# MINUTES OF THE SENATE COMMITTEE ON GOVERNMENT AFFAIRS

## Seventy-ninth Session March 20, 2017

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:06 p.m. on Monday, March 20, 2017, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Rooms 4412 and 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. <a href="Exhibit A">Exhibit A</a> is the Agenda. <a href="Exhibit B">Exhibit B</a> is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

## **COMMITTEE MEMBERS PRESENT:**

Senator David R. Parks, Chair Senator Mark A. Manendo, Vice Chair Senator Julia Ratti Senator Joseph P. Hardy Senator Pete Goicoechea

## **GUEST LEGISLATORS PRESENT:**

Senator Aaron Ford, Senatorial District No. 11

## **STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Policy Analyst Heidi Chlarson, Counsel Debi Szaro, Committee Secretary

#### **OTHERS PRESENT:**

Maggie Thompson, Executive Director, Generation Progress
Annette Magnus, Battle Born Progress, Institute for Progressive Nevada
Ruben R. Murillo, Jr., President, Nevada State Education Association
Jenny Reese, Nevada Association of Realtors
Constance Brooks, Nevada System of Higher Education
Rudy Zamora
Stacey Shinn, Progressive Leadership Alliance of Nevada
Michael Flores, College of Southern Nevada

Andy McCay, Franchised Auto Dealers Association

MacKenzie Matheny, For Nevada's Future

Kent Ervin, Nevada Faculty Alliance

Alexander Assefa

Iridane Sanchez

Lieutenant Governor Mark A. Hutchison

Cathy Erskine, Policy Analyst, Office of the Lieutenant Governor

Shelley Berkley, Touro University

Dillon Hosier, Israeli-American Coalition for Action

John Farahi

Sigal Chattah

David Brog, Christians United for Israel

Carlos Blumberg, Anti-Defamation League

Jason D. Guinasso

Mark Frank

Matthew Levin

Yohan Lowie, Israeli-American Council, Nevada

Marla Letizia, Chair, Jewish Nevada

Tom Letizia, Jewish Nevada

Cesar Minera, Pastor, Word of Life Ministries

David Oberg, Senior Pastor, Faith Alive Christian Center, Christians United for Israel, Reno-Sparks

Mark Siegal

Seth Morrison, Jewish Voice for Peace, Las Vegas Chapter

Joseph Shaley, Physician, Israeli-American Coalition for Action

Michael Pokroy, Physician, Israeli-American Coalition for Action

Yossi Silverstein, Rabbi, Chabad of Reno

Holly Welborn, American Civil Liberties Union of Nevada

Jim Sullivan, Culinary Workers Union Local 226

Tina M. Leiss, Executive Officer, Public Employees' Retirement System

Jeff Haag, Administrator, Purchasing Division, State Public Works Division, Department of Administration

Sean Stewart, CEO, Nevada Contractors Association

David Frommer, University Architect, Executive Director of Planning Construction, University of Nevada, Las Vegas

Sherri Payne, Senior Associate Vice President, College of Southern Nevada

Danny L. Thompson, Laborers International Union Local 872 AFL/CIO

Warren Hardy, Associated Builders and Contractors of Nevada

Lisa Foster, City of Boulder City; Nevada Association of School Superintendents; Nevada Association of School Administrators

Kathy Ogle, City of Henderson

Craig Madole, Associated General Contractors, Nevada Chapter

Bill Hoffman, Deputy Director, Nevada Department of Transportation

Marc Markwell, Sierra Nevada Construction

Angela Castroll, Regional Transportation Commission of Southern Nevada

John Fudenberg, Clark County

Pete Etchart, COO, Washoe County School District

Omar Saucedo, Southern Nevada Water Authority

Bradley Keating, Clark County School District

Rebecca Holder, City of Las Vegas

Russell Rowe, American Council of Engineering Companies, Nevada Chapter

Greg Esposito, Nevada State Pipe Trades

## **CHAIR PARKS:**

I open the hearing with three bills. I will take them out of order and start with Senate Bill (S.B.) 90.

SENATE BILL 90: Makes various changes relating to student loans. (BDR 18-18)

SENATOR AARON FORD (Senatorial District No. 11):

I support <u>Senate Bill 90</u>, which is a student loan program that will support and allow Nevadans to obtain loans to refinance certain student loans. The program will educate people on the cost of postsecondary education and offer information about lending institutions and interest rates in Nevada.

According to the National Conference of State Legislatures, the total outstanding student loan debt nationally is estimated at \$1.4 trillion. The number of students borrowing for higher education expenses increased 89 percent between 2004 and 2014. During that time, the average debt per student increased 77 percent. The outcome of this information is that over 5 million borrowers have defaulted on their loan obligations. The negative impact of this loan debt, on the lives of our graduates as well as the economy, is indeed considerable.

According to the Institute for College Access and Success in Nevada, 47 percent of graduates in the class of 2015 had an average debt load of \$23,462. Senate Bill 90 will help Nevada's students refinance student loan

debts. Similar to refinancing a home mortgage, it is a logical way to save Nevadans real money. Most students apply for educational loans as young adults with little or no income. Ideally, those students graduate or complete their vocational or work training programs with a steady job and healthier credit score. It makes sense that when the student gets to that point, the student should qualify for lower interest rates. Nevadans who take advantage of the opportunity outlined in <u>S.B. 90</u> can save thousands of dollars. By offering this innovative program, we are creating an educational and economic opportunity base because the more savings, the greater potential to spend the savings in the local community. Nevada is not the first state to consider a student loan refinancing program. The NCSL states there are 12 states that operate a refinance program.

This is a work in progress. I have spoken with constituency groups regarding S.B. 90 and have received many great suggestions on how the program can be successful. We will make changes. We plan to start a pilot program to ascertain the efficacy of making the program permanent. There will be qualification requirements to participate in the program, such as residency requirements and/or requirements that an individual has attended an institution of the Nevada System of Higher Education (NSHE). The dollar amount to be refinanced will be limited to allow more people to take advantage of the program. We plan to revise the funding mechanism of the program to include seed funding from the General Fund and the Treasurer's Office. The Treasurer's Office has agreed to a two-to-one match on funding this pilot program. I would like to review the current iteration of S.B. 90, which will be subject to input, amendments and any work session this Committee sees fit to hold.

Section 1 amends *Nevada Revised Statutes* (NRS) 232 regarding the State departments involved. Section 2 requires the Director of the Department of Business and Industry to adopt and implement a program by which Nevada residents may refinance their student loans. This section authorizes the Director to make refinancing education loans in conjunction with private lending institutions at rates of interest that are as low as practicable while still sufficient to pay the cost of the program.

Director Bruce Breslow has provided options to make this program work. This funding mechanism and the administrator of the program will change. It will be suggested that the responsibility of the administration of this program to move to the Office of the Treasurer, who has indicated an interest and willingness to

work with me in a bipartisan fashion. The first introduction of this concept was during the 2015 Legislative Session. The Treasurer has been there front and center to assist in finding the way to make this program work.

Section 3 of <u>S.B. 90</u> authorizes the Director alone or through the State Board of Finance to provide money for the program through the issuance of revenue bonds in the manner, provided through the Nevada Securities Law NRS 90, that would be payable solely for loan repayments. I will be revising the funding mechanism to include seed funding from the General Fund and the Treasurer's Office to begin this pilot program.

Section 4 requires the Director to compile and publicize on the Website of the Department information about private lending institutions that make student loans to residents of Nevada. The Director must rank those institutions according to the interest rates they charge and whether their repayment policies are determined to be more favorable or less favorable to borrowers. The Director is required to update the list monthly and post it on the Website of the Department of Business and Industry. Comparable requirements will be transferred to the Office of the Treasurer relieving the Director of this responsibility.

Section 5 of S.B. 90, the Director of Business and Industry is required to prepare informational material about student loans for current or prospective students. This material must provide information about strategies for managing debt, options for repaying student loans and consequences of defaulting on a loan. Comparable requirements will be transferred to the Treasurer relieving the Director of this responsibility. Section 5 also requires each institution of the Nevada System of Higher Education and each postsecondary educational institution licensed by the Commission on Postsecondary Education to provide a copy of the informational material to each applicant for admission to the institution and to obtain the signature acknowledgment as receipt of the materials. The signed copy must be retained for at least ten years and made available, upon request, to any private lending institution processing a student loan application. A private lending institution generally will be barred from processing a student loan application, or collecting a fee for such application, without a record of the applicant having received a copy of the material prepared by the Director. This provision is subject to amendment per suggestions from the Nevada System of Higher Education.

Section 6 of NRS 232, also subject to amendment, requires annual reports to the Director from each of the institutions of the Nevada System of Higher Education and each postsecondary education institution containing information about the indebtedness incurred for student loans during the previous year by students attending that institution. The Director and attorneys are required to compile and analyze this information and submit a report to both the Governor and the Legislature. The report will include the statewide average amount of indebtedness incurred for student loans during the previous year; comparison of that amount with the national average of indebtedness incurred for student loans during the same period; and a comparison of Nevada's statewide average with the average of the state having the lowest ratio of student loan debt to per capita income.

Section 7 prescribes definitions of certain terms. Section 8 authorizes the Director to adopt regulations to carry out the program. The Treasurer will be responsible for doing so when the Treasurer's Office assumes the responsibility.

Sections 9 through 15 require each private and postsecondary education institution in this State to provide certain financial information to each applicant for admission. If the applicant is a minor, the information must also be provided to his or her parent or guardian. The information required must include the total annual cost of attending the institution; all information about the amount of any financial aid the applicant will receive from the institution; the amount of indebtedness the applicant will incur over a period of four years if all the costs of education are paid with student loans; the amount of the monthly payment required to pay that debt; information about interest rates and repayment plans for the student loan; and the default rate among students who have left the institution during the preceding ten years.

