

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

**Seventy-Eighth Session  
May 30, 2015**

The Senate Committee on Government Affairs was called to order by Chair Pete Goicoechea at 8 a.m. on Saturday, May 30, 2015, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

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

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Policy Analyst  
Heidi Chlarson, Counsel  
Suzanne Efford, Committee Secretary

**OTHERS PRESENT:**

James R. Wells, Director, Budget Division, Department of Administration  
Cheryl Tyler, Office of the Military  
Kay Scherer, Deputy Director, State Department of Conservation and Natural Resources  
Caleb Cage, Director of Military and Veterans Policy, Office of the Governor

**Chair Goicoechea:**

We will hear Assembly Bill (A.B) 469.

**ASSEMBLY BILL 469 (1st Reprint):** Creating the Office of Finance in the Office of the Governor. (BDR 18-1180)

**James R. Wells (Director, Budget Division, Department of Administration):**

We support A.B. 469, which implements part of the Governor's recommended budget. It forms the Governor's Office of Finance, which is made up of the Budget Division and the Division of Internal Audits, both in the Department of Administration. The remaining divisions—Administrative Services, Enterprise Information Technology Services, Fleet Services, Office of Grant Procurement, Coordination and Management, Hearings, Human Resource Management, State Library and Archives, Purchasing, and Risk Management—would all remain with the Department of Administration.

The new agency is being created to eliminate any actual or perceived conflicts of interest between budget activities and oversight of the other divisions within the Department of Administration. It will also provide managerial oversight to the other divisions within the Department of Administration. The biennial budget cycle takes over 50 percent of the Director's time. As a result, there is insufficient time left for the Director to provide adequate guidance and resources to the administrators of the various divisions within the Department. Placing the Office of Finance in the Governor's Office acknowledges the importance of the budget function and that the Governor is ultimately responsible for preparing and submitting his budget to the Legislature.

Section 2 of the bill creates the Office of Finance, which is made up of the Budget Division and the Division of Internal Audits. Section 3 provides for the appointment of the Director of the Finance Office in the unclassified service. Section 4 allows for the appointment of a budget chief, or for the Director to serve in that role, and outlines the responsibilities of the Director.

Section 5 allows for the appointment of an administrator of the Division of Internal Audits in the unclassified service. Section 6 allows for the appointment of a deputy budget director and chief assistant for the Division of Internal Audits, both of which are in the unclassified service. Sections 8 through 12 remove the Budget and Internal Audits Divisions from the Department of Administration.

Section 13 provides that the Department of Administration's Administrative Services Division will provide accounting services to the Office of Finance. Sections 14 and 15 allow for the transition of regulations, contracts and other activities to the new Finance Office. Section 16 allows the Legislative Counsel to change the name of the Department of Administration to the

Office of Finance where applicable in statute. The act becomes effective on July 1.

**Chair Goicoechea:**

The hearing on A.B. 469 is closed. We will now hear A.B. 472.

**ASSEMBLY BILL 472**: Revises provisions governing the use of money in the Patriot Relief Account. (BDR 36-1163)

**Cheryl Tyler (Office of the Military):**

Funds in the Patriot Relief Account may be used to reimburse Servicemembers' Group Life Insurance (SGLI) and reimburse for textbooks or for monetary relief from economic hardships experienced by a member of the Nevada National Guard who has been called into active service. Assembly Bill 472 would establish a \$1,000 limit each quarter for textbook reimbursement and eliminate the reimbursement for SGLI.

There are no stipulations about timeline or windfall restrictions in statute. If all Nevada National Guard members were to request their SGLI reimbursements, the Office of the Military would need about \$4.8 million a year to cover them. Because no time stipulations exist, members can retroactively request SGLI reimbursements for all prior years.

The requested elimination of the SGLI reimbursement should have a minimum impact on Guard members since most servicemembers have this premium deducted from their paychecks and never receive it as part of their net income. Those who request it will lose about \$29 a month in reimbursement. If this \$29 is not afforded to some servicemembers, they can deduct their premium insurance coverage and pay as little as \$4.50 per month.

**Senator Hardy:**

What about this deduction from servicemembers' checks? What is the purpose of the \$4.50 or \$29?

**Ms. Tyler:**

After \$29 a month is deducted from servicemembers' paychecks, they can be reimbursed. This bill would eliminate their ability to receive that reimbursement.

**Chair Goicoechea:**

Was the \$29 insurance afforded? Were only a small number of servicemembers accessing that program, and is that why you propose to eliminate it?

**Ms. Tyler:**

Yes. In fiscal year 2014, 30-something Nevada National Guard members out of the 4,264 total members took advantage of the program.

**Chair Goicoechea:**

Thirty-something members were accessing the program, so we took it away. How does that relate to this bill?

**Ms. Tyler:**

This proposes to take the reimbursement option away.

**Chair Goicoechea:**

Now I understand. Where does it say that in the bill?

**Ms. Tyler:**

Section 1, subsection 4, paragraph (a), subparagraph (1) included SGLI in the program, and A.B. 472 removes it.

