. [Mr. Nuñez continued reading from prepared text ([Exhibit F](#)).]

At this point, Mr. Chimits will proceed with the presentation of the Professional Services Section of the Public Works Division.

Chris Chimits, Deputy Administrator, Public Works - Professional Services Section, State Public Works Division, Department of Administration:

Before I begin, I would like to thank Chairman Ellison for the opportunity you gave each of your Committee members and staff to introduce themselves. I have not seen that before. It feels like we get to know each of you a little better, and it makes it easier to present.

One of the central reasons why this portion of the State Public Works Division even exists is to manage the Capital Improvement Program (CIP) and to develop the CIP [page 7, ([Exhibit E](#))]. It starts with receiving agency requests for projects. Once we do that, our staff of architects and engineers visit the site and begin to execute their due diligence. They visit the site, they visit the building where the project is being requested, and they conduct interviews with the staff and the people who requested the project. Once this is complete, it solidifies the scope of work for the project. They will then do a project and construction cost estimate for what is being asked.

Once that is complete for each request—out of what appears in the CIP book, there is probably four times that amount that actually gets requested—we have a jury-by-peers process to ensure project accuracy once we have all of our due diligence complete in the field. When we complete that, we invite the management of each agency to our office to review the projects. This accomplishes three things. First, for them, it gets their management completely familiar with all of the projects they have requested. It also does the same for our management. We have a chance to review each project that our project manager has developed. As Mr. Nuñez mentioned earlier, one of the things that is important to us is to develop consensus. This process also goes toward developing consensus between the agencies and ourselves on each project.

Once that is complete, each agency appears before the State Public Works Board to present their projects and the need for their project. Mr. Nuñez will then make his recommendation with prioritizations. Once that is complete, our board will reconvene at another meeting to review his recommendation, to provide input and direction, and then make their board recommendation. We then forward that recommendation to the Governor by October 1. At that point, we are there to support the Governor with any decisions, changes, additions, or subtractions he may make. When that is complete, we are there to support each of the projects as they make their way through the legislative process.

Good project management is the keystone of implementing the CIP. What you see on page 8 ([Exhibit E](#)) is the project manager's general task list. It contains

143 steps to manage a project from inception to completion. It keeps us in line with the statutes, NRS Chapter 341 and NRS Chapter 338, as well as the approved scope and budget that you approve through the legislative process. The task list starts with the selection of architects and engineers. It finishes with an issued notice of completion after all the construction and other items are completed. This is one of the tools we use to ensure consistency among each of our staff members. We have many project managers. One of the things we strive to pursue year after year is consistency and predictability. We have found both of those add value to managing projects for architects, contractors, and people who are associated with us.

Another aspect of project management that we are involved with is complying with other state agencies [page 9, ([Exhibit E](#))] and their statutes or requirements. These include the State Fire Marshal; the Department of Business and Industry, which includes the Occupational Safety and Health Administration (OSHA), who are involved whenever the project includes an elevator or a mechanical room; and the Department of Health and Human Services, which includes the Division of Public and Behavioral Health and the Bureau of Licensure and Certification, who are involved whenever we do a commercial kitchen or build a hospital. We also coordinate with the Division of Environmental Protection and the Division of State Lands of the State Department of Conservation and Natural Resources.

The current statutes allow us three different construction delivery methods [page 10, ([Exhibit E](#))]. These include the design-bid-build, which is the traditional delivery method; design-build, where the contractor takes the lead; and construction management at risk. I will tell you, we really put some energy into developing criteria for determining the delivery method which is best suited for each project and will yield the best result.

We also have a Facility Condition Analysis Program [page 11, ([Exhibit E](#))]. Our team inspects all state buildings and develops and documents any necessary repairs, including safety issues. They provide a prioritized database of recommended projects which is utilized for agency CIPs and maintenance budget requests. We create and maintain a building inventory, as well as an estimate of facility replacement costs. The team provides information for facility planning and provides maintenance education for facility managers for each of the state agencies. In completing this process, we fulfill our statutory requirements to inspect and assess state buildings.

Another part of the State Public Works Division is our state building official [page 12, ([Exhibit E](#))]. We also have an inspection force, which is utilized for State Public Works projects that are constructed on state lands. This

department conducts plan checks. When plans are submitted from architects, they plan-check them against the codes and issue a building permit to the contractor, once they are assured the plans are complete and comply with codes. During the course of construction, they also provide code inspections. When necessary, they will issue corrective notices to the contractor. Once construction is complete, our state building official issues a certificate of occupancy, which allows the using agency to take their new building and use it.

Thomas P. Federici, Deputy Administrator, Buildings and Grounds Section, State Public Works Division, Department of Administration:

The Buildings and Grounds Section merged into the State Public Works Division after the 2011 Legislative Session and operates under the requirements of NRS Chapter 331. [Mr. Federici continued reading from prepared text ([Exhibit G](#)). Slides discussed in the written text are pages 14 through 22 ([Exhibit E](#)).]

Kelly Lafayette, Management Analyst 4, Leasing Services, Buildings and Grounds Section, State Public Works Division, Department of Administration:

The mission of Leasing Services is to identify state agency property requirements when there is no property available on state lands for occupancy. To identify this, we find private property for the facility to accommodate each agency's specialized requirements. Specifically, NRS 331.110 governs our department's operations [page 23, ([Exhibit E](#))].