Under current federal guidelines, NSHE is already responsible for reporting on federal student loans which may be duplicative and may require amendments to NRS 232. Sections 10 through 14 and section 16 make clarifying changes to sections of NRS 394. Section 18 repeals the higher education student loan program that is prescribed in NRS 385.102 through NRS 385.108.

Created in 1969, the program was initiated to provide student loans. The Nevada State Board of Education has authorization to administer the program but has been inactive. I urge your support of this legislation that will allow Nevadans to obtain loans to refinance certain student loans, to allow students

to be educated on the cost of education, and to provide information about lending institutions and interest payments in Nevada.

MAGGIE THOMPSON (Executive Director, Generation Progress):

Generation Progress is the youth engagement arm of the Center for American Progress. We work to support policies that address the needs of young people in this Country. We began working on the issue of student loan debt in 2012 when the student debt in this County first surpassed \$1 trillion. We proposed the student loan refinancing at the national level in 2013. In the past several years, we have worked with several states and one county to support student loan refinancing as a process to help student loan borrowers. Students should be able to refinance their loans like a car or mortgage. A 2014 published analysis reflects 154,000 borrowers in Nevada that could benefit from refinancing their loans, which would help individuals to lower their monthly payments and put money back in local Nevada communities.

North Dakota, Rhode Island, Minnesota and Alaska have implemented or are piloting student loan authorities that offer refinancing. Based on conversations with legislators and program managers in other states, as well as our work directly with borrowers, I wanted to offer my thoughts on improvements to S.B. 90 that could strengthen stability to help struggling borrowers. The student loan refinancing program has the potential to generate revenue as we have seen in other states. It is important that the primary purpose of the authority remains to help borrowers and that the program is governed by rules to ensure the borrowers' needs are put first. A primary way for the State to ensure this is by an amendment to S.B. 90 to establish a student loan ombudsman at the State level. The ombudsman could be a focal point for receiving and resolving complaints about borrowers' loans. The ombudsman can compile and analyze data, providing information to the public and Legislators and continually analyzing the effectiveness of the authority's lending program and outreach to borrowers. It is important that this authority take steps to ensure that borrowers who have federal student loans and access to programs like Public Service Loan Forgiveness and income-driven repayment do not lose access to those important programs. Income-based Repayment Plan and Pay As You Earn Repayment Plan Programs allow borrowers with federal loans to cap their monthly payments to 10 percent of their discretionary income and achieve loan forgiveness after 20 years of on-time repayment.

The Public Service Loan Forgiveness Program allows individuals with federal loans who work in public service professions, such as teachers, fire fighters or staff in the state capital, to have their loans forgiven after ten years of on-time repayment and employment in public service. Borrowers with federal loans are not aware of these programs. It is important that federal borrowers who might wish to refinance using this authority do not lose those programs. My recommendation for a pilot program is to limit eligibility to borrowers in the State who have private student loans or parent-plus loans, a class of federal loans that are not eligible for income-driven repayment programs.

Private student loans unlike federal loans generally have much higher interest rates making refinancing more impactful for those borrowers. Private loans also have very few loan modification options and no access to loan forgiveness or income-driven repayment programs. By limiting eligibility for refinancing through this authority to private loans and plus loans, it ensures borrowers who need the refinancing the most have access to it. To ensure that revenue generated by this authority helps address and end the student debt crisis for future Nevadans, I would suggest that this legislation specify that any revenue ultimately generated by a student loan authority be used to further efforts to help make college more affordable in Nevada.

Annette Magnus (Executive Director, Battle Born Progress, Institute for Progressive Nevada):

We are proud to stand in support of <u>S.B. 90</u>. We are a statewide advocacy and communications organization representing 14,000 Nevadans who subscribe to our statewide list. We supported the student loan legislation concept during the 78th Session of the Legislature, believing all people who choose to further their education should be allowed the opportunity to refinance at lower interest rates, get out of debt sooner and invest money into the economy by purchasing a home or a car with the money saved by refinancing. Student loan debt is one of the core issues our organization currently handles. All people of Nevada should have the opportunity to live the American dream and not a debt sentence. The Website, trilliondollardebt.com, is available to read true stories of Nevadans impacted by the student loan debt crisis.

RUBEN R. MURILLO, JR. (President, Nevada State Education Association):

There are teacher shortages across Nevada and the United States. Potential teacher candidates are not choosing education professions mostly due to the fact they will get into debt to become a teacher. The average teacher salary is

approximately \$29,000 per year nationwide. The average debt a student accrues is approximately \$25,000. Students are making the decision not to enter into teaching but into other professions that will probably pay better in terms of getting their student loans and other finances in order. High interest rates are a burden for undergraduates. It is almost 5 percent for graduates. It is almost 7 percent for graduate students and other programs can run up to 8 percent.

<u>Senate Bill 90</u> allows students and working adults the ability to refinance their student loans at a lower rate. Students understand that to attend school comes with a cost. The cost of education has risen because budget cuts result in increased student fees. <u>Senate Bill 90</u> will entice potential students to enroll in teaching curriculums and pursue teaching as their career professions (<u>Exhibit C</u>).

## JENNY REESE (Nevada Association of Realtors):

Based on a survey conducted by the National Association of Realtors, 41 percent of first-time homebuyers have difficulties in the home-buying process because of their student loan debt. The Association of Realtors believe S.B. 90 is an additional tool to help first-time buyers qualify for a home loan.

#### CHAIR PARKS:

It is harder to qualify to buy real estate if you have high student debt.

## CONSTANCE BROOKS (Nevada System of Higher Education):

There are approximately 110,000 students who attend our institutions. We have an unmet need of over \$400 million. With the limited State aid that is available as well as federal financial aid, this bill is critical toward helping our students to achieve success. We would appreciate working on some conceptual amendments that may alleviate some administrative burden our campuses might incur as stated in section 5, subsection 2 of the bill. The inclusion in the bill to obtain an ombudsman that the campuses can work directly with would help to further encourage and educate our students on refinancing options.

#### RUDY ZAMORA:

In 2013, I attended Crescent School of Bartending to pursue a career in the food and beverage field. Following graduation, I found it extremely difficult to find a job due to the competitive field. I have submitted written testimony in support of Senate Bill 90 (Exhibit D).

## STACEY SHINN (Progressive Leadership Alliance of Nevada):

This is an economic justice issue. These predatory lending practices target students who attempt to obtain an education in order to gain employment and contribute to our society.

## MICHAEL FLORES (College of Southern Nevada):

I echo the testimony of Dr. Constance Brooks from NSHE. On behalf of over 30,000 students attending the College of Southern Nevada, I state that affordability is the biggest issue all of our students face that extends after commencement of classes. Our financial aid department educates the students on the challenges of loan repayment. This legislation will help with the efforts to make education more affordable. We fully support <u>S.B. 90</u>.

## ANDY McCay (Franchised Auto Dealers Association):

We echo the Realtors' comments. The second largest purchase an individual makes following the purchase of a home is an automobile. The average cost of an automobile is \$36,000. A good credit score or the ability to incur more consumer debt aids a borrower in obtaining a loan for a vehicle they qualify for. This bill has our full support.

#### CHAIR PARKS:

An applicant pursuing the purchase of an automobile who has student debt would probably incur higher interest rates on the loan of the vehicle?

## MR. McCay:

Yes, Mr. Chair. A lower credit score reflects a higher credit risk, therefore the cost of borrowing the money is higher. If your credit score raises from 600 to 650, it will result in significant savings to the ability to borrow.

#### MACKENZIE MATHENY (For Nevada's Future):

I suffer from student loan debt. I am 32 years of age and not thinking of buying a home or starting a family because it will be too overwhelming to try to pay loans, pay a mortgage or start a family. It should be more attainable. People should not have to wait to have a family or go to school. I support S.B. 90.

## KENT ERVIN (Nevada Faculty Alliance):

We support programs that help struggling students and our alumni. Over the last 10 years, the student fees of NSHE have doubled, 43 percent after inflation, and now students carry 40 percent of the revenue for NSHE instructional

budgets. Students have had to fund more of their education in public institutions with declining State support. We had concerns on the fiscal parts of the bill and record-keeping requirements, but we trust it will be worked out with amendments. I will support the bill in an altered form.

#### ALEXANDER ASSEFA:

I am a refugee from Ethiopia. I settled in this Country 17 years ago. I learned English as my third language, went to college, became a pilot and earned a political science degree. I support Senate Bill 90. It is a reality of the American higher-education experience where predatory student lending practices saddle students with expensive loans that borrowers cannot pay off for the better part of their lives. The student has to make the decision to enter this burdensome loan contract or drop out of college. Those who do finish college have a mountain of debt for the student loan repayment. The crime they committed was to pursue their dreams to become somebody in society.

I had student loan debt in excess of \$100,000. If students need to be productive citizens in this competitive economy, college education should become free or debt-free. The right of all students to pursue their dreams should not be infringed upon by expensive student loans and tuitions too high to afford. I understand this bill will not do that, but it is a step in the right direction. The ability to refinance student loans will provide the borrower a better interest rate and a lower monthly payment, and the ability to refinance will allow the borrower to take on the repayment responsibility and remove the cosigners of the loan. I support S.B. 90.

#### IRIDANE SANCHEZ:

I have a Millennium Scholarship of \$10,000, but unfortunately it does not cover all my tuition. I have a job to pay the difference; however, there may be a day when I will need to cut back on my hours to dedicate myself to school, so I wanted to express my support for <u>Senate Bill 90</u>. The loan process is intimidating. The bill allows a process that helps first-time students know which loans are the best and what to borrow and pay back.

#### SENATOR FORD:

We have work to do on the bill and look forward to working with all the interested parties to ensure we can put forth a bill that will help with student loan refinancing.

#### CHAIR PARKS:

I will close the hearing on <u>Senate Bill 90</u> and will open the hearing for Senate Bill 26.