**Chair Goicoechea:**

This bill takes the insurance premium away. It also rolls it into textbooks with up to \$1,000 available.

**Senator Lipparelli:**

Is it unclear that people can retroactively ask for reimbursement?

**Ms. Tyler:**

Yes.

**Senator Lipparelli:**

Do we need to clean up the language in this bill?

**Ms. Tyler:**

Cleanup should not be necessary. The bill removes reimbursement for SGLI.

**Senator Lipparelli:**

Was your comment about textbooks or life insurance?

**Ms. Tyler:**

It was about life insurance.

**Senator Lipparelli:**

Is the reference to textbooks prospective?

**Ms. Tyler:**

For textbooks, we have internal guidelines and policies so servicemembers have deadlines for a quarter or a semester for reimbursement request submittals.

**Senator Lipparelli:**

Once this goes into effect, it would be for prospective purchases from the effective date of the bill; it would not allow retroactive reimbursement.

**Ms. Tyler:**

That is correct.

**Chair Goicoechea:**

The hearing on A.B. 472 is closed, and I will open the hearing on A.B. 473.

**ASSEMBLY BILL 473:** Revises provisions governing the composition of the State Department of Conservation and Natural Resources. (BDR 18-1166)

**Kay Scherer (Deputy Director, State Department of Conservation and Natural Resources):**

I support A.B. 473. This bill implements the Governor's Executive Budget. The State Department of Conservation and Natural Resources used to have two deputy directors. This bill recreates the second deputy director position. Because that position exists in statute, it will be important for statute to show two deputy directors in the future.

The classified special advisor to the director position is being turned into an unclassified position, which saves money. Within the last 2 biennia we have added the Division of Historic Preservation and the Sagebrush Ecosystem Council; and administered the Ecosystem Council and conservation districts out

Senate Committee on Government Affairs  
May 30, 2015  
Page 6

of the Director's Office along with several other new levels of involvement. This bill goes into effect on July 1.

**Chair Goicoechea:**

This is a budget implementation bill. I will close the hearing on A.B. 473 and begin the hearing on A.B. 482.

**ASSEMBLY BILL 482 (1st Reprint)**: Revises provisions relating to veterans.  
(BDR 37-1197)

**Caleb Cage (Director of Military and Veterans Policy, Office of the Governor):**

I support A.B. 482. I provided written testimony ([Exhibit C](#)).

**Senator Hardy:**

People report to one place which reports to another place which reports on its activities back to the first place.

**Mr. Cage:**

They report to the Interagency Council on Veterans Affairs.

**Senator Hardy:**

Where does the Interagency Council on Veteran Affairs report?

**Mr. Cage:**

The Council reports annually to the Legislature and the Governor in February.

**Senator Hardy:**

And the Legislature and Governor do not have to report to anybody.

**Mr. Cage:**

That is correct.

**Senator Parks:**

There is no fiscal note.

**Mr. Cage:**

There is no fiscal note from the General Fund because of no General Fund obligation. Private funds have been raised and an agreement has been reached

for initial seed funding from the license plate monies in the Gift Account for Veterans.

**Chair Goicoechea:**

Because this bill came through the Assembly Committee on Government Affairs, I assumed once we passed it, any issue would end up in the Senate Committee on Finance.

I want to make it clear on the record: We are looking at the policy, and there is no fiscal note. The Interagency Council on Veterans Affairs is an established entity. I will now close the hearing on A.B. 482 and begin the work session.

**Jennifer Ruedy (Policy Analyst):**

Assembly Bill 469 has no fiscal note. It creates the Office of Finance in the Office of the Governor.

SENATOR HARDY MOVED TO DO PASS A.B. 469.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Ms. Ruedy:**

Assembly Bill 472 eliminates the reimbursement of the SGLI premiums for Nevada National Guard members and limits textbook reimbursement to a member of the National Guard to \$1,000 a semester, quarter or term, as applicable.

SENATOR PARKS MOVED TO DO PASS A.B. 472.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Ms. Ruedy:**

Assembly Bill 473 reinstates a second deputy director for the State Department of Conservation and Natural Resources since the position elimination in 2011. There is no fiscal note for this existing position now called the Special Advisor to the Director.

SENATOR LIPPARELLI MOVED TO DO PASS A.B. 473.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Ms. Ruedy:**

Assembly Bill 482 has two fiscal notes and both show zero fiscal impact. This bill has to do with collecting data to get a better idea of how many unemployed veterans exist.

SENATOR PARKS MOVED TO DO PASS A.B. 482.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Committee on Government Affairs  
May 30, 2015  
Page 9

**Chair Goicoechea:**

This meeting is adjourned at 4:21 p.m.

RESPECTFULLY SUBMITTED:

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Suzanne Efford,  
Committee Secretary

APPROVED BY:

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Senator Pete Goicoechea, Chair

DATE: \_\_\_\_\_

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
A.B. 482	C	2	Caleb Cage / Office of the Governor	Written Testimony