

SPENDING AND GOVERNMENT EFFICIENCY COMMISSION

(SAGE Commission)

Thursday, December 18, 2008 – 9:00 a.m.

Conference Call Meeting

(Public Access Site: Media Room, Capitol Building, Carson City)

MINUTES OF MEETING

Present: Bruce James (Chairperson), Don Ahern, Barbara Smith Campbell, Robert Feldman, Robert Forbuss, Randy Garcia, David Goldwater, Stephen Greathouse, Jan Jones, Howard Putnam, Jerome Snyder, Jim Thornton, Carole Vilardo

Absent: Steven Hill

Also present: Frank Partlow (Executive Director), Perry Comeaux (Deputy Director), Suzanne Kilgore (General Manager)

Chairman Bruce James called the meeting to order at 9:05 am. Roll call was heard and a quorum of 13 Commission members was determined.

Chairman James noted that the meeting was called to consider two proposals that had been revised based on discussion at the Commission's December 4, 2008 Meeting in Las Vegas. He first asked if there was public comment on the proposals.

Jim Richardson, representing the Nevada Faculty Alliance, stated he hoped the Commission would pay attention to critiques of the Las Vegas Chamber study on compensation and that any recommendation by the Commission would be prospective. He urged delay of the recommendation to allow further study.

Executive Director Partlow explained the proposal would bring PEBP subsidies for active state employees and their dependents into approximate parity with private industry in two one-year steps in 2009 and 2010. The idea had also been added to create a salary threshold under which active state employees would get health care at a fixed cost.

Chairman James noted that the proposal did not state what the actual salary threshold should be.

Upon Motion by Commission member Vilardo, seconded by Commission member Thornton, Proposal A was adopted by majority vote of 11 Yea, 2 Nay with Commission members Goldwater and Jones voting against the Motion.

Executive Director Partlow explained details of Proposal B, which had been discussed at the December 4, 2008 Meeting as Proposal C on that Agenda. Provisions included reducing existing subsidies for retired employees by a total of 50% over a two year period; eliminate subsidies for all Medicare eligible retirees effective July 1, 2009; eliminate all subsidies for anyone retiring after July 1, 2009. He noted this proposal carried the same provision as Proposal A to establish a retirement income threshold under which health care would be at a fixed percentage of cost.

Chairman James noted this proposal addressed both active and retired employees and that if state workers choose to retire before they are 65 they will be responsible for their health care costs until Medicare takes over.

Commission Member Campbell moved, seconded by Commission Member Putnam, that Proposal B be adopted as presented. This motion was later withdrawn.

Discussion included comments that this would be a good policy for new hires. Commissioners expressed concern about changing benefits for those already in the system. In response to a question, Leslie Johnstone, Executive Director of the Public Employee Retirement Board (PEBP) confirmed that PEBP acts as supplemental coverage to Medicare and also covers non-Medicare items such as dental, vision, and life. She noted they have approximately 300 participants who are not eligible for Medicare because they preceded that plan and those participants would continue to be covered. Commissioners suggested this proposal may cause more people to retire before July 1, 2009.

Upon Motion by Commission member Campbell, seconded by Commission member Putnam, sentence one of Proposal B was adopted by majority vote of 10 Yea, 3 Nay with Commission members Forbuss, Goldwater and Jones voting against the Motion.

Upon Motion by Commission member Campbell, seconded by Commission member Putnam, sentence two of Proposal B was adopted by majority vote of 8 Yea, 5 Nay with Commission members Feldman, Forbuss, Goldwater, Greathouse and Jones voting against the Motion.

Upon Motion by Commission member Campbell, seconded by Commission member Putnam, sentence three of Proposal B was adopted by majority vote of 11 Yea, 2 Nay with Commission members Goldwater and Jones voting against the Motion.

Chairman James thanked Commissioners for participating and congratulated them on respecting each others views and finding a compromise position on these complicated issues.

There being no further business before the meeting, the meeting was adjourned at 9:55 am.