SENATE BILL 26: Makes certain changes concerning governmental entities that contract with or invest in companies that boycott Israel. (BDR 27-418)

#### LIEUTENANT GOVERNOR MARK A. HUTCHISON:

<u>Senate Bill 26</u> dictates the State of Nevada shall not contract with or invest in companies that are engaged in a global effort to delegitimize Israel by way of boycott, divestiture and sanctions, sometimes called the Boycott, Divestment and Sanctions (BDS) movement. This bill will prohibit the State from supporting those activities of ultimately and culturally delegitimizing one of the United States' strongest allies.

I will emphasize the point with a personal experience. I have had a couple chances to travel to Israel, the first time as State Senator in 2013 with 14 other State Senators and legislators, from across the Country. It was a great experience throughout Israel, but one of the most meaningful was in the Sea of Galilee and in the City of Tiberias. Our firsthand experience was how much the Israeli people love the United States of America, how important they are as an ally. We had dinner overlooking the Sea of Galilee. While eating dinner, we could see an illuminated ship on the water that was approaching us. The illumination on the ship was the American flag along with fireworks and an announcement over the sound system and standing ovation as we were introduced as State Legislators. The restaurant played "God Bless America." It was not something I was accustomed to but it underscored the importance of that relationship and sentiment that our friends in Israel have for the United States of America.

I also met an American-born Israeli citizen, a member of the Jewish faith. He shared his knowledge with comments stating he lives in a very dangerous part of the world. Israel has a lot of people who are happy with their position in the world but also have a lot of enemies. He said that Israel has four rings of defense. The first ring is God in Heaven. I replied that was the United States first line of defense well. The second as rina was the Israel Defense Forces (IDF). The IDF are the greatest fighting force within a 1,000 miles of Israel which protects the Israelis from the very dangerous enemy. I met another person who volunteered for the IDF after graduation from

a Las Vegas high school who became a special force soldier engaged in difficult tunnel warfare. The third ring of defense is the resiliency of the Israeli people who continue life despite terrorist activities and threats and events. They refuse to allow terrorist threats to rule their lives. The fourth ring of defense is the knowledge of their enemies that America will always support Israel.

Today, Mr. Chair, Nevada has a chance to support Israel and in turn, support our best economic interest by establishing clear State policy set forth in this bill. This bill prohibits purchasing products from or investing with companies that make lasting economic decisions motivated by discrimination based on national origin, religion or politics, which in turn affect our State and taxpayers. We have an opportunity with this bill to say we as a State prioritize and value U.S. foreign policy, financial performance and our State contracts and investments and diversification over discrimination.

<u>Senate Bill 26</u> will strengthen the policy already in place in the State of Nevada. Nevada will not subvert U.S. foreign policy by engaging in business with entities that target a United States ally. This policy has been set forth in our Iran petroleum legislation in the 2009 Session and the State Treasurer's policy prohibiting investment with states that sponsor terrorism.

Nevada must view our own State contracts and purchases competitively as a strategic participant in the market. Nevada contracts shall have every opportunity to reach their fullest financial opportunity, and that opportunity should be at the top of our consideration as Legislators. During the prioritization of selection of contracts, Nevada should be concerned with a company or companies that are motivated by discrimination or politics over legitimate business performances.

In the past couple of years, Nevada has been fortunate to diversify our economy in ways we have only dreamed of. Israel and Israeli companies that have a competitive edge in sectors are important to our State. They are partners with us in a variety of industries, including water technology, Unmanned Aerial Vehicle technology and cybersecurity. To keep Nevada in its own competitive advantage, we must ensure our State policy is welcoming to Israel and Israeli businesses and is not tolerant of discrimination or delegitimizing Israel.

<u>Senate Bill 26</u> sends a clear message. Companies who decide to boycott Israel are free to do so, but Nevada is free to choose the companies in which it will invest and with whom it will do business. These decisions are critical in defining and pursuing Nevada's own economic interest in public policy. We will not be alone. Fifteen states across the Nation have similar anti-BDS legislation, with ten other states including Nevada considering pending measures this year. It is my hope that through <u>Senate Bill 26</u> we can join the growing list and protect our financial interests and economic diversification and respect and support our U.S. foreign policy.

I would like to go over the main provisions of the bill and some important definitions. "Boycott of Israel" means refusing to deal or conduct business with, abstaining from dealing or conducting business with, terminating business or business activities with or performing any action intended to limit commercial relations with Israel or person or entity doing business in Israel or in territories controlled by Israel. The term does not the limit the company from making business decisions based on bona fide business or economic reasons.

The bill defines a scrutinized company as any company that engages in a boycott of Israel. Senate Bill 26 amends Nevada's existing local government and State purchasing statutes. Sections 5 and 11 of the bill prohibit public entities entering into contract with a company unless the contract includes a written self-certification that the company is not engaged in and agrees to not to engage in a boycott of Israel for the duration of the contract.

Sections 6 and 13 provide notice to bidders that the written self-certification is a required part of our State contracting process. Section 11, subsection 2 requires the State Purchasing Administrator to adopt regulations to carry out the provisions of the bill. It is our intent that at minimum the regulation defining written self-certification creates standard language for the written certification required by contracts, such as, "the company is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel."

Senate Bill 26 amends Nevada's existing Public Employees' Retirement System (PERS) statutes. Section 21 requires the PERS Board to create a list identifying each scrutinized company in which the system has direct holding. "Scrutinized company" is defined as one engaged in a boycott of Israel. In identifying a scrutinized company, the PERS Board relies on publicly available information, such as information from nonprofit organizations, research firms or

government agencies. It is important that the PERS Board rely on information that is available publicly so we do not have any additional costs incurred to PERS.

Section 22 requires the PERS Board to prepare an annual report of investments of money from the system in scrutinized companies and submit the report to the Governor and Legislative Counsel Bureau. Assembly Bill No. 493 of the 75th Session requires PERS to identify and report investments of money from the system in certain scrutinized companies with business activities or connections to Iran's petroleum sector.

The bill amends existing State Financial Administration Statutes, specifically the State Treasurer statutes. Section 31 requires the State Treasurer to create a list identifying scrutinized companies in which the public fund has a direct or indirect holding. The Treasurer shall rely on publicly available information. Section 32 requires the Treasurer to prepare an annual report of investments of public funds in the scrutinized companies and submit the findings to the Governor and Legislative Counsel Bureau.

Section 33 requires the State Treasurer to sell, redeem, divest or withdraw all direct holdings of scrutinized companies from the assets under its management within 3 months after preparing the list of scrutinized companies from the public funds. The bill also bans the Treasurer from acquiring future securities in scrutinized companies as part of the direct holdings of State.

The State Treasurer shall post on its Website a list of investments sold and redeemed, divested or withdrawn before June 30 of every year. The Treasurer is to request the manager of an indirect holding of a public fund to consider selling, redeeming, divesting or withdrawing holdings of a scrutinized company from the assets under its management. An important caveat, the Treasurer is to undertake these activities so long as they are consistent with the fiduciary responsibilities of the State Treasurer.

Section 34 requires the State Treasurer to adopt regulations to carry out the provisions of the bill, including establishing a process of notifying companies that they are on a list of scrutinized companies and subject to divestment with the State of Nevada and establish a process to remove a company from the scrutinized company list if the company has provided documentation that the

company has ceased its boycott of Israel and does not engage in the boycott of Israel during the period of time the State Treasurer invests in the company.

<u>Senate Bill 26</u> confirms that America, and Nevada in particular, stands and supports policies that prioritize financially effective business practices, innovation and diversification over baseless national origin, religion or political discrimination.

#### CHAIR PARKS:

I have a question that deals with procedures. Section 11 states the administrator or using agency shall not enter into a contract. How will these agencies know whether there is either a direct or indirect holding? Is this something readily available or something that would have to be searched and updated and might require staff time? You stated there are 15 states that have some sort of procedure. Perhaps you know how they handle that?

CATHY ERSKINE (Policy Analyst, Office of the Lieutenant Governor): Are you referring to section 11 that deals with purchasing?

#### CHAIR PARKS:

Yes.

#### Ms. Erskine:

We do not require a list in the Purchasing Division. We require a self-certification to be part of the contract. Persons self-certify up front. There is no list involved where Purchasing would have to validate a format that the signing entity is not engaged in a boycott.

#### **SENATOR RATTI:**

When it comes to purchasing, is there a timeline for implementation or a rollout? Sometimes when we change our purchasing standards, we end up unintentionally diverting the bidding process because folks are getting up to speed on what the new requirements are. How do you see rolling that out? Is there a timeline?

## Ms. Erskine:

This will go into effect July 1, 2018. We allowed a year for regulations to be adopted. Our Office plans to be part of the regulations adoption process. We think we have allowed enough time for that process to take place.

#### **SENATOR RATTI:**

Can you confirm this is only State Purchasing? It is not our intent to push this out to the local level?

## Ms. Erskine:

Currently, it does include local and State government.

#### SENATOR RATTI:

I have a concern. I know July 2018 appears to be a long time for the preparation of bidding documents of significant projects to get the word out to local governments so the bidding documents are correct when bids come back. We follow the process as defined, but I am concerned about the timeline. The timeline might be realistic at the State level, but I am not sure if pushing it out to all the local governments allows enough time for local governments to adjust their purchasing timelines.

#### LIEUTENANT GOVERNOR HUTCHISON:

We certainly would welcome your insight given your experience. We are willing to work with you and the local governments to ensure it is as smooth as possible and the required time to implement is provided.

#### SENATOR RATTI:

Have you had input from the State and local government purchasing association? There is an association of purchasing managers.

#### LIEUTENANT GOVERNOR HUTCHISON:

We have gotten input from the Director of State Purchasing and staff.

#### SENATOR RATTI:

That would be the purchasing director from each of the local governments.

## LIEUTENANT GOVERNOR HUTCHISON:

We would be happy to meet with them and consider that.

#### SENATOR HARDY:

Is there an exhaustive list of people who have boycotted or something on the do-not list? Can that be shared? Is it so exhaustive that we do not know who they are, or is it simplified enough that a list can be made available to the different entities that would be making contracts?