Our team has a unique level of expertise, knowledge, and networking ability to balance both fiscal reasonableness for the state, which is indeed a mandate of the NRS, as well as each agency's specialized requirements. Prior to submission to the State Board of Examiners, which is inclusive of the Governor, the Attorney General, and the Secretary of State, we strive to provide a quality product reflective of accuracy, sound reasonable value for the state, and required approval authority.

I would like to go over a few of our functions [page 24, ([Exhibit E](#))]. We begin by locating property based upon each specific need, which vary across the different state agencies. We negotiate lease renewals, and typically we advocate on behalf of each agency should they have any unresolved issues. In addition, we also negotiate and manage tenant improvements. We establish standards of care and occupancy. We accomplish all of this at a sizeable cost benefit to the state.

I would like to go over some statistics regarding our department [page 25, ([Exhibit E](#))]. Leasing Services currently oversees 305 leases located

throughout the state of Nevada. The majority of those leases are in major metropolitan areas, but we also accommodate many of our rural needs, as payments for Fiscal Year 2015. The 305 leases represent all state agencies, inclusive of boards and commissions. The only exceptions we have for negotiating leases are the Supreme Court of Nevada, the Nevada Legislature, and the Nevada System of Higher Education (NSHE).

It is our sincere effort to provide the very best customer service that we can for each agency, while we negotiate for and meet their specialized needs within a reasonable timeframe. In addition to accommodating all of these needs, we also manage and publish the state's database for our entire leasing inventory.

Gus Nuñez:

That concludes our presentation. Unless there are any questions, we are ready to move on to Assembly Bill 59.

Chairman Ellison:

Are there any questions from the Committee?

Assemblyman Stewart:

Mr. Nuñez, as I have driven down Carson Street past the Capitol Building over these last eight years, I noticed in the spring and summer it is almost impossible to see the Capitol because of the huge forest of trees in front of the building. Is there any plan to thin out those trees so people can actually see the beauty of the Capitol Building?

Gus Nuñez:

This is the first time that has been brought to my attention. We will get together with the Office of the Governor and point that out. Anything we do on the Capitol grounds needs to be cleared through the Office of Historic Preservation of the State Department of Conservation and Natural Resources. We will consult with them and discuss your comments.

Assemblywoman Neal:

Ms. Lafayette, could you explain why the Supreme Court, the Legislature, and NSHE are exempt from the statutes regarding leases?

Kelly Lafayette:

The NRS mandates, at this point, that they are exempt from control of leasing services. As to what the original methodology was for determining that, I am not aware.

Assemblywoman Neal:

You cited NRS 331.110 and the word used in the statute in subsection 1 is "may," not "shall," lease and equip office rooms.

Kelly Lafayette:

I do not know at this point. I do not have the statute in front of me to know whether it is "may" or "shall."

Chairman Ellison:

Are there any further questions? [There were none.]

Gus Nuñez:

Assemblywoman Neal, we will be covering the "may" and "shall" in just a moment. If there are no more questions, would you like me to proceed to Assembly Bill 59?

Chairman Ellison:

I will open the hearing 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)

Gustavo Nuñez, P.E., Administrator, State Public Works Division, Department of Administration:

Assembly Bill 59 is primarily a clean-up bill. First, the bill clarifies the Administrator's authority to oversee leases, including leases for boards and commissions. [Mr. Nuñez continued reading from prepared text ([Exhibit H](#)).]

Chairman Ellison:

Are there any questions from the Committee?

Assemblyman Carrillo:

How many state-established boards currently own or lease property?

Gus Nuñez:

I cannot give you the number of boards.

Assemblyman Carrillo:

Is that something you could get for me?

Gus Nuñez:

Yes. I can get you the name of all the boards, where they are leasing, and for how much they are leasing.

Assemblyman Carrillo:

I would appreciate that information. Who currently has jurisdiction over these buildings and/or property?

Gus Nuñez:

With respect to leased buildings, that is a contractual arrangement between the state and the owner of the building. They are the lessor and we are the lessee. The use of the building is identified within the lease agreement. Jurisdiction for negotiating the leases falls under *Nevada Revised Statutes* (NRS) Chapter 331. Jurisdiction over any tenant improvements that need to be done to the building falls to the local building department and the landlords or owners. We do not make improvements to someone else's property. We negotiate with the landlord, then it is the landlord's responsibility to get a contractor, get the required local building permits, and then perform the construction as negotiated between the state and the lessor.

Assemblyman Carrillo:

What about the exempted boards?

Gus Nuñez:

We believe it was the intent of the 2011 Legislature to include boards and commissions to fall under the jurisdiction of NRS Chapter 331 with the passage of Assembly Bill No. 404 of the 76th Session. We would treat them like we treat anyone else.

Assemblywoman Neal:

I am a history buff, and I was looking into the legislative history. We have had this particular statute in place, and other bills dealt with this in 2001, 2003, 2005, and 2013. Why do we want the exemption removed now? What is the public policy behind this? You have had an opportunity to open this door before, so why now?

