

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

**Seventy-Third Session  
April 29, 2005**

The Committee on Government Affairs was called to order at 8:10 a.m., on Friday, April 29, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Mr. David Parks, Chairman  
Ms. Peggy Pierce, Vice Chairwoman  
Mr. Kelvin Atkinson  
Mr. Chad Christensen  
Mr. Jerry D. Claborn  
Mr. Pete Goicoechea  
Mr. Tom Grady  
Mr. Joe Hardy  
Mrs. Marilyn Kirkpatrick  
Mr. Bob McCleary  
Mr. Harvey J. Munford  
Ms. Bonnie Parnell  
Mr. Scott Sibley

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Eileen O'Grady, Committee Counsel  
Susan Scholley, Committee Policy Analyst  
Michael Shafer, Committee Attaché

**OTHERS PRESENT:**

None

**Chairman Parks:**

[Called meeting to order and roll called.] Today, the only thing we have scheduled is a work session. I believe we have four bills that we have for consideration this morning. [[Exhibit B.](#)] With that, we'll go ahead and start with the first bill, S.B. 71.

**Senate Bill 71: Removes requirement for approval of salaries of executive staff of Public Employees' Benefits Program by Interim Retirement and Benefits Committee. (BDR 23-86)**

**Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:**

The first bill is S.B. 71, sponsored by the Senate Committee on Legislative Operations and Elections on behalf of the Interim Retirement and Benefits Committee. It was heard in Government Affairs on April 20. Senate Bill 71 removes the provision in statute that requires the Interim Retirement and Benefits Committee, which is a legislative committee, to approve an increase in salary for the executive director of the Public Employees' Benefits Program. The board of the Public Employees' Benefits Program also approves the executive director's salary. Testimony on the bill primarily consisted of minutes from the Interim Retirement and Benefits Committee in support of the bill. As noted in the minutes, Senator Raggio thought it was redundant to have an interim legislative committee approve the salary, since the Legislature sets the maximum salary in the unclassified pay bill each session. There was no testimony in opposition and no amendments. The measure passed unanimously on the Senate floor, and there is no fiscal impact.

**Assemblywoman Parnell:**

It says if the maximum salary is already set, so they obviously couldn't exceed that. Could you please give me what the executive director's current salary is and the potential for increase if this is passed without approval by the interim legislative committee? In other words, what's the difference between the existing salary and what it could go up to as determined by that maximum salary?

**Susan Scholley:**

We'd have to look that up. I don't believe that the unclassified pay bill for this session has been introduced yet. We can check on that. I don't know what his current salary is. We can try to find that out if you want.

**Assemblywoman Parnell:**

I don't want to hold the bill up. I'll be honest: I just have a little concern about this bit, just giving the board that kind of latitude without that legislative oversight. We'll see if anyone else has any questions.

**Chairman Parks:**

I think the way we looked at it, speaking for other people, is that it just simply deleted that portion, which was the ratification by the Interim Retirement Benefits Committee. I've served on a number of committees, but I don't know if I ever sat on a committee that has ever actually approved the annual salary of any particular person. It's one of those tasks which was assigned in this situation, but I don't think it's done very often.

**Susan Scholley:**

Eileen O'Grady looked up last year's unclassified pay bill, and the maximum set for the executive director was \$104,064. We don't know what the salary is actually currently set at, but I would assume its pretty close to that.

**Assemblyman Goicoechea:**

I think what they're saying is that the salary is established by the Legislature; therefore, the director couldn't exceed that even if he wanted to. I guess the next thing would be to set some oversight by saying, "Okay. We're setting them, and now we're going back and saying you can't exceed that."

**Assemblywoman Parnell:**

I will support this in Committee, but I do want to voice my concern that right now—and most of you know that I represent an awful lot of State employees—we're having some difficulties with some of the proposals from this board affecting the cost of both our actives and retirees and, in this case, particularly those State retirees who are also on Medicare. The other concern is that I know in the last session, we tried to get an audit of the board, and that did not go through. I think there still may be some discussion, so I will support it out of Committee, but I reserve the right to vote against it on the floor.