#### LIEUTENANT GOVERNOR HUTCHISON:

Yes. There are other states that have this legislation already. Lists have been compiled and are readily available, and we are certainly happy to provide them to anyone who would like to see them (Exhibit E).

#### SENATOR RATTI:

Would that be for an investment strategy? We are proactively trying to ensure in our investments that we are not participating with any of those companies, but on a purchasing strategy you are looking for a self-disclosure? Is that correct? The self-disclosure process is what I am more concerned with because it changes how the bidding documents are issued.

## LIEUTENANT GOVERNOR HUTCHISON:

You are correct, Senator Ratti. We are happy to continue the process with the purchasing agents at the local level.

#### SENATOR GOICOECHEA:

When it comes to contracting, you are hanging your hat on section 11, which is the certification. Technically, if business is to be contracted with State Purchasing or otherwise, the company has to certify they are not engaged in boycotts or do not intend to. That is the meat of it. You can research other states' records, but the bottom line is if you are going to do business with Nevada, or Eureka County, you have to certify that you are not engaged in a boycott with Israel or intend to.

#### LIEUTENANT GOVERNOR HUTCHISON:

That is exactly right. The certification is going to become part of the existing contract at both the local and State Purchasing agencies.

#### CHAIR PARKS:

I am curious, what that form will look like and do the other States have such a form? Would you provide the form to our Committee? The work that I have done relative to local government purchasing gives me some pause to question. A lot of purchasing agencies throughout the State have self-certification forms that sometimes do not quite fully satisfy our requirements.

#### Ms. Erskine:

We do have several examples. Florida and Arizona have forms (<u>Exhibit F</u> and <u>Exhibit G</u>). The Purchasing Administrator will be testifying and can speak to it more. We left it open as to how it works best for the agency to do that process, whether it be an active certification or another term in the contract (<u>Exhibit H</u> and <u>Exhibit I</u>).

## SHELLEY BERKLEY (TOURO UNIVERSITY):

This issue is very important to me and the organized Jewish community. Boycott, Divestment and Sanctions are a transparent attempt to delegitimize the State of Israel. It is blatantly an antisemitic attempt to discriminate on the basis of nationality and religion, against one country, Israel. The leader of the BDS movement, Omar Barghouti, candidly admits that, "the goal of all parts of the boycott is to destroy the Jewish state." He opposes Israel's presence, not only on the West Bank, but he opposes the existence of Israel within any border. The BDS movement urges a boycott of all Israeli products, divestment from all companies that do business with Israel and sanctions to punish Israel economically and politically. The anti-BDS legislation before you protects Nevada taxpayer money from being used to support discrimination against Israel, America's most reliable ally in the world and the only democracy in the Middle East.

This legislation simply ensures no taxpayer money goes to the antisemitic attempt to delegitimize Israel's right to exist. The legislation would prevent PERS from investing in companies that boycott Israel. Companies that discriminate against Israel would be barred from contracting with the State. Nevada will join 16 other states with passage of this bill. Nine states are pending, rejecting efforts to isolate and demonize the Jewish state.

In 2015, the United States Congress passed legislation combatting BDS. In signing the law, then-President Obama stated, "I have directed my administration to strongly oppose boycotts, divestment campaigns and sanctions targeting the state of Israel," throughout the term of his Presidency. Hillary Clinton also spoke against BDS. I have a letter for the record (Exhibit J). President Trump has reaffirmed America's opposition to BDS. Senate Bill 26 is consistent with similar policies passed in Nevada. The Nevada Legislature passed A.B. No. 493 of the 75th Session requiring Nevada PERS to report on any investment companies doing business in Iran's energy sector.

In 2011, former State Treasurer Kate Marshall implemented a policy prohibiting State investment in companies doing business with countries that sponsor terrorism. In 2013, Palestinian President Mahmoud Abbas said the following, "We do not ask anyone to boycott Israel. We have relations with Israel. We have mutual recognition of Israel." Jewish businesses large and small provide jobs for the Palestinian people. Support for antisemitic BDS legislation has enjoyed bipartisan support and is not a Republican or Democratic issue, indeed it was on the platforms of both political parties.

The Nation's economic relationship with Israel, imports and exports, total over \$28 billion. Every state, including the State of Nevada, does business with Israeli companies. More than 100,000 U.S. companies are doing business in Israel. There are 86 Israeli companies listed on U.S. stock exchanges. If we boycott Israeli products and their technology, we all will be throwing away our smart phones. Driverless cars, cybersecurity, water quality and conservation all are technology provided by Israelis. The brain cap saved the life of my former colleague and dear friend Gabby Giffords. There is a 98 percent survival rate for our troops serving in Iraq and Afghanistan due in large part to Israeli battlefield medical technology

What this bill is not is a violation to anyone's right to free speech. In 2015, I was honored by and am very proud that I am a member of the American Civil Liberties Union (ACLU). I respectfully disagree with the ACLU opposition to this bill, as did 16 states that voted for anti-BDS legislation over the opposition of the American Civil Liberties Union. Legislation does not bar any BDS activity and does not violate the First Amendment. This legislation only relates to State contracting and public pension funds investments. It limits State business relationships with companies that discriminatorily limit their own business relations. It does not prohibit or penalize any speech.

Proponents of boycotting Israel are free to call for boycotts and encourage others to join them and participate in them. The BDS movement admits these laws do not prohibit their activities. The First Amendment allows states to place conditions on doing business with them. Antidiscrimination restrictions on government contractors is commonplace and a normal requirement for government funding. As President Barack Obama said when signing the executive order prohibiting such discrimination in government contracts, "The federal government is not required to subsidize discrimination." Governments can, without any constitutional question, attach conditions relevant to the

actual expenditure of funds. A State can reasonably decide that a company that boycotts Israel puts politics ahead of business considerations in a way that makes the company less effective and harms contract performance. I respectfully urge the members of this Committee to do the right thing and vote for this legislation.

#### SENATOR HARDY:

I agree with Ms. Berkley who, I must disclose, is my boss. I have been to Israel and have seen the vulnerability and the reality of the State of Israel and want to be on the good-guy side forever. I am in full support of the State of Israel.

## DILLON HOSIER (Israeli-American Coalition for Action):

We estimate there are 8,000 to 10,000 Israeli Americans here in Nevada. This issue is personal for our community. When we look at what BDS does domestically, the movement claims to be a peaceful nonviolent movement; however, its activities cross the line. In this recent climate, the FBI has stated antisemitic activities are on the rise and more than double than any activities against any other religious group in the Country. We have seen bomb threats in Jewish communities. This kind of incitement is personal. As an immigrant community, the Israeli Americans believe they have a right to have a connection to their culture and heritage without harassment and discrimination. The BDS movement, viewed internationally, is designed to undermine decades of foreign policy set forth by the United States with regard to the Middle East and Israel specifically. When she was Secretary of State, Hillary Clinton said, "The BDS movement" is a coercive movement that is not representative of a path to peace.

Nevada should not use its dollars to support an effort to undermine our national foreign policy. The U.S. Treasury Department for approximately ten years has been investigating the BDS movement internationally for suspected ties to organized crime and terror financing. As a result of this kind of connection, primarily to Hamas and the Popular Front for the Liberation of Palestine, which were designated as terrorist organizations by the Clinton administration in 1997, European banks in Spain, Austria, Germany and France have closed BDS accounts. When you think of Nevada dollars, it is valuable to have a policy in place that ensures tax dollars do not go to support those efforts.

<u>Senate Bill 26</u> is consistent with past Nevada policy. The Iran sanctions transparency bill looking at how PERS invests money is reflected in section 22

of <u>S.B. 26</u>. In 2011, State Treasurer, Kate Marshall issued a policy ensuring that the Investment Board will not invest in scrutinized companies that do business with global sponsors of state terror. This is embodied in section 23 of this bill. Overall, the effort is consistent with federal antiboycott legislation passed decades ago to ensure Arab countries would not actively undermine the U.S. alliance with Israel. This is not a partisan issue. The states of California and Texas are considering this. It is across-the-board recognition that the issue is serious and so is its impact on Israeli-American and Jewish-American communities across the State. This bill embodies sound financial practice.

## JOHN FARAHI:

Prior testimony of Lieutenant Governor Hutchison and Congresswoman Berkley has stated it all. The enemies of the State of Israel have tried every means to delegitimize and destroy Israel, whether through war, terrorism or through international bodies like the United Nations. Israel has worked hard and is the only democracy in Middle East and a true friend of our Country, the United States of America. At the heart of the BDS movement the issue is to destroy Israel. We in this Country should do everything we can to prevent that from happening. I urge you to support Senate Bill 26.

#### SIGAL CHATTAH:

The fiscal issues of the State of Nevada worry and apply to me as a citizen of the State. What concerns me of the recklessness of the BDS movement is beyond the fiscal damage to the State of Israel. The encouragement of discrimination and antisemitism towards Israel disregards the thousands of jobs the Israelis offer to the Israeli Arabs daily. The promotion of antisemitism completely disregards the collateral damage to those populations under the false pretenses of an antisemitic political agenda. It is a different strain of the virus we saw 70 years ago. It is incumbent on this Legislative Body to stop the spread of this virus and the viral effect of antisemitism that has no place in today's world.

The State of Israel as a sovereign should not be forced to negotiate with terrorist governments. Seventy years ago, through boycotts of Jewish businesses and pogroms in European countries and the former Soviet Union, the world saw genocide in an attempt to eradicate Jewish existence from this world. It is now doing the same to the State of Israel. I urge your support of Senate Bill 26.