Gus Nuñez:

As the program was expanded, additional state agencies, boards, and commissions came under the oversight of NRS Chapter 331, and these inconsistencies have been brought to our attention since the 2011 Legislative Session. When those inconsistencies were pointed out to us, we went back to look at the record. We looked at the amendment, the intent of the amendment, and we read the minutes of this Committee's discussion at that

time. It was clear to us that the intent was to bring them under the umbrella of NRS Chapter 331. Again, that is a policy decision. Our job is to implement the law in accordance with the law and the intent of the Legislature.

Assemblywoman Neal:

I was not clear on the intent. I was reading everything, going back to look at the minutes, and no one actually spoke to the intent of NRS 331.110. They were talking about everything else except that. That is why I need clarification on when the intent was stated in the minutes and when did anyone ever address it. I will just go to my second question. Section 2, subsection 2, paragraph (c) on line 38 of page 2, states, "Any regulations adopted pursuant to or in accordance with NRS 341.110." Under NRS Chapter 341, it gives you the power or the jurisdiction to do any recommendations as considered necessary to carry out any of your duties. It is a carte blanche authority where at least there was some oversight. Walk me through why that wide chasm of authority is needed and what you plan on doing with that authority. I saw the presentation and know you do good work, but why do we need this carte blanche authority? That subsection gives you "super" expanded authority.

Gus Nuñez:

Currently, we have authority in NRS Chapter 341, which governs the State Public Works Division, to adopt regulations, which then becomes part of the *Nevada Administrative Code* (NAC). All of that goes through a public hearing process and required workshops, then it goes through a hearing in one of the subcommittees of the Legislature. That subcommittee has to approve it. Upon that approval, those regulations are then recorded with the Office of the Secretary of State and become part of the NAC. They do go through a process. We do not get to adopt policies on our own. The need for having the regulation process, in addition to the statutes, is there are times when you enforce the statutes on the books, but the statutes do not give you step-by-step details as to how that process is to happen.

I think the NAC, through the regulation process, gives us the ability to define those steps we feel are appropriate for the administration of these laws. We then get legislative review to make sure it does meet the intent of the NRS before it becomes part of the NAC. All we are asking for here is to have the ability to do that. Under NRS Chapter 341, we already have the ability, but we do not have the ability to do that under NRS Chapter 331. There are times when we have had to implement a variety of policies to administer this law. In our opinion, some of these would work better if it were defined in the NAC. This would go through a public hearing process so everyone would know what is required and everyone would have input, there would be legislative review, and then it could become part of the NAC where everyone can look it up and

see the exact process in order to effectuate a lease. Instead of leaving it up to the agency to process leases, it would add a certain level of consistency, and we could advise everyone how it is done in detail, because it is not completely clear in the NRS.

Assemblywoman Neal:

Basically, the process is tying your hands and you need more flexibility to define and create regulations or rules so you can do your job without having to come back to the Legislature to ask for authority. It goes back to my first question. Why did the Legislature want to keep oversight? Why are we now reducing that oversight? I hear what you are saying, but how many other agencies have the authority to do what you are asking for, to create what they need without coming back and asking us?

Gus Nuñez:

Real estate expertise to negotiate and administer these leases currently exists in Leasing Services, Buildings and Grounds Section, State Public Works Division, Department of Administration. Having these services provided under the oversight of folks that have experience in real estate, leases, and issues with respect to leases, and then standardizing that process throughout the state is something the Legislature reviewed. As a matter of fact, the additional agencies that were brought into the oversight under NRS Chapter 331 was a recommendation from the Nevada Spending and Government Efficiency (SAGE) Commission. They felt that expertise was available at Public Works and those services should be centralized. During the 2011 Session, they added additional legislation to bring others who were doing similar work in the state under the purview of NRS Chapter 331. The Legislature then saw fit to do that. That is some of the history behind why this is in Public Works now. They felt it needed to be centralized with expertise in that area in order to do this type of business and get the best results for the state.

Assemblyman Stewart:

I am interested in the lease issues. During the recession, and even today, Clark County has many vacant buildings due to businesses failing. I know the Clark County School District got a great deal on an administrative building. Private schools have also gotten good deals on renting or even buying buildings that have been vacant for long periods of time. Do you periodically review these leases to see if there is something better? Do you check for vacant buildings that you could lease or even buy? Can you expand on that for me?

Gus Nuñez:

One of our performance measures for Leasing Services is to report the savings obtained by the negotiated leases compared to market on a yearly basis. When

I say market, it is not the advertising market but the actual negotiated amounts for leases that the private sector is using on a daily basis. We compare market to what we are negotiating and then we report the savings between those. In the last few fiscal years, we have been able to show a savings of approximately \$5 million per year from the commercial lease rate versus what we are negotiating the leases for. As you saw in the presentation, we lease about 1.8 million square feet of space. Not too many businesses lease that much, and the state always pays its bills. We should be able to negotiate better rates than you see in the market, and we do. It is one of our performance measures. When the economy was in a downturn, the Governor asked Leasing Services for help. He wanted them to renegotiate the leases. We had signed leases that the landlords could enforce, but we went back to the landlords and negotiated tremendous reductions in the leases that we had at the time. I cannot quote the millions of dollars that were saved through those negotiations. Leasing Services was very effective in renegotiating existing leases to bring the rates down.