**Assemblyman Grady:**

I feel much like Ms. Parnell. This whole setup that we have over there and the way it has been managed really bothers me, and I would go along with

Ms. Parnell. I will vote it out of Committee, but I think there needs to be some real changes in the operation in that department.

**Assemblyman McCleary:**

What's the reason for this bill? What's the purpose? The Legislature establishes this stuff anyway. Why does this interim committee need this authority? Is there anybody serving on that interim committee sitting in this Committee today?

**Chairman Parks:**

I don't have the listing of who's assigned to interim committees, and offhand, I don't remember who is appointed to serve on it. I think the reason this was deleted was simply to remove the redundancy. It seems to have a degree of redundancy. Salaries are fixed by the board. They're put in the unpaid classified ranks and unclassified category.

**Assemblyman McCleary:**

That's what I'm asking. Is this necessary?

**Chairman Parks:**

Personally, I don't want to sway anybody. I just don't see that there is particularly a need there.

**Assemblyman McCleary:**

And I don't either, Mr. Chairman.

**Chairman Parks:**

Ms. Scholley, could you answer Mr. McCleary's question as to who the membership is?

**Susan Scholley:**

For the last interim, Senator Raggio was Chair, Assemblyman Arberry was Vice Chair; the other four members were Senator Coffin, Senator Rhoads, Assemblyman Manendo, and Assemblyman Marvel.

ASSEMBLYMAN HARDY MOVED TO DO PASS SENATE BILL 71.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**Chairman Parks:**

The next bill for consideration is S.B. 301.

**Senate Bill 301: Revises duties of Director of Department of Human Resources.**  
**(BDR 18-240)**

**Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:**

Senate Bill 301 was sponsored by the Senate Committee on Government Affairs on behalf of the Department of Human Resources (DHR), heard in this Committee on April 25. Senate Bill 301 requires the Director of the Department of Human Resources to adopt a state plan required by the federal government as a condition to the receipt of federal funds for any division within the Department. The bill also gives the Director the authority to determine the distribution formula for statewide programs and to determine the allocation of any penalties imposed on statewide programs. There was no testimony on the bill other than the testimony of Nancy Ford, Administrator of the Welfare Division, on behalf of the Director of DHR. There are no amendments. The measure passed unanimously on the Senate floor with one person excused. There is no fiscal impact.

ASSEMBLYMAN HARDY MOVED TO DO PASS SENATE BILL 301.

ASSEMBLYWOMAN PARNELL SECONDED THE MOTION.

**Assemblyman Goicoechea:**

I should have asked this when the bill was before us, but I assume that the Director, having the ability to determine the formula and assess any penalties, would also be allowed to take an assessment from that grant before it was distributed to local government. I assume that would all be part of the procedure, taking an administrative portion out of 10 percent?

**Chairman Parks:**

I think so. Ms. Scholley, do you have any comment related to that?

**Susan Scholley:**

I believe the testimony was that they would be working on regulations to explain in greater detail these distribution formulas, the penalty assessment formulas, and would work those kinds of issues out. I believe the testimony was also that the federal government withheld the penalties from the upcoming payment, how they sort that out between the entities involved in the statewide programs, when the feds uphold the penalties from the upcoming payment to

make up for the wrongdoing, and then redistribute the fiscal impact of that depending on the relative guilt of the parties, part upon the individual situation and then also in part upon how the regulations come out. I think the testimony was quite strong that they would be sure to work this out with the counties and the various entities in the statewide program so that people were happy with the regulations, and it wouldn't negatively impact in the rural counties with the smaller projects.

**Assemblyman Goicoechea:**

I'm just seeing that this bill does give the Director of the Welfare Division a lot more latitude and flexibility as far as who gets to pay what.

**Chairman Parks:**

I think that most of these programs are pretty well spelled out in the federal statute as to receiving them. Sometimes there's a little gray area, and this will fill in that gray area.

THE MOTION CARRIED UNANIMOUSLY.

**Chairman Parks:**

The next bill for consideration is S.B. 328.