DAVID BROG (Christians United for Israel):

The BDS movement is fundamentally an antisemitic movement and one that endangers peace in the Middle East. It is not antisemitic to criticize Israel. Israel is a fallible country, and persons in front of the line criticizing Israeli policies are the Israelis. It is antisemitic to criticize only Israel. When the pain and suffering and injustice in the world that people focus on and speak out about they blame on the Jewish state and no other, there is a problematic obsession with Israel. People who see no good in the State of Israel and no evil beyond its borders are bigots. The members of the BDS movement criticize only Israel. They scan the globe but do not see the genocide and massacres in Sudan or Syria or Chechnya. They do not see the persecution of gays and women in Saudi Arabia or Iran or the persecution of Christians in Egypt, Saudi Arabia, Iraq, Iran, Afghanistan or Pakistan. They single out Israel, the only country in the Middle East where gays can live openly and safely.

Women are permitted to drive cars and pilot fighter jets. The Christian community is thriving and growing in Israel. It is the only country in the Middle East where Arab citizens are free to vote for, serve in and criticize their government without fearing for their lives or freedom. Israel is the only country where Muslim citizens are free to worship Allah as they see fit or not worship Allah at all, according to their conscience. The BDS movement will tell you no, no we are not antisemitic, we just want to pressure Israel to do the right thing so there can be peace in the Middle East. We need to force Israel through economic means to grant the Palestinians a state. It is critical to know Israel has offered the Palestinians a state of their own on five separate occasions, in 1937, 1947, 1967, 2000 and 2008. The Palestinians said no to the offers sometimes verbally and other times violently.

The reason there is no peace in the Middle East today is not because Israel has not offered and taken risks for peace; the reason is because Palestinian leaders have refused to recognize and negotiate with Israel or they are afraid of those themselves refuse to recognize and negotiate Congresswoman Berkley pointed out the BDS movement does not support a two-state solution. The BDS movement by its own admission "wants to end Israel's existence as a Jewish state." That is a quote from the founder Omar Barghouti. When Mahmoud Abbas, the head of the Palestinian Authority, said Jews have rights in the land of Israel, Omar Barghouti and the BDS movement called him a betrayer. Omar Barghouti is guilty of treason. If there is no peace in the Middle East, it is because of people like Omar Barghouti and the

BDS movement that, instead of embracing a two-state solution, dismiss negotiations and peace and attacks those who do.

With <u>Senate Bill 26</u>, you have an opportunity to tell the BDS movement that its bigotry and extremism is not welcome in Nevada. You have an opportunity to tell businesses that if you want to sacrifice your profits on the altar of your hate, then you too are not welcome to do business in this State.

#### SENATOR HARDY:

Please provide a hard copy of your written testimony so it is made available to the Committee.

## CHAIR PARKS:

Mr. Brog, please provide your written testimony to the clerical support in Las Vegas. You spoke extemporaneously at some point, but we will manage to include that as well.

## Mr. Brog:

It was all extemporaneous but I would be happy to write it up for the Senator.

## CARLOS BLUMBERG (Anti-Defamation League):

I have a policy letter in support of <u>Senate Bill 26</u> from Anti-Defamation League Regional Director, Jolie Brislin. I would like to read and submit the letter as testimony for your consideration (<u>Exhibit K</u>).

#### JASON D. GUINASSO:

I support the prior testimony that harassment and discrimination against Jewish individuals is unacceptable and a by-product of the BDS movement. The February 26, 2015, survey conducted by Pew Research Center found that Jewish people are most likely to be harassed because of their religion than any other religious group. I do not think it is hyperbole to say the BDS movement is one of the most blatant and insidious antisemitic efforts of our time. It is important that Nevada join the 16 other states that have enacted antisemitic BDS Legislation and take a stand against this form of invidious discrimination. It is important for Nevada because it affirms our State's commitment to stand against invidious discrimination in all of its forms and important because of our efforts to diversify our economy.

I had the opportunity to read a letter submitted to this Committee presented by the ACLU. I do not think the letter accurately reflects what the Constitution provides and do not think the BDS legislation has the constitutional defects that the ACLU alleges. I want to point out there is nothing in the Constitution that requires the federal government or state governments to endorse discriminatory practices. That premise was supported by President Barack Obama when he discussed federal contracts but also a premise upheld in a case involving Bob Jones University v. Smith, wherein the IRS revoked a 501(c)(3) status of a school for its discriminatory practices. I draw that as an analogy because the court stated in that case, and I think it applies here, that companies and schools can engage in free speech even when the speech is discriminatory in nature.

The Constitution allows groups of individuals to associate and act in a way that may be repugnant to others in the community. What the court has said repeatedly is that "Nevada and other states are not required to endorse or otherwise do business with companies who engage in discriminatory or antisemitic practices." To further support that point, since the enactment of the first piece of anti-BDS legislation a few years ago, there have been zero legal challenges to anti-BDS legislation and the federal corollary passed in 2015. The idea there is some facial problem with the language presented or problem with the language as applied simply is not supported by any case in the Country where anti-BDS legislation has been enacted. There are no constitutional protections for foreign companies. A big piece of the legislation deals with investments made by foreign companies who do business with Nevada. We urge your support of Senate Bill 26.

#### MARK FRANK:

Bill Clinton's book included discussion of his Camp David talks with the Palestinians. He made an interesting point that Yasser Arafat told him he really did not understand why all those discussions had to take place because there was no history of Jews in the land of Israel. We are a Judeo-Christian civilization. Without Jews in the land of Israel there would be no Judeos and there would be no Christians.

I am not an advocate for any religion, although a member of one. The BDS speech is heinous but I support its supporters' right to say it. I find it distasteful, but freedom of speech is part of who we are as Americans. I also believe that my State has the right, in this case the obligation, not to deny the right but to speak to our disapproval of not speech but of what is being said. South Carolina

was the first State to enact this law, and a number of states have followed. Nevada has the opportunity to be within the first 20 percent of states who enact the law, if the Committee considers to support this legislation.

#### MATTHEW LEVIN:

I am speaking on behalf of Jewish students at the University of Nevada, Las Vegas. Israel is more than just a country, it is the only place in the world where Jews have an actual home. I have provided written testimony for your consideration to support this legislation (Exhibit L).

## YOHAN LOWIE (Israeli-American Council, Nevada):

You have heard from BDS activists that Israel is an apartheid State. They do not tell you that an Arab judge has tried and convicted the president of Israel and sentenced him for six years in jail. They do not tell you that the Arab Chief Judge has tried, convicted and sentenced to prison one of the most famous Israeli businessmen. They do not tell you that the Israeli Arabs do want to share a State and rights, or that the Arabs live in fear. They call us Jews. You and everyone else in the world call my people Jews. You know why—because we come from Judea. We are the original people on the land that had that name. They refuse to recognize the rights of the Jewish people to settlement in the homeland. The hate and deception is not new.

My son, who attends Vanderbilt University, wore a yamaka when he went to Chabad's House for Shabbat services. He no longer can wear a yamaka going to the lawn of Vanderbilt because he will be harassed and attacked by the Muslim Student Association (MSA) members and supporters of the BDS. My son will not go on the lawn even without a yamaka because the MSA knows he is a Jew and they will single him out for discrimination. It is worse with American Jews who refuse to acknowledge they are Jews out of fear of repercussion.

A few months ago on the national news, big swastikas were painted on the fraternity of the Jewish people of the Jewish organization in Vanderbilt, and some of the boys were subject to physical abuse. Antisemitic comments have seeped into American government in all levels. I was subject to discrimination a few weeks ago in Las Vegas, by Councilman Bob Coffin, which is on record. He stated this is not Israel, and I should stop treating people like Palestinians and building settlements on their lands. On my privately owned land, in Las Vegas, I had to witness, on record, a statement like that. I urge you to send this bill up and allow it to move forward, to send a message to antisemites and all people

who think it is okay to discriminate against people here. We do not discriminate against Muslims here. We do not discriminate against any people here as long as they are law-abiding citizens living in the land of the free.

## MARLA LETIZIA (Chair, Jewish Nevada):

Jewish Federations across the Country have taken an active role in speaking out against the antidiscriminatory practice of BDS. We lend our voices and support Senate Bill 26. I have presented my written testimony in support and for your consideration (Exhibit M).

## TOM LETIZIA (JEWISH NEVADA):

In support of <u>Senate Bill 26</u> and on behalf of citizens and those who have done business with Israeli-owned businesses and Israeli business leaders, I have written testimony for your consideration (<u>Exhibit N</u>).

## CESAR MINERA (Pastor, Word of Life Ministries):

I am in support of <u>Senate Bill 26</u>. I am representing two faith-based organizations, Spirit Filled Pastors Network and Evangelical Ministers of Nevada. Both organizations combined have 60 churches with several thousand members in Reno, Sparks and Carson City, and all support S.B. 26 (Exhibit O).

DAVID OBERG (Senior Pastor, Faith Alive Christian Center; Christians United for Israel, Reno-Sparks):

Founded in 2006, Christians United for Israel (CUFI) is the largest pro-Israel organization in the United States. There are over 3 million members spanning all 50 states. We have held more than 2,500 pro-Israel events in cities and towns across the Country. We hold an average of 40 pro-Israel events each month across the United States. The CUFI strives to act as a defensive shield against antisemitic Israel lies, boycotts, bad theology and political threats that seek to delegitimize Israel's existence. I voice my support for passage of <u>S.B. 26</u>. I have provided written testimony for your consideration (<u>Exhibit P</u>).

#### MARK SIEGAL:

I want to reinforce Ms. Letizia's comments regarding the direct connection this bill has with the State of Nevada. Israel is one of Nevada's largest trading partners with over a \$100 billion of goods and services a year traded with Israel. In December 2016, Office of Economic Development Director Steve Hill signed on behalf of Nevada a memorandum of understanding, a formal agreement of cooperation on behalf of the State, with Israel for water and

energy technology. Nevada is actively seeking the technological assistance of Israel, the world leader in water technology, to assist Nevada with our water shortage. For strong moral, ethical and foreign policy reasons, <u>S.B. 26</u> furthers Nevada's direct economic and technological relationship with Israel. I urge your support of S.B. 26.

SETH MORRISON (Jewish Voice for Peace, Las Vegas Chapter):

I am sorry to speak out of turn. You said Las Vegas will lose the video feed at 3:30 p.m. I want to testify in opposition.