Assemblyman Stewart:

Do you have any examples of where you terminated one lease and then leased a vacant building? Do you have any examples of where you were able to get a different building, or you had two leases so you leased a bigger building to put them together in order to save money?

Gus Nuñez:

We can report on the savings that we received as compared to the market rate. We track and report that information on a yearly basis. Agencies have a variety of needs. Many agencies have to be located in certain ZIP codes, such as welfare offices. We need to be able to locate them in an area where they need to be. That is one example. Other agencies have other needs as to where they need to be located. Based on all of those needs, we look around to see what is available. We bring what we feel is in the best interest of the state to the attention of the agency. We have the agency look at that and give us some feedback. We then come down to the final selection and start negotiating with that particular owner. We do not track whether that building was vacant or not. We try to find the best rate that we can which meets the needs of that particular agency based upon what is available at the time.

Assemblyman Munford:

Do you have anything to do with the Department of Corrections? I think there is a building located in the Las Vegas area that was at one time used for a youth training facility. It was located near the women's correctional facility. The building was abandoned and no one is occupying it. Do you deal with that in any way?

Gus Nuñez:

The only facility I am aware of in that area is actually operated by the Department of Health and Human Services and is called Summit View Correctional Facility. It was shut down for a while, but it is being reopened and is going to be utilized. I cannot give you any additional details at this time because we do not oversee that property.

Assemblyman Munford:

You have nothing to do with the Department of Corrections?

Gus Nuñez:

No, we do not. The Department of Corrections manages and maintains their own prisons and buildings. They do lease two buildings that are assigned to Public Works at the Stewart Facility in Carson City for their administrative offices. They are currently paying the Buildings and Grounds rate, which is about 95 cents per square foot.

Assemblyman Trowbridge:

As a follow-up to Assemblyman Carrillo's question, I see this as a transfer of workload and centralization of some of the current leasing functions. Some of the leasing going on is done by the boards, which have previously been exempted. In addition to what you have already been asked for by my colleague, I would like to see the number, type, and cost of the leased buildings. What we are really doing is centralizing activities. Most of the time, centralizing activities results in some cost savings. Sometimes it just creates a large bureaucracy. I would like to know who does the leasing on behalf of those boards because it is going to result in a transfer of responsibility. I am sure you are not going to be able to absorb the additional workload. Next year you will be back asking for three additional employees because of this extra workload. If we identify who is responsible for the workload on the boards, that may lead us to make a decision regarding where the positions are authorized. To be totally fair, I would also hope that you let the boards impacted by this particular bill know of its existence and afford them the opportunity to respond as to how it may impact their operation.

Gus Nuñez:

We can provide the information regarding the number of boards that lease a separate facility. This function is funded by what we call a lease assessment. The cost of running this function is distributed and currently based on the dollar amount of the lease. We can give you the exact amount of the cost to the board for negotiating and managing the leases throughout the term.

Assemblyman Trowbridge:

You are giving me more information than you really want me to have at this time. My initial reaction is to say if Board A is leasing this piece of property for \$10 per square foot, and then it comes through your agency for \$10 per square foot but you also have to assess the board a 12 percent management fee, it would not have been a good move for us to authorize it. I want to know from the boards how it is going to impact them. If a department head or a board director is spending two months every three years negotiating a new lease, and because they do not know what they are doing, they are either not getting the best deal or spending much more time doing it than if one of your real estate agents was doing it, that would save you money.

Gus Nuñez:

I understand. Our current fee for this biennium is seven-tenths of one percent.

Assemblyman Trowbridge:

It sounds pretty cost-effective.

Assemblywoman Joiner:

My question is a follow-up to Assemblyman Trowbridge's question. I was looking for practical examples of how leasing currently works with the boards. How would being under Public Works improve things? I would like examples of why this is a problem. The reason I bring this up is because I looked at the list of boards it affects, and there is a wide range, including architects, court reporters, and health boards. If there is not a problem, why are we fixing it? I am also worried about the capacity of your office to undertake this. I worry about timing issues. Will this delay things for them? Any real-world examples you have in that way would be helpful to me.

Gus Nuñez:

Not only have the discrepancies been brought to our attention, but we also have some boards that are coming to us because they feel that is the intent of the law. Another board has said there are some issues here, and they want to continue doing it the way they have always done it. We felt if the intent of the Legislature is to have us do that work, then I think we need to clarify the law so it is consistent. Some folks are interpreting it one way and others are interpreting it another way. We want to clarify what we feel is the intent of the Legislature. In 2011, former Assemblyman Ocegüera introduced the amendment to Assembly Bill No. 404 of the 76th Session. At that time, the original bill completely excluded boards and commissions, but the amendment included them. I do not know exactly why Assemblyman Ocegüera offered the amendment to include the boards and commissions. I can tell you that is what the legislative history shows.

Assemblywoman Joiner:

If I understand section 1 of the bill, removing the exemption would automatically throw all of the boards into your process. Is it an option if a board asked to be under your purview? Have you considered that? To me, the language seems to imply they would all go under your purview.

Gus Nuñez:

That is correct. We felt the amendment offered by Assemblyman Ocegueda meant it was the intent of the Legislature to include boards and commissions, since Assembly Bill No. 404 of the 76th Session was passed as amended. All this bill does is clarify that.

