

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

**Seventy-Eighth Session
February 6, 2015**

The Senate Committee on Government Affairs was called to order by Chair Pete Goicoechea at 1:32 p.m. on Friday, February 6, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Pete Goicoechea, Chair
Senator Joe P. Hardy, Vice Chair
Senator Mark Lipparelli
Senator David R. Parks

COMMITTEE MEMBERS ABSENT:

Senator Kelvin Atkinson (Excused)

GUEST LEGISLATORS PRESENT:

Senator Becky Harris, Senatorial District No. 9

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Policy Analyst
Heidi Chlarson, Counsel
Suzanne Efford, Committee Secretary
Darlene Velicki, Committee Secretary
Nate Hauger, Committee Secretary

OTHERS PRESENT:

Tina Leiss, Executive Officer, Public Employees' Retirement System
CJ Manthe, Administrator, Housing Division, Department of Business and Industry

Chair Goicoechea:

The Committee is going to hear Senate Bill (S.B.) 12 and Senate Bill 64, then we will hold a work session.

SENATE BILL 12: Revises provisions governing certain personnel of the Public Employees' Retirement System. (BDR 23-385)

Tina Leiss (Executive Officer, Public Employees' Retirement System):

The Public Employees' Retirement Board requested Senate Bill 12 to change the title of the Assistant Investment Officer (AIO) to Chief Financial Officer (CFO) within the Public Employees' Retirement System (PERS) executive staff. The bill has no fiscal impact on the State and does not require a fiscal note. The intent of the title change is to enhance financial risk controls within PERS. In the last 14 years, PERS' assets have grown to over \$34 billion, and the system has been tasked with overseeing two new programs: the Judicial Retirement System and the Retirement Benefits Investment Fund.

Governmental accounting reporting requirements have expanded to require a significant increase in resources necessary to prepare the PERS' financial reports. Because of this expansion in requirements, the system has experienced an increased need to focus resources on the financial controls, compliance and accounting oversight.

Over the last 14 years, PERS has also streamlined the investment program while improving our competitive results. As a result, our investment needs have shifted to more monitoring and risk control—responsibilities that are taken care of more effectively through the CFO structure than the AIO structure. Adjusting the job responsibilities of the AIO to those of a CFO will expand the position responsibilities and allow PERS to integrate the accounting and investment opportunities within the system. This will enhance efficiency and improve our internal controls. Establishing this position with the change in title will provide a single point of coordination for all of our financial, compliance and risk-control functions throughout the organizations versus the current situation that separates those functions between investments and accounting.

I have submitted written testimony ([Exhibit C](#)).

Chair Goicoechea:

I will close the hearing on S.B. 12. We will now hear S.B. 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)

CJ Manthe (Administrator, Housing Division, Department of Business and Industry):

Senate Bill 64 relates to *Nevada Revised Statute* (NRS) 232.540. This area of the NRS outlines the qualifications of the CFO for the Housing Division. This proposed language change would require the CFO to either have a license to practice as a certified public accountant (CPA) or to have 5 years of experience in investment banking, general accounting, public finance or a related area. In the area of general accounting, we would expect the CFO to have experience in auditing, budgeting and government accounting as well as grant management experience. In addition to having either one of these qualifications, the CFO must also have comprehensive experience in public finance, meaning this individual would be familiar with both the issuance and structure of tax-exempt bonds. The proposed language would better fit and outline the Housing Division's needs for future requirements. This does not have a fiscal impact on the State and has no fiscal note.

Senator Parks:

As a finance person, I like this bill.

Chair Goicoechea:

Would you need either a license as a CPA or 5 years experience in public finance, general accounting or banking?

Ms. Manthe:

That is correct. This places more emphasis on the experience of the candidate in the areas of accounting and public finance.

Chair Goicoechea:

I will close the hearing on S.B. 64.

Senate Bill 124 needs to be rereferred back to the Senate Floor because it does not belong in this Committee.

SENATE BILL 124: Revises provisions governing gaming establishments. (BDR 41-787)

SENATOR HARDY MOVED WITHOUT RECOMMENDATION TO REREFER S.B. 124 TO THE SENATE COMMITTEE ON JUDICIARY.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Goicoechea:

We will start the work session with Senate Bill 82, which the Committee heard on Wednesday.