#### CHAIR PARKS:

We will try to get to you as quickly as we can. We have another speaker in support.

JOSEPH SHALEV (Physician, Israeli-American Coalition for Action):

I am a Holocaust survivor. I approach <u>S.B. 26</u> from a different direction. When we were being annihilated and murdered all over Europe, nobody in the world was willing to help us, accept us, do anything for the Jews. We were alone. Some of the young people went into the forest to work against the German occupiers, and they more often than not were killed by the local population. Even the United States was not very receptive to accepting Jewish refugees. I see the same atmosphere and events happening around the world, in Europe and a little bit in the United States. It needs to stop. <u>Senate Bill 26</u> is a mild way of attempting to do it. It is the least we can do to try to stop the virus of anti-semitism. We should always know that what starts with the Jews goes on to other populations. I support <u>S.B. 26</u>. I provided notice of support from the Israeli-American Coalition (Exhibit Q).

MICHAEL POKROY (Physician, Israeli-American Coalition for Action):

I am distressed with what I have heard today. I came to the United States in the mid-1970s and felt free as a Jew coming from a South Africa where there was a lot of discrimination against everyone. The freedom in the U.S. was wonderful, but as I hear today, things are changing. Based on the testimony of Dr. Shalev, I want to read something for the Committee. In the 1930s, there were two boycott campaigns, one against Hitler and one by and for the Nazis against the Jews. In the 1920s, the Nazis launched their campaign for a boycott of Jewish business. Not limited to street corner rabble-rousers, the campaign had resonance on campuses and 76 percent of the National German Student Union voted to exclude Jews, including Jewish converts to Christianity. The

Nazi seizure of power in 1933 put the authority of the state behind storm troopers shouting, "Germans defend yourself. Do not buy from Jews," as they attacked Jewish storekeepers. In broken store windows signs were posted, "Jews are our misfortune. Go back to Palestine."

The Nazi boycott campaign also went international in Poland and across the Atlantic. In Quebec, French-Canadian nationalists took the lead in the organization of boycotters. In Palestine, the first antisemitic Jewish boycotts coincided with bloody anti-Jewish riots of 1929. The rioters proclaimed, "Oh Arab, remember that the Jew is your strongest enemy of your ancestors since olden times." Times have not changed.

What does the BDS movement really mean? You can go to the Internet and find thousands of quotations of supporters of BDS but I think the United Kingdom's member of Parliament, George Galloway, who had just finished a debate at Oxford University put it best, "I refuse this evening to debate with an Israeli, a supporter of the apartheid State of Israel. The reason is simple, no recognition, no normalization, just boycott, divestment and sanctions until the apartheid State is defeated."

The people of Nevada need to stop this progress, stop it, let us give support to what is right. I reject what the ACLU is doing. I reject it absolutely because I think far from helping free speech, these companies can continue to say what they wish to, that they do not support Israel. They want to have BDS, but the State of Nevada does not become obligated to go along with what the ACLU is saying. I request the Committee members pass <u>S.B. 26</u>.

## Yossi Silverstein (Rabbi, Chabad of Reno):

From a rabbi's perspective, it is a dream for Jews to have their homeland. In the Bible it was stated Israel will be the Promised Land, the land where we can practice serving God. People are missing the strong connection of Jews and Israel. Jews are passionate about Israel. If you make sanctions in Iran, you are not sanctioning a people, you are not sanctioning a religion. By sanctioning Israel, you are harming the Jewish people as a whole because every Jew believes that Israel is our space to live peacefully without fear of economic harm, without fear of violence and war. This is a quality of life issue for Jews in Nevada. We know Nevada is there for our people in Israel; we also know we feel comfortable and free as a people.

CHAIR PARKS:

We have a speaker in Las Vegas.

SETH MORRISON (Jewish Voice for Peace):

The Jewish Voice for Peace agrees with the ACLU that <u>S.B. 26</u> is an unconstitutional attempt to use the State's purchasing power to stifle free expression. We see no benefit to Nevada citizens and see limited State resource waste from the PERS Board and State Treasurer's Office to request all new forms, to track this information and, most difficult, to enforce it. You can have a situation under this bill where a company decides not to do business with an Israeli company for a legitimate reason like price, delivery, whatever. Someone will accuse them of boycotting Israel and demand that the State stop doing business with them. It creates implementation challenges.

We have heard testimony to demonize the nonviolent movement to boycott, divest from and sanction the State of Israel until it ends the occupation of Palestine. In 2005, almost 200 Civil Society Organizations in occupied Palestine came together to forsake violence, to forsake terrorism and adopt the same tactics used by the African National Congress in South Africa, that of economic pressure to bring peaceful change.

Contrary to testimony today, the Palestinian call for BDS does recognize the state of Israel and calls for ending the boycott when three goals are met: Ending Israel's occupation and colonization of all Arab lands and dismantling the wall, recognizing the fundamental rights of the Arab-Palestinian citizens of Israel to full equality, and respecting, protecting, and promoting the rights of Palestinian refugees to return to their homes and properties as stipulated in United Nations General Assembly Resolution 194.

We have heard today that the BDS movement is singling out Israel. It is somewhat true that Israel is a major violator of human rights. We can document that as detailed as you would like. Israel receives \$4 billion in U.S. aid when the U.S. government is considering cutting aid to all other recipients. We do have a right to hold Israel accountable for its behavior.

The most hurtful thing I heard today is the accusations that BDS is antisemitic. I agree that antisemitism is on the upswing in Nevada and the Country. I am as hurt as any Jew when I hear about swastikas or bomb threats. Antisemitism is

discrimination against people because of their religion. It has nothing to do with a legitimate effort to criticize the State of Israel for its actions.

Americans have every right to criticize Israel as a sovereign state. Americans criticize other countries all the time. When people criticize Saudi Arabia, no one accuses them of Islamophobia. When Americans criticize India, no one says we are anti-Hindu. When civil rights activists and peace activists are protesting Israel's discrimination and that becomes antisemitism, it is insulting. Jewish Voice for Peace does endorse the Palestinian call for BDS against Israel as part of our work for freedom, justice and equality for all people. We base this on our Jewish values that this is a time-honored nonviolent tool to end the Israeli occupation.

This bill sets a dangerous and potentially unconstitutional precedent of our State and utilizes taxpayer funds to silence free speech. I am in opposition to Senate Bill 26. I provided written testimony for your consideration (Exhibit R).

### CHAIR PARKS:

We are reestablishing our video feed in Las Vegas in Room 4412E.

HOLLY WELBORN (American Civil Liberties Union of Nevada):

<u>Senate Bill 26</u> as proposed would prohibit both State and local governmental entities from contracting with businesses that engage in or declare support for the Boycott, Divestment and Sanctions movement against the State of Israel. The ACLU of Nevada must oppose <u>S.B. 26</u> as introduced because it would punish constitutionally protected freedoms of speech and association.

The ACLU remains neutral in the debate this bill seeks to address and thus we take no position on either side of this debate. However sympathetic one might be to the cause the government seeks to support, the constitutional rights to free speech cannot depend on whether the content of the speech is admired or abhorred. Senate Bill 26 facially discriminates on the basis of the business entities' viewpoint, specifically in section 5 where the bill states, "a governing body or its authorized representative shall not enter into a contract with a company unless the contract includes a written certification that the company is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel." Section 5 requires a specific statement by the contractor to align with the State's political position or penalties will be suffered by the contractor. I have provided written testimony (Exhibit S).

We have heard through testimony that this is not considered a free speech activity and that it is perhaps a business activity, an economic activity. It is true under Supreme Court caselaw any kind of business engagement or refusal to invest in a particular business would only cause economic harm so it has no connection to speech. When it comes to the BDS movement, it is a political movement. By engaging in a boycott or supporting a boycott, they are engaging in political speech.

The bill further implicates speech in section 21, subsections 1 and 2, which requires the State staff to identify each scrutinized company to create a list of all scrutinized companies. This blacklist would be based on arbitrary systems subject to the whims, frailties, and biases of the staff and public who collaborate to create it. The State has every right to declare its beliefs and principles through resolution and legislation so long as those declarations do not infringe on the rights of people to express their disagreement or association opposition to these declarations. Nor can any governmental right to speak outweigh an individual right to speak. If governmental speech rights trumped individual rights, there would be no purpose to the First Amendment. For these reasons, we oppose Senate Bill 26.

## JIM SULLIVAN (Culinary Workers Union Local 226):

I have a statement from our Secretary-Treasurer regarding <u>Senate Bill 26</u>. We believe <u>S.B. 26</u> is a misguided and dangerous attempt to silence the dissent of people with different viewpoints. Boycotts and protests have been an invaluable and sometimes the only tool for working and oppressed people to address injustice. In the 1950s, Martin Luther King, Jr., and Rosa Parks led a successful boycott in Montgomery that eventually resulted in the desegregation of buses. In the 1960s, activists successfully boycotted the South Africa government until its unjust policy of apartheid was abolished in the 1990s.

In Nevada, the Culinary Union has used economic boycotts and protests for 82 years to win workers' rights and raise the standard of living for more than 750,000 working men and women. None of these victories would have been possible if the opposition was able to silence the dissent like <u>S.B. 26</u> attempts to do. We urge the Committee to vote against this unnecessary bill and focus on issues and policies that Nevadans are most concerned with, like health care, immigration and education.

#### SENATOR HARDY:

My observation is your examples are flipped around for trying to protect people, and we are trying to protect people by doing away with a boycott.

## Ms. Welborn:

Senator Hardy, I understand that rationale and that deduction. Perhaps one way of resolving this, ACLU is specifically looking at the language, the language specifically mentions Israel, specifically mentions boycotts of the nation of Israel. The more specific we get with that instead of a generally applicable antidiscrimination statute, the better the arguments are for that infringement on the speech rights. If we are looking for those protections, let us place those protections into the law without infringing speech or opening it up to a judiciable issue regarding speech.