Assemblywoman Spiegel:

On page 25 of the presentation ([Exhibit E](#)), it says the 305 leases include all state agencies, boards, and commissions, with the exception of the Nevada System of Higher Education, the Supreme Court, and the Legislature. I know there have been questions asked about the agencies, boards, and commissions. It would appear that this bill, if passed, would be taking functions from two other branches of government, namely the Legislative Branch and the Judicial Branch, and giving them over to the Executive Branch. I was wondering if that is a separation of powers issue or if that is something that had been thought about, discussed, and vetted.

Gus Nuñez:

I believe the Nevada Supreme Court and the Legislature are still exempt under this proposed bill.

Assemblywoman Spiegel:

Is it your intent that the other branches of government would still be exempt?

Gus Nuñez:

Yes.

Chairman Ellison:

There are some good questions being asked. Do you have any other comments, Mr. Nuñez?

Gus Nuñez:

No.

Chairman Ellison:

Is there anyone wishing to speak in support of the bill?

Carole Vilardo, representing Nevada Taxpayers Association:

I do support the clarification of this bill. The interesting part of what has occurred in boards and commissions is that former Governor Gibbons appointed the SAGE Commission, and I was appointed to that Commission. Subsequently, I was the chair of the subset of the Commission on specific recommendations. This was a 21-person committee, which included members with expertise in real estate. One of the things we delved into, because of the cost and the efficiencies that might be achieved, was the fact that a number of issues had arisen relative to a cost component and trying to streamline and make things more efficient. One of the recommendations submitted to the Governor was the fact that all state-leased buildings should, in fact, come under the purview of Buildings and Grounds. At that point, Buildings and Grounds was not part of the Public Works Division, but truthfully, I see no distinction at this point in separating that.

I think there were great questions from the Committee and there are probably some issues that need to be resolved. We met for 15 months and did some extensive research into not only this area, but also the recommendations that ultimately came forth from the SAGE Commission. One of the things we did find was the fact that in some cases, boards and agencies did not have the expertise, as Assemblyman Trowbridge alluded. Because of changes to state agencies under the purview of Buildings and Grounds and those leases, there were instances where their mission or requirements of the agency changed. You could have a lease that would still be outstanding, and you could have vacant space where you had a board or agency that could have been moved into that space if you had been able to coordinate it.

Many of the boards, agencies, and commissions are fee-supported. Any of the costs incurred are rolled into whatever the fee is that the person who is regulated by that board, agency, or commission has to pay. In the overall scheme of things, we felt having everything under one umbrella would enable maneuverability and provide the expertise needed. The people who testified before us are extremely professional. Because we had a number of related issues like this, the real estate agents took the report Mr. Nuñez was talking about relative to market rates and looked at every lease. I believe the minutes of our committee are filed with the Division of State Library and Archives, Department of Administration. You can see the report that was done. I know of one gentleman who, after he saw the spreadsheets on all of the leases, found that Buildings and Grounds had done an absolutely amazing job. An interesting side set that was briefly mentioned regarding negotiating the leases was having a building or lease space totally reconfigured, having that cost absorbed into the total price of the lease, and still having it come in less.

Are there potential problems? There will always be potential problems as you change things. I know Assemblywoman Neal has been a champion, and I have worked with her quite closely on NRS Chapter 233B, which is the regulatory process. I think the regulatory issue is one that you are able to come back to and look at those regulations through the Legislative Commission. Will there be other concerns? There will always be concerns. In some cases, they are time frame driven. It could be inefficiency because it does not totally meet all the requirements of what the agency, board, or commission may want. The board or commission may also want something that is above and beyond the basic. That is for you to decide. However, as the clarifications are provided in this bill, as an association, we would support them because it definitely would be much more cost-effective. I would be happy to answer any questions. I am glad to be working with some of you who have been on the Committee before, and I look forward to working with others.

Chairman Ellison:

Are there any questions from the Committee? [There were none.] Is there anyone else wishing to testify in support of the bill? [There was no one.] Is there anyone wishing to testify in opposition of the bill?

Michael D. Hillerby, representing Board for the Regulation of Liquefied Petroleum Gas, Nevada State Board of Accountancy, and State Board of Pharmacy:

As others have said, the Committee has some very good questions. I am going to start a little further back in history for a broader overview because there are so many new members. By my count, 33 boards and commissions referenced in this law are unique entities. They do not receive General Funds. They are funded solely by the license fees they charge their licensees. That ranges from architects, contractors, engineers, massage therapists, pharmacists, pharmacies, hearing aid specialists, audiologists, and others.

The Legislature controls the terms of those board members, the qualifications of the board members who are appointed by the Governor, the duties of the board members, the responsibilities they have to protect the public, and the scope of practice of each of the people in those professions. If there are any changes to the maximum amount that can be charged to licensees for investigations, license renewals, fees, fines, and those types of things, generally you, through the Legislative Commission if it is a regulatory change, have control over them at that point. When those boards need leases, those contracts would go before the State Board of Examiners, which includes the Governor, Attorney General, and Secretary of State. They must approve all contracts above a certain level. Those would be reviewed by the Department of Administration and the Office of the Attorney General, and then sent to the Board of Examiners.