**Senate Bill 328: Makes various changes related to public retirement systems.  
(BDR 23-82)**

**Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:**

Senate Bill 328 was sponsored by the Senate Committee on Finance on behalf of the Public Employees' Retirement System. It was heard in this Committee on April 20. Senate Bill 328 has essentially three parts. First, it eliminates the requirement that Social Security numbers be included on qualified domestic orders. Second, it allows monthly benefits for a surviving child of a deceased member to resume if the child were to drop from full-time status in school. If the child goes back to full-time status, payments can be resumed, and this would cover the child up to the age of 23. Third, it creates a default election for judges who are currently in the Public Employees' Retirement System. The default election for those judges who are in PERS is that they will remain in PERS unless they give written notice of their intent to join the Judicial Retirement System. There was no testimony other than from Dana Bilyeu on behalf of PERS. There were no amendments, the bill passed unanimously on the Senate Floor, and there is no fiscal impact.

**Assemblyman Grady:**

How is this different from what the judges do now? I thought they could do that now.

**Susan Scholley:**

They can. The issue is that they were concerned that if a judge did not specifically fill out the election form—so there was nothing on file—there would be a question as to where they properly belonged if there was a dispute as to what the intent was. This was just to make it clear that unless they affirmatively put down that they were going to the Judicial Retirement System, the assumption would be that they were a member of PERS. They haven't had any problems yet, according to Ms. Bilyeu, since this just recently became an issue, but they wanted to avoid any future disagreements or confusion over which retirement system the judge was in.

ASSEMBLYMAN McCLEARY MOVED TO DO PASS  
SENATE BILL 328.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**Chairman Parks:**

That takes us to the last bill we have on work session today, S.B. 413.

**Senate Bill 413: Revises provisions relating to debt management commissions.  
(BDR 30-452)**

**Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:**

Senate Bill 413, sponsored by the Senate Committee on Government Affairs on behalf of Washoe County, was heard in this Committee on April 22. Senate Bill 413 also has three parts. First, it allows the payment of up to \$40 per day, but not more than \$400 per month, for members of a debt management commission. Number two, it allows a debt management commission to consider a proposal up to 60 days, instead of the current 10-day limit. Third, it changes the deadline for filing a five-year capital improvement plan from July 1 to August 1, and makes the related change to their July and August meeting dates to correspond to that. There was no testimony other than John Sherman testifying on behalf of Washoe County, and there were no amendments. The measure passed unanimously on the Senate Floor, there was no fiscal impact, and I am reminded by legal counsel to remind you that the

\$40 per day would only be available to at-large members. Those would be members that are not already receiving a salary by virtue of their public employment.

**Assemblywoman Parnell:**

I have a question directed toward my rural friends. In my notes, I have "rural" and then I have "sensitive to the \$3.64 cap." Does anyone else have those notes? It would really help some of our rural counties in addressing that. If someone could just respond to that, I'd appreciate it.

**Susan Scholley:**

The discussion about the cap was in relation to the 60-day change. It was so that the debt management commission could have additional time to consider some of the proposals, because a lot of the rural counties were close to the cap, and the testimony was that the proposals tend to come in all at once, so the 10-day limitation on considering proposals put them at a disadvantage considering the proposals in a measured way.

**Chairman Parks:**

I think that's pretty diplomatic, "in a measured way." I only observed how it happened one year in Clark County and it left a little sore feeling.

ASSEMBLYMAN HARDY MOVED TO DO PASS SENATE BILL 413.

ASSEMBLYMAN McCLEARY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.



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**Chairman Parks:**

If there's nothing further to come before us, we are adjourned [at 8:36 a.m.].

RESPECTFULLY SUBMITTED:

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Paul Partida  
Transcribing Attaché

APPROVED BY:

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Assemblyman David Parks, Chairman

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

**EXHIBITS**

**Committee Name: Committee on Government Affairs**

**Date: April 29, 2005**

**Time of Meeting: 8:10 a.m.**

| <b>Bill</b> | <b>Exhibit</b> | <b>Witness / Agency</b>                        | <b>Description</b>  |
|-------------|----------------|--|---|
| N/A         | A              | *****  | Agenda  |
|             | B              | Susan Scholley / Legislative<br>Counsel Bureau | Work Session Document<br>on <u>S.B. 71</u> , <u>S.B. 310</u> ,<br><u>S.B. 328</u> , and <u>S.B. 413</u> |