SENATE BILL 82: Removes certain obsolete provisions relating to security services provided by the Capitol Police Division of the Department of Public Safety. (BDR 27-358)

Jennifer Ruedy (Policy Analyst):

The testimony on this bill on Wednesday pointed out that because the Capitol Police budget decreased by 2 positions in last Session's budget and the Nevada Supreme Court's budget increased by 2.5 positions in the last budget cycle, the Court has its own security personnel. The Capitol Police testified that the security personnel of the Supreme Court assumed the protection of the Supreme Court in July 2013, and the recently created Court of Appeals is also under the protection of the Supreme Court police personnel. More information can be found in the work session document on S.B. 82 ([Exhibit D](#)).

SENATOR PARKS MOVED TO DO PASS S.B. 82.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Ruedy:

Senate Bill No. 18 of the 77th Session revised the nonjudicial punishment section of the Nevada Code of Military Justice. The testimony from the Office of the Military before this Committee on Wednesday noted that since this revision, the provision for nonjudicial punishment in the Uniform Code of Military Justice (UCMJ) better serves the Nevada National Guard. Therefore, S.B. 90 provides that the UCMJ would allow service members to have the option to accept a court-martial in lieu of submitting solely to nonjudicial punishment. More information can be found in the work session document on S.B. 90 ([Exhibit E](#)).

SENATE BILL 90: Confers upon a person who is subject to the Nevada Code of Military Justice the right to demand a court-martial in lieu of accepting nonjudicial punishment. (BDR 36-338)

SENATOR LIPPARELLI MOVED TO DO PASS S.B. 90.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Ruedy:

The Committee heard Senate Bill 119 on Wednesday.

SENATE BILL 119: Revises provisions relating to educational facilities.
(BDR 28-732)

Chair Goicoechea:

I would like to recognize Senator Harris who sponsored S.B. 119.

Senator Parks:

I brought my amendment forward because we can prioritize schools without hurting Nevada workers and their families. Gutting fair wage requirements hurts middle-class families, leads to the construction of lower quality schools and will end up costing the State more money in the end. The Committee heard overwhelming testimony 2 days ago that the strong bipartisan support for

school construction does not extend to the controversial provisions forcing a pay cut on Nevada's contractors and construction workers.

Katrina Brown, a single mother from Las Vegas, testified that before becoming a journeyman electrician, she was making \$10 an hour. Now she is making a living wage and can raise her kids because of the prevailing wage laws. She receives the same pay when she does the same work as her male colleagues.

Earlier this week, I twice heard the Governor's economic development director tell two Senate committees that we need to focus on attracting higher-paying jobs. This bill seeks a pay cut for construction workers, traditionally a stable, well-paid, middle-class job. I have yet to hear how cutting wages for construction workers will help achieve the Governor's goal. Studies from across the Country have found that prevailing wage laws do not increase overall cost. We can and should pass a clean, bipartisan school construction bill. A similar bill, Senate Bill 106 introduced by Senator Debbie Smith, was approved by the Southern Nevada Forum.

Senate Bill 106: Revises provisions relating to financing school facilities.
(BDR 30-139)

Senator Parks:

With that, I would like to put forward my amendment ([Exhibit F](#)). More information can be found in the work session document on S.B. 119 ([Exhibit G](#)).

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 119.

THE MOTION FAILED FOR LACK OF A SECOND.

* * * * *

SENATOR HARDY MOVED TO DO PASS S.B. 119.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR PARKS VOTED NO.)

* * * * *

Senate Committee on Government Affairs
February 6, 2015
Page 7

Chair Goicoechea:

The meeting is adjourned at 1:50 p.m.

RESPECTFULLY SUBMITTED:

Nate Hauger,
Committee Secretary

APPROVED BY:

Senator Pete Goicoechea, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	4		Attendance Roster
S.B. 12	C	1	Tina Leiss	Written Testimony
S.B. 82	D	1	Jennifer Ruedy	Work Session Document
S.B. 90	E	1	Jennifer Ruedy	Work Session Document
S.B. 119	F	1	Senator David R. Parks	Proposed Amendment
S.B. 119	G	2	Jennifer Ruedy	Work Session Document