I would like to give just a little history about why those groups are different. Again, you control the qualifications of those board members, their terms, and what their public safety responsibilities are in protecting the public. All of the boards we represent, and I think all of the boards, hold as their first priority the protection of the public. Second is to provide a fair and transparent regulatory process for their licensees. I know for the boards we represent, and I think it is safe to say for all the other boards, a very high priority is the appropriate use of the money that their licensees pay. They are members of those professions, and they are the ones closest to those professions. Again, because they do not get General Funds, we have historically treated them differently.

In 1987, boards and commissions were brought under the State Budget Act, NRS 353.150 to NRS 353.246. In 2001, former Governor Kenny Guinn recommended those boards and commissions be removed from the Budget Act. I have some familiarity with this because at the time, I was his Deputy Chief of Staff and was here doing legislative work on his behalf. The testimony the Legislature heard from the Budget Division, Department of Administration, if you look at the history, was that those boards and commissions, because they were not included in the General Fund, are required to have audits either annually or biannually, depending on the size of the board, and report those audits to the Legislature and to the Governor. There is adequate oversight of what the Legislature provided by passing the laws that regulate those boards. By removing them from the Budget Act, it enabled the Budget Division to eliminate one position. There was no longer a budget analyst assigned to do that, so there was some cost savings. We did not realize in 2001 that the language existed about the leasing of buildings. That was corrected in 2005 with a piece of legislation that included the language that is being proposed to be removed now from NRS 331.070, to remove the control of Buildings and Grounds over those non-General Fund boards.

I have just a couple of things to add on the history of Assembly Bill No. 404 of the 76th Session that Mr. Nuñez mentioned from 2011. In each of the instances in my reading of the legislative history, when the reference was made to include boards and commissions, the proponent said specifically "General Fund agencies." None of these are General Fund agencies. The reason you will not find in the legislative record any of us representing boards and commissions opposing that bill at that time was specifically because of that language. The intent was to include General Fund agencies, not non-General Fund agencies, or the approximately 33 fee-supported boards.

We do oppose the bill. Many of our boards and commissions make the decision to use Buildings and Grounds. If you look back at the legislative history dating back to 2001, the decision was made by the Legislature to exempt

those boards from the Budget Act. The testimony from the Budget Division was there were varying skill levels at those boards. Many of those boards would take advantage of Buildings and Grounds and choose to use them to lease their buildings and use other services that the Department of Administration would provide. Other agencies were fairly sophisticated and had larger staff with people ready and able to do that, so they would choose to do that themselves.

Again, in the experience with the boards we represent, they are very focused on the cost because they are licensees themselves. They have public meetings and they must answer, to some extent, to those licensees who pay those fees. They are very tuned in to that cost. We believe they have done that in a cost-effective manner. In fact, there may be instances when some of those leases may not have been as competitive as others. There are instances where the leases those agencies have negotiated have been better than the ones ultimately negotiated by Buildings and Grounds.

Again, we oppose this bill on behalf of our boards. There are others here who will add more information. I wanted to make sure you have that history and the distinction between General Fund agencies and those that are not in the General Fund and how we ended up with them not being included in leasing in the larger Budget Act. I will yield to my colleagues and would be happy to answer any questions.

Chairman Ellison:

Are there any questions from Committee members?

Assemblywoman Neal:

How many of the current boards have their fees rolled into their lease where that fee or that money is now paying their current expenses? Since this particular bill becomes effective upon passage and approval, can you speak to me about the effects?

Michael Hillerby:

Because there is no General Fund support, all of those lease expenses and any other expenses, such as staff, copy machines, travel, the cost of public meetings, are borne by the licensees. Those costs have to be covered in the budget they put together based on the license fees they collect. They are completely self-funded. I believe there are no General Funds that go to support any of those agencies. I do not have firsthand knowledge of all of them, but none of them have historically been in the General Fund. All of their expenses, including leases and any fee they would pay to Buildings and Grounds for having negotiated those leases, would be paid by the licensees.

Chairman Ellison:

Are there any further questions? [There were none.]

Keith L. Lee, representing Board of Medical Examiners:

The Board of Medical Examiners is one of those boards to which Mr. Hillerby referred. We are an NRS Title 54 board. We do not take one penny of taxpayer dollars. One hundred percent of our budget is funded by our licensees, who are physicians in the state. We get the money from application fees, registration fees, and renewal fees.

I must admit that when I read this bill, I was reminded of the adage, "If it ain't broke, why fix it?" I was curious to listen to Mr. Nuñez today and see what his public policy reasons were for changing a law that has worked very nicely for a number of years. Mr. Hillerby did a great job in giving you the history of that law. Frankly, I heard no compelling public policy reason to fix something that is not broken.

First, this bill is unnecessary. Clearly, boards and commissions under Title 54 who wish to have Buildings and Grounds negotiate their leases have the ability to do that. Some of those boards already do that. There are some of us who elect to do it ourselves. With all due respect to our friends at Public Works, our folks do a pretty good job of negotiating leases, as well.