#### **SENATOR RATTI:**

Help me to understand your position more broadly. I want to move away from the BDS issue specifically, but we have seen legislation in the past where people want to advance a particular agenda or point of view using the purchasing or investment resources of the State. "The ones I have certainly been approached on is we'd like to see PERS not invest in companies that have a record of treating women workers unfairly, or we'd like to see PERS take its money out of ..., we can just keep going down that path." Are those investment and purchasing choices inherently speech? Would you see any statements that a State was trying to make in terms of political activity, because obviously there would be groups that would advocate for or against any sort of political activity on those things, inherently to be speech?

### Ms. Welborn:

There is definitely caselaw that does state that the more tied to an investment decision and tied to wanting to cause economic harm, the less that activity is seen as a speech activity. This bill is specifically talking about the boycott activity, Boycott, Divestment and Sanctions. We are talking about engaging in boycott activities that have been shown under the U.S. Supreme Court precedent to be speech activities and political speech activities. There are other cases, and it is a debatable issue. The language needs to be written in a specific way where we can show that some financial transactions are in fact a display of one's viewpoints such as a political campaign contribution or something like that, but it is on a case-by-case basis.

#### SENATOR RATTI:

Are you saying there is a way to write this legislation to get to the same effect without your position of trampling on the free speech issue?

#### Ms. Welborn:

It can be written in a way that does not implicate speech so facially. On the face of this bill, it is written where there can be a facial challenge to it under the First Amendment. Sometimes the ACLU does not support legislation because it can have an "as-applied challenge," but if we are viewing something more broadly written, a broader antidiscrimination statute, that is something that can be worked with. We would caution that doing so can implicate speech in an "as-applied" basis, but we are definitely willing to work on that language.

TINA M. LEISS (Executive Officer, Public Employees' Retirement System): Senate Bill 26 requires the Retirement Board to identify and report direct holdings of the system in scrutinized companies. The Board has adopted a neutral position for reasons stated by the Lieutenant Governor Hutchison earlier. The Board has taken this neutral position because it does not require any particular investment decisions and requires a reporting authority within a mechanism that we report and we certainly have no issues with reporting information the Legislature would like on our investments.

I will note that we have conducted an initial review of the portfolio for exposure to investments that may fall within the reporting requirements of <u>Senate Bill 26</u>. Our equity holdings are indexed to the S&P 500 and the MSCI Indexes for domestic and international equities, respectively. Based on the publicly available information, we have not identified any holdings that would need to be reported at this time.

JEFF HAAG (Administrator, Purchasing Division, State Public Works Division, Department of Administration):

I am neutral on <u>S.B. 26</u>. I share the questions and concerns of the Committee as it relates to the certification process and would like an opportunity for further dialogue in clarifying what contracts will be impacted by this legislation should it be passed. We feel it is something that the Purchasing Department can implement. There is an administrative burden on this that we would try to automate, but we feel it is something we can accomplish.

#### LIFUTENANT GOVERNOR HUTCHISON:

It was important that everyone here had a chance to speak. There have been no facial or as-applied constitutional challenges to any of the anti-BDS legislation that was passed nor the federal legislation that was passed. We feel very strongly this is on strong constitutional grounds. We also feel strongly that anyone can engage in BDS activities if they like, but the State of Nevada is free to then decide with whom they wish to contract and with whom they wish to do business. This is what Senate Bill 26 does.

## CHAIR PARKS:

I have seven documents in support of <u>Senate Bill 26</u> (<u>Exhibit T</u>). I will now close the hearing on <u>Senate Bill 26</u> and open the hearing <u>Senate Bill 246</u>.

## **SENATE BILL 246**: Revises provisions relating to public works. (BDR 28-667)

SENATOR MARK A. MANENDO (Senatorial District No. 21):

There are several ways in which a contractor can bid or contract for public construction work in Nevada. This bill deals with one method called Construction Management at Risk (CMAR). The legislative intent of CMAR is to promote public confidence and trust in the contracting and bidding procedures for public works for the benefit of the public and to promote the philosophy of obtaining the best value as compared to the bid contracting. The CMAR is a valuable tool for public entities, and perfecting the process of the use of CMAR has been an ongoing and collaborative process bringing together all stakeholders.

This bill is the next step in the process. Four years ago, this Legislature made several statutory changes to CMAR intended to improve its effectiveness. A sunset clause was added to the statute to ensure the construction industry and the public entities that use CMAR would continue a healthy dialogue on related processes. The understanding was that at the end of the four-year period the parties would return and report to the Legislature on the progress made and challenges identified.

I observed the industry and public entities working together over the past four years to monitor the CMAR process and address the issues and challenges that have arisen. The stakeholders in the process include: northern and southern contractors, Nevada Department of Transportation (NDOT), State Public Works Division, Clark County, Washoe County, Reno, Las Vegas, North Las Vegas,

Henderson, Clark County Airport Authority, University of Nevada, Las Vegas, Southern Nevada Water Authority and Las Vegas Water District.

In the strategy agency meetings, CMAR was discussed and data on projects were gathered, issues addressed and conflicts were resolved. This bill before you today is the accumulation of multiple years of hard work and collaboration between the interested parties.

SEAN STEWART (CEO, Nevada Contractors Association):

I want to reiterate that CMAR is a useful tool that has been successfully implemented in Nevada for over the past decade. It has improved the certainty of project costs and schedules and reduced project risk. The bill addresses four areas in the CMAR process which are identified by this working group.

Changes in section 1 and 2 require the public advertisements for the CMAR process to be administered in the same manner by which all other construction delivery methods are advertised to ensure fair competition and notice of all interested parties. Changes in section 3 are designed to ensure the subcontractors who bid to the construction manager at risk during the process all use a standard bid sheet approved by the project owner to ensure all subcontractors are bidding in the same manner. Changes in section 4 allow limited use of design-build project delivery method by an owner. This allows the owner more options when choosing the best delivery method for a specific project. Changes to sections 5 and 6 extend the sunset language for an additional 4 years so all the interested parties can continue the monitoring and work on the progress for another 4-year period and in turn to report on the progress and challenges with CMAR to the Legislative Body. Without this change in sections 5 and 6, public entities are not allowed to use CMAR as a project delivery method after June 30. This is a critical piece of the bill. Without passage it will have a significant impact on agencies statewide. We have three proposed amendment (Exhibit U). One is a friendly amendment from the City of Henderson regarding deleting section 4.

The process of evaluating, monitoring and modifying CMAR over the past four years has been comprehensive. We hope you support the findings and recommendations of the participating parties who put time and effort into making sure the CMAR process works smoothly in Nevada.

DAVID FROMMER (University Architect, Executive Director of Planning Construction, University of Nevada, Las Vegas):

We support <u>S.B. 246</u>. Having design-bid-build, CMAR and design-build available are in the best interest of projects, public entities and the construction industry, since different project types and circumstances can benefit from different construction delivery methods. Extending the sunset for CMAR and eliminating the project value floor for design-build makes significant improvements to public work construction delivery approaches and methods. The University of Nevada, Las Vegas, has used and continues to use all three construction delivery methods successfully, although less so with design-build since we are now under the Public Works Division and are subject to the \$5 million floor. When allowable in the past, UNLV has used design-build projects for well under \$5 million, sometimes as low as \$100,000 to \$1 million when the project type suits it and benefits from having an integrated design and construction team for risk management, project controls and project delivery benefits.

We undertake a strategic assessment to determine the delivery method that is most beneficial for the project. We use them all in a manner to support project objectives. We also believe in the provision of  $\underline{S.B.\ 246}$  that provides for consistency in advertising, the same method as design-bid-build, and using a project subcontractor bid form that is developed by CMAR and approved by the owner so all subbids are consistent. We worked with the Nevada Chapter, Association of General Contractors and the industry at large and believe this bill is the subject of hard work by the Legislature, State government, public entities and the construction industry to continue to improve and enhance construction delivery methods in public works.

Sherri Payne (Senior Associate Vice President, College of Southern Nevada): The college has had five CMAR projects over the years, and every project has been successful. We are in full support of Senate Bill 246. We have found it is invaluable to have a contractor on board with our projects from design through construction. There are many benefits to having the contractor on board during the design to review plans for constructability, which can make the process smoother and more effective. The contractor's availability to provide budget numbers and value works well. In one case, we were able to add an additional 8,000 square feet because we had this project delivery method. Throughout the design period we constantly were receiving input from the contractor, and we were able to add the square footage without affecting the quality of the project. On another project, CMAR became invaluable because of existing conditions or

logistical challenges. Having a guaranteed maximum price when going through the project with tight funding is one of the reasons the College would recommend support of Senate Bill 246.

DANNY L. THOMPSON (Laborers International Union, Local 872 AFL/CIO):

We found the CMAR process has worked for our contractors and members of Local 872. We know there was a sunset on the process to make sure that it worked. We support extending the sunset to continue to fine-tune the methods and process. We support Senate Bill 246.

#### SENATOR GOICOECHEA:

Can you explain why we had the \$5 million cap in place?

WARREN HARDY (Associated Builders and Contractors of Nevada):

The \$5 million cap addressed in the bill is for the design-build portion. I was involved with the original legislation on design-build. It was a new procurement process and everyone was unsure of how it would translate into the public procurement process. It took us 20 years to get to the point of being comfortable in recommending the threshold be removed. These things are a work in progress and take time. The CMAR tool is in the middle of that process, but design-build is where everybody is comfortable and understands how to utilize the tool effectively as a procurement process. That is why we recommend the threshold be removed.

## SENATOR GOICOECHEA:

We are going to maintain the \$100,000 as the bottom line limit? You cannot use the CMAR tool if your bid is under \$100,000?

#### Mr. Hardy:

That is correct. There is a thought process out there. I do not think anyone would do it on a project under \$100,000. There are other procurement things we are looking at that may be effective. The University has some suggestions in southern Nevada. Yes, there is no reason to remove the \$100,000. In reality, I think few people will do it for projects under \$5 million. There did not seem to be a logical reason to have a cap anymore when I think most in the industry believe the design-build is a fully vetted process that works.