Let me give you several examples of what we see as inefficiencies in this bill. The Board of Medical Examiners has two offices: one in Las Vegas and one in Reno. Two years ago, the executive director of the Board of Medical Examiners negotiated a renewal of a lease in a building where we had been located for a number of years. It took him less than a week to negotiate the renewal and sign the lease. Contrast that, if you will, with the Las Vegas situation. The Board of Medical Examiners is a sublessee to the Board of Dental Examiners of Nevada. We have to wait for a master lease to be put in place before we can enter into a sublease agreement. The Board of Dental Examiners has chosen to have Public Works negotiate its lease. I do not know how long that has been ongoing. I can tell you the assistant executive director of our board came on as an employee on December 1, 2014. One of his responsibilities was to negotiate the renewal of the sublease. As of yesterday, that has not been accomplished because we understand there has not been a master lease renegotiated and renewed between the Board of Dental Examiners and the landlord. We do not have an ongoing sublease agreement. We are continuing to pay our rent, of course, and will go forward that way, but it does not appear to be an efficient way for things to happen.

If the air conditioner goes out in our Reno office, we have two choices. We call the landlord, who is just down the hall, or we call a repairman who will fix the air conditioning. Under this proposed regulation, we cannot do either of those things. We have to requisition Public Works to have them fix the problem. It does not seem to be a very efficient way of doing things. Likewise, if we hire a new employee, we have to get an office, a desk, a chair, and a computer. We just go down to the local furniture store and computer store to buy those things. As I read this law, the equipping of this office has to be done through Public Works. Clearly, this is another inefficiency in our judgment. We enter into five-year leases because it makes sense to do that. I am sure all of you are familiar with the longer the lease, the better terms you get. This legislation requires it to be a one-year lease unless it is waived by the Board of Examiners. If we wanted a five-year lease, we must ask the Board of Examiners, and I am sure they have more important things to do than determine whether a lease should be for one year or for five years. That is another inefficiency. As Mr. Nuñez indicated, there is currently a lease assessment. It does not matter how much it is, but it is not cost-effective to our boards to allow Public Works to negotiate our lease.

I would suggest this proposed legislation is unnecessary and it is not good law. I would further suggest that the amendment to Assembly Bill No. 404 of the 76th Session gives the latitude to boards and commissions, if they choose, to ask Public Works to negotiate their lease. I do not see any need for this sort of broad-sweeping move to bring in boards and commissions who do not have at risk one penny of the taxpayers' dollars. I have not heard a public policy reason why this all has to be under one umbrella. It just does not seem to work. Thank you for your indulgence. I would be happy to answer any questions you may have. At the end of the day, we think this is a bad piece of legislation, and we oppose it.

Chairman Ellison:

Are there any questions from the Committee? [There were none.]

K. Neena Laxalt, representing Board of Veterinary Medical Examiners, Board of Massage Therapists, and Board of Dispensing Opticians:

I would like to ditto everything that has been said by Mr. Hillerby and Mr. Lee. My boards have the same concerns. They believe this adds more bureaucracy. In their dealings, they have discovered that when working with Public Works, it adds to the process and makes it lengthy and arduous. We believe this bill is not cost-effective, and we do not believe it is efficient.

I would like to point out one issue in the bill, section 3, subsection 2, that has not been discussed. One of the issues here, if we are reading it correctly, is

this would require the boards to move to Carson City if there is space available. Keep in mind, the boards do not use state budget money. They use their own licensee fees to fund themselves. Many times their buildings—where they are located, how they are located, or the kinds of buildings they are in—are driven by the kinds of businesses they deal with. With that said, if there are any questions for me, I would be happy to answer them.

Chairman Ellison:

Are there any questions from the Committee?

Assemblyman Carrillo:

Ms. Laxalt, regarding section 3, subsection 2 of the bill, is that not already in statute?

Neena Laxalt:

It takes away the exemption for boards.

Mendy Elliott, representing Chiropractic Physicians' Board of Nevada:

On January 11, 2015, we had an opportunity to formally review this bill with our board. The board took a negative approach. Mr. Hillerby, Mr. Lee, and Ms. Laxalt did a wonderful job, and I am not going to reiterate what has already been discussed. I believe we have a public responsibility as a chiropractic physician board to manage the day-to-day operation. We provide audits to the state. Our members, the doctors, attend our meetings, and we provide an overview. The board has done a very good job of being fiscally prudent. Our concern is also with moving to Carson City. Many of our doctors are in the Reno or Las Vegas areas. It would cause some inefficiencies if we were required to move.

To some degree, because we are a fee-driven agency, we cannot control our destiny, but we can be responsible to our members with our destiny. We oppose the bill and appreciate your indulgence this morning.

Chairman Ellison:

Are there any questions from the Committee? [There were none.] Is there anyone else wishing to testify in opposition of the bill? [There was no one.] Is there anyone wishing to testify as neutral to the bill? [There was no one.] Mr. Nuñez, would you like to follow up prior to closing the hearing?

Gus Nuñez:

As I indicated before, this is a policy question. I do not disagree with the legislative history that was given by Mr. Hillerby. There were some points raised, and I can probably provide some information to you that may be

beneficial. I believe we can give you information with respect to the status of each of the leases we have negotiated for each board and commission as it relates to what they had to what they have now. We can also give you the history as to what we found through this process of starting to oversee these leases. Perhaps that would be of some help to the Committee regarding the history we have developed in-house as we review and negotiate these leases. I do not want to take up your time to rebut each of the points that were made. I think it would be better to give you the information so you can decide from there what the policy of the state should be.

Chairman Ellison:

I believe there were some members of the Committee who requested some information. If you could get that information back to our Committee, we can go from there.

Before we close the hearing on Assembly Bill 59, I would like to thank this Committee. There were some very good questions asked, and I think you all did a great job. It goes to show what is coming in this Committee. There will be many hard questions asked. The hearing on Assembly Bill 59 is closed. I will open the hearing for Assembly Bill 33.

Assembly Bill 33: Changes the name of the Division of State Library and Archives of the Department of Administration. (BDR 33-318)

Jeffrey M. Kintop, State Archivist, Division of State Library and Archives, Department of Administration:

I am the Assistant Administrator for Archives and Records Management. With me is Karen Starr, who is the Assistant Administrator for Library and Development Services.

Assembly Bill 33 changes our division name to reflect the additional roles we are playing in state government. Assembly Bill 33 proposes to change our agency name from the Division of State Library and Archives to the Division of State Library, Archives and Public Records. This change is necessary because of the agency's duties to develop public records regulations. Last session, *Nevada Revised Statutes* (NRS) Chapter 239 was amended so our division assumed more of a role in writing regulations and providing guidance to state agencies on public records. Our division provided training to agencies on new laws and regulations, provided forms for the designation of the public records official and public records requests, and provided a manual for state agencies on the new public records law passed last session.

Adding "Public Records" to our agency name reflects our additional duties in public records and makes the division more readily identifiable as a source for assistance and training. This will result in state agencies being able to more effectively respond to public records requests, allow state agencies and the public to more readily identify the division as a resource for public records information, and allow the public to identify whom to contact for public records information.

Section 1 defines "Administrator" as the State Library, Archives and Public Records Administrator. Sections 2 through 7 revise language to reflect the definition of "Administrator" and the proposed agency name, Division of Library, Archives and Public Records. The other sections allow the Legislative Counsel Bureau to make the changes in the NRS wherever it occurs.

Chairman Ellison:

Are there any questions from the Committee?

Assemblywoman Spiegel:

I notice there are no fiscal notes attached to this. When you change the name of a division, you have to change stationery, letterhead, and other materials. Are there any costs associated with that?

Jeffrey Kintop:

The stationery is done online. We create it on a computer and print it. Any business cards will be replaced as we need them.

Assemblyman Munford:

Is Guy Rocha associated with your agency?

Jeffrey Kintop:

Mr. Rocha retired in 2009. He was the State Archivist. I was promoted into his position. I had the pleasure of working with him for 28 years before he retired. He is enjoying his retirement somewhere.

Assemblyman Munford:

I am a little partial to him because he was my student in Las Vegas at Clark High School. He was a wrestler at Clark High School. He was a tough kid, and he is a good man.

Jeffrey Kintop:

He is.

Assemblywoman Dooling:

Are you adding a whole new division of public records to your agency, or is it already there?

Jeffrey Kintop:

We already provide that. When people hear Library and Archives, they mostly think of old things. They do not think of us as a way to help agencies manage public records. We already schedule the records for destruction or to transfer to the archives, and we already provide training. However, last session we provided special training to state agencies so they knew what records were public, which ones were not, and how to handle public records requests according to the new law. This year, there is a bill draft request, BDR 19-547 from the Sunset Subcommittee of the Legislative Commission, to ensure that our division provides training to all state employees on the importance of public records and the procedures on how to deliver them in a timely fashion to the public. We want to have that identification.

Assemblywoman Neal:

How are you going to let the public know about the public records aspect of the division? Do you have a marketing plan?

Jeffrey Kintop:

We will change the website. We have direct contact with government agencies. As far as getting the information to the public, they have already found us. The public is now calling our office and wanting to know where to go to find certain information. This change will make us more visible. We could have a press release in different places. Many of the changes came about from members of the Legislature who basically experienced frustration in getting records. The Nevada Press Association is already supporting us because we have provided some valuable training.

Chairman Ellison:

Are there any other questions from the Committee? [There were none.] Is there anyone wishing to testify in support of Assembly Bill 33? [There was no one.] Is there anyone wishing to testify in opposition of the bill? [There was no one.] Is there anyone wishing to testify as neutral to the bill? [There was no one.] I will close the hearing on A.B. 33. Is there any public comment? [There was none.] This meeting is adjourned [at 10:41 a.m.].

RESPECTFULLY SUBMITTED:

Lori McCleary
Committee Secretary

APPROVED BY:

Assemblyman John Ellison, Chairman

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Government Affairs</u>			
Date: <u>February 3, 2015</u>		Time of Meeting: <u>8:35 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	<u>Exhibit A</u>		Agenda
	<u>Exhibit B</u>		Attendance Roster
	<u>Exhibit C</u>	Chairman Ellison	Committee policies
	<u>Exhibit D</u>	Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau	Committee Brief
	<u>Exhibit E</u>	Gus Nuñez, State Public Works Division	PowerPoint presentation
	<u>Exhibit F</u>	Gus Nuñez, State Public Works Division	Written testimony for PowerPoint presentation
	<u>Exhibit G</u>	Thomas Federici, Buildings and Grounds	Written testimony for PowerPoint presentation
A.B. 59	<u>Exhibit H</u>	Gus Nuñez, State Public Works Division	Written testimony