We are in full support of <u>Senate Bill 246</u>. I do not think CMAR is a fully vetted process but what lies before you today is the best compromise we can come up with. Hopefully, one day we will feel comfortable removing the sunset.

My concern with CMAR is the opportunity it presents for bid-shopping. Local government agencies do not bid shop and for the most part contractors do not, but the opportunity is there. We need to continue to vet this issue. This bill contains the best fixes to ensure that does not happen with regard to uniform bid documents and with regard to the way it is advertised. The one thing we advocated that did not make the legislation was a stronger declaration that gave directions to local governments in terms of not using the CMAR process to circumvent or limit competition or limit individuals from wanting to participate. We agreed to uniformity in advertising to get to the point that allows the opportunity to bid without bid-shopping. The best minds spent the entire Interim trying to figure out how to do this. The reality is it comes down to the ability of local governments and contractors to apply this across the board. Senate Bill 246 gets us closer to that.

My recommendation would be, if the Committee would so consider, if you have read the legislative declaration with regard to CMAR—it is not in the bill but it is in the statute—that we strengthen that a little to ensure there is a legislative intent that says that CMAR laws should not be used for bid-shopping or to limit competition. I hope the Committee would consider that in the final product. This legislation is very important to move the vetting process forward.

#### SENATOR GOICOECHEA:

There is nothing in the bill changing the requirements that local government must use CMAR?

#### Mr. Hardy:

Senator Goicoechea is reading the bill correctly. There is no requirement or mandate to use the CMAR tool. It is a tool in the tool box that is effective in the private sector. We want local governments to have the same tools available, but nothing compels it or forces it. All the bill does is extend the deadline so we have four more years to vet it and requires the use of a uniform bid document to eliminate bid-shopping.

LISA FOSTER (City of Boulder City; Nevada Association of School Superintendents; Nevada Association of School Administrators):

All entities I represent are in full support of <u>S.B. 246</u> and supportive of the changes proposed to the bill. Small entities have more opportunities to use the CMAR tool, and this will allow public bodies to deliver projects faster and more efficiently.

## KATHY OGLE (City of Henderson):

I would like to speak about the friendly amendment brought up in the presentation by Sean Stewart in his testimony today. We worked with some of the bill sponsors and concerns regarding the design community. We suggest the language eliminating the design-build threshold be removed from the bill and in its place we would provide for two discrete projects under the threshold in counties with populations with over 700,000, which would be Clark County, and we would sunset the two discrete project requirements June 30, 2021.

#### SENATOR MANENDO:

Could you send that in writing to the Committee, please, and I would like a copy too.

CRAIG MADOLE (Association of General Contractors, Nevada Chapter): We fully support Senate Bill 246.

BILL HOFFMAN (Deputy Director, Nevada Department of Transportation):

We are in favor of <u>S.B. 246</u>. Nevada Department of Transportation experiences with the CMAR delivery method are very positive. The use of CMAR in more complicated projects has infused innovation, improved overall project costs and provided scheduling certainty for both the contractor and NDOT. The insight received from contractors during the design phase on these projects has proven extremely valuable, and this bill allows NDOT the ability to continue using this successful delivery tool.

MARC MARKWELL (Sierra Nevada Construction):

We are a heavy civil highway underground contractor and work as a general and subcontractor and request your support of <u>S.B. 246</u>.

ANGELA CASTROLL (Regional Transportation Commission of Southern Nevada): We support Senate Bill 246. The Regional Transportation Commission of Southern Nevada has delivered numerous vertical and horizontal projects using

the construction manager at risk delivery method to control costs and schedule projects that are complex and have tight schedule constraints. The projects are collectively worth hundreds of millions of dollars, were delivered on time or ahead of schedule or under budget. The CMAR tool is an important component in our project delivery toolbox.

## JOHN FUDENBERG (Clark County):

We echo the thoughts of previous testimony and support Senate Bill 246.

PETE ETCHART (COO, Washoe County School District):

We are in complete support of Senate Bill 246.

OMAR SAUCEDO (Southern Nevada Water Authority):

We want to support the amendment offered by the City of Henderson. We believe it is important to keep a minimum threshold for design-build. We also support the extension of the sunset date of CMAR to June 30, 2021.

## BRADLEY KEATING (Clark County School District):

We find the CMAR method of delivery to be useful in developing one-of-a-kind projects and our first in a series of similar buildings as we expand. Clark County School District uses the method of delivery for major phases of replacement projects like Boulder City High School. We have had a classroom addition and the new Performing Arts Building, which will be a unique design. We used the design-build method for delivery results with the lowest cost to the district, as we are building elementary school designs in multiple locations. We support S.B. 246.

## REBECCA HOLDER (City of Las Vegas):

I echo the testimonies of the support for <u>Senate Bill 246</u>. We have used CMAR delivery method for four projects and have eight future projects over the next three years. The City of Las Vegas is in strong support of S.B. 246.

#### SENATOR MANENDO:

I would like to request a copy of that list of completed and future projects for the City of Las Vegas.

RUSSELL ROWE (American Council of Engineering Companies, Nevada Chapter): We are neutral in part because we support the provisions to amend the CMAR statutes moving forward. However, we take exception with removing the

threshold on the design-build statute and respectfully disagree that design-build is fully vetted. There could be clarification of the statute language for preliminary design plans as well with respect to the use of partial reimbursement. The process does save money. The engineering community is at a significant risk because we predesign the plans, so design firms are out unless they are the winner, which is tough on small engineering firms in Nevada. We are okay with a couple of exceptions under the threshold, but the issue to all design-build, whether it is above or below the threshold. We could get rid of the threshold if some other issues are resolved. We would be glad to work with the sponsor and the proponents of the bill and public entities to see if we can get there this Session. We would appreciate your indulgence to allow us to do that.

## GREG ESPOSITO (Nevada State Pipe Trades):

I am neutral on <u>S.B. 246</u>. Some years ago, a few of our contractors who were bidding on work in the City of Las Vegas notified us that they were treated unfairly during the bidding process for the Smith Center using CMAR. The process was new at the time and the general contractor had been bid-shopped. The general contractor put their bid out to other contractors and asked, whether they could beat it, then went back to the original contractor and said hey, we have people that are willing to beat your bid, can you go lower? That is not a fair practice on a public works project.

The Nevada State Pipe Trades got involved in the CMAR process the next Session trying fix the issue of bid-shopping. It is not an easy issue to fix because the nature of CMAR is for general contractors to get the budget as low as possible to ensure product delivery. We understand it is difficult. We were not invited to work on the subject during the Interim. We would have liked to have been involved to potentially fix the bid-shopping issue. If there is still time before passage, we would love to be part of the conversation to see if the issue can be addressed.

## CHAIR PARKS:

I will now close the hearing on <u>Senate Bill 246</u>. I will now open the meeting for public comment.

## MATTHEW ROBERT BUEHLER:

As a retired disabled career veteran of the United States Air Force and a 20-year resident of the great State of Nevada, I am here today to voice my opposition to Senate Bill 174 to rename McCarran International Airport in Las Vegas to

Harry Reid International Airport. I have provided written testimony for your consideration (Exhibit V).

**SENATE BILL 174**: Renames McCarran International Airport as Harry Reid International Airport (BDR S-34).

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CHAIR PARKS: I will adjourn the hearing at 4:22 p.m.	
	RESPECTFULLY SUBMITTED:
	Debi Szaro, Committee Secretary
APPROVED BY:	
Senator David R. Parks, Chair	
Conaco. David III I diko, Ondi	
DATE:	<u> </u>

Senate Committee on Government Affairs

EXHIBIT SUMMARY						
Bill	Exhibit / # of pages		Witness / Entity	Description		
	Α	1		Agenda		
	В	20		Attendance Roster		
S.B. 90	С	1	Rueben R. Murillo, Jr. / Nevada State Education Association	Letter of support		
S.B. 90	D	1	Rudy Zamora	Written testimony in support		
S.B. 26	Е	1	Lieutenant Governor Mark A. Hutchison	Anti-BDS bills by state		
S.B. 26	F	1	Cathy Erskine / Office of the Lieutenant Governor	FL Form For Vendor Certification		
S.B. 26	G	2	Cathy Erskine / Office of the Lieutenant Governor	AZ Procurement Israel Boycott		
S.B. 26	Н	16	Cathy Erskine / Office of the Lieutenant Governor	Florida Invitation to Bid Contract		
S.B. 26	I	23	Cathy Erskine / Office of the Lieutenant Governor	Form		
S.B. 26	J	2	Shelley Berkley/ Touro University	Letter in support from Hillary Clinton		
S.B. 26	К	1	Carlos Blumberg / Anti-Defamation League	Written testimony from Jolie Brislin		
S.B. 26	L	1	Matthew Levin	Written testimony in support		
S.B. 26	М	5	Marla Letizia / Jewish Nevada	Written testimony in support		
S.B. 26	N	4	Tom Letizia / Jewish Nevada	Written testimony in support		
S.B. 26	0	1	Cesar Minera / Word of Life Ministries	Written testimony in support		
S.B. 26	Р	1	David Oberg / Faith Alive	Written testimony in support		
S.B. 26	Q	1	Joseph Shalev / Israeli-American Coalition for Action	Written testimony in support		

S.B. 26	R	2	Seth Morrison / Las Vegas Chapter of Jewish Voice for Peace	Written testimony in opposition
S.B. 26	S	3	Holly Welborn / American Civil Liberties Union of Nevada	Written testimony in opposition
S.B. 26	Т	19	Senator David R. Parks	Seven documents in support
S.B. 246	J	3	Sean Stewart / Nevada Contractors Association	Proposed amendments submitted by Brian Reeder
S.B. 174	٧	1	Matthew Robert Buehler	Written testimony in opposition