

MINUTES

Assembly

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 57th SESSION

April 4, 1974

Meeting called to order by Chairman Mello at 7:05 AM in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Vice-Chairman Schofield, Messrs. Dreyer, Robinson, Capurro, Hafen, Howard, Prince and Smith.

ALSO PRESENT: John Dolan, Randy Webb and Ron Sparks.

Motion to approve the Minutes of the meeting of April 2, 1973, made by Mr. Smith. Second by Mr. Dreyer. Motion passed.

Introduction of Jerry Whitehead and David Hoy on behalf of S.B. 326.

This bill comes about because of a judgment made on behalf of the Webster family (Mrs. Webster and three children) in connection with the death of Mr. Webster which occurred when a herd of horses entered the roadway on Lakeview Hill. Judgement was entered in favor of the Websters in the amount of \$117,000. The insurance carrier for the State has paid \$17,000. The entire judgment is now in the amount of \$120,220.80 which includes interest. This interest has been accruing since May 19, 1970.

It is the Attorney General's opinion that the State is not liable for the payment of the interest on the judgment. This matter is now pending before the Supreme Court.

The State did file an Appeal with the Supreme Court but this action was dismissed because it was not timely filed.

The Board of Examiners was and is not allowed to pay claims in an amount over \$1,000. This was in answer to Mr. Capurro's question regarding timely payment of the judgment.

Mr. Sparks suggested that the Committee hear from the Attorney General's office before taking any action on this bill.

A.B. 741: The following people appeared on behalf of this bill: Frank Matthews, Claude Perkins, Rev. Parsons, William Moon, Dick Green, Dale Larson and David Hoggard.

Mr. Matthews stated that this office is an experiment in self-sufficiency as compared to other similar programs that are nothing but handouts to the poor. By implementing this program the State would be directly responsible and the Federal government would not be involved.

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Claude Perkins, Chairman of the OEO Board in Clark County stated some particular instances of programs and assistance that is rendered by the OEO in Las Vegas. There are over 13,000 senior citizens that are helped by the OEO. The major point that he stressed was of the proven success of the Neighborhood Youth Corps in Las Vegas. He urged total State support of this program through passage of A.B. 741.

Reverend Parons expressed the view that this program is, in his opinion, the only means of actually upgrading these poor people to get them off welfare rolls and into a productive life.

William Moon, Chairman of the Board from Washoe County stated that over the past years of existence the OEO has learned how to put programs together, identify areas of needs and how to implement these programs. He stated that the OEO has served over 200 children in Washoe County through the NYC program.

Dick Green and Dale Larson presented a slide presentation outlining some of the projects that are in existence in Washoe and Clark Counties.

David Hoggard, Executive Director of the EOB in Clark County presented a flip chart illustrating some of the statistics relating to those people that are helped by the OEO and some of the program costs.

Ron Sparks was called on relative to the Administration's position regarding the funding of the OEO through A.B. 741. He stated that there are some programs that have been handled through OEO that are now transferred to various agencies to continue them because of the funding cutback on OEO.

Chairman Mello requested information as to why there was no budget prepared for the use of the requested appropriations.

Mr. Perkins replied that the OEO has always worked on verstile funding and would hope to do so if and when State funding is available. This means that they would establish their own priorities and allocate moneys accordingly.

Mr. Robinson asked which specific programs were not taken over by other agencies. Mr. Perkins answered as follows:

1. Senior Citizen Service Centers.
2. Youth Development Programs
3. Planning and Evaluation Functions
4. Community Organization Program (this provides poor people with opportunity to be made aware of some of the services that are available to them in their communities.

Mr. Dreyer asked for a breakdown of the composition of the Board in Clark County.

The Board is composed of 33 people; 11 from the public sector (county commissioners, city council, etc.); 11 from the private sector (individuals and groups are represented); and 11 from the poor.

Mr. Moon stated that the composition is the same in Washoe County although the Board is composed of only 27 members.

Mr. Capurro asked how many people in the State are below the poverty level: there are 43,478.

The cost of those programs being dropped is \$400,000.

The programs that are being picked up by other agencies are those that have been proven successful.

The administrative cost is approximately \$6.70 per individual served.

There are eleven other states that are supporting the OEO with state funds.

Dr. Otto Ravenholt appeared on behalf of A.B. 362. This bill would authorize an appropriation of \$275,000 for the funding of the addiction treatment program in Clark County.

This program utilizes the methadone method of treatment for heroine addicts. Methadone in itself is an addictive narcotic.

There are presently 85 individuals in the program and 10 in the detoxification program.

The following statistics were supplied regarding the first 50 persons entered in the program:

1. 80% were male
2. 20% female
3. 30% black
4. 10% indian or mexican-american
5. 40% white
6. average age 27 years (age range 18 to 53)
7. average duration of use (addiction) 5 years
8. average cost of habit \$80.00 per day
9. there were 254 prior arrests

Of those individuals brought into the clinic and who are undergoing treatment 80% of them have stayed in the program and are not using heroine. The majority of these people have become employed since entering the program. Ninety percent of the people in the program are paying \$15.00 per week for methadone treatment. There is an initial charge of \$85.00 to come into the program.

Since methadone has been recently placed under regulations of the Food & Drug Administration and the Bureau of Dangerous Drugs several regulations have come into being. The two main ones are increased security requirements and the prohibition of allowing outside agencies to dispense the drugs.

This has required that the clinic be open on a seven day a week basis to accomodate those people who have to take methadone every day.

The National Institute of Mental Health has offered financial assistance to the Clinic. This funding has been refused because of guidelines which would have to be adopted before the funding would become available. These regulations are: (1) that there can be no residency requirement for admission to the program; and (2) that no fees can be charged to the patients. There is no money allocated to this program by the State. Mr. Sparks stated that there is money budgeted in the Alcohol and Drug Abuse budget, but whether the clinic would qualify is not known.

Although the program is open to all residents of the State of Nevada at the present time there are only resident of Clark County in the clinic.

Dr. Ravenholt stated that there might be a chance of getting some Federal matching funds to go along with the State appropriation.

A.B. 857: State Self-Insurance.

The State of Nevada Employee's Association contracted with the firm of Marsh & McLennan, Inc. and their representative Mr. Art Weatherford presented his firms recommendations to the Committee. See detailed report attached.

This legislation is permissive in nature and does not require the State to enter into a self-insurance program. It does allow the Insurance Committee to investigate the possibility of self-insurance.

Lillian Bergevin stated that there were five bids received last year the lowest one being dismissed because it was felt that the company was not competent enough to handle an insurance program as large as the State of Nevada's.

Mr. Craig Stevens appeared on behalf of Crown Insurance Company the present carrier. He stated that when you boiled all the differences down most of the discrepancy occurred because of the premium tax which is levied by the State, this amounts to 6% per year.

Assemblyman Jim Banner said that he supported this measure and stated that Clark County is seriously considering this proposal of self-insurance.

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Bob Ganier stated that there has been a 47% increase in medical premiums last year. Also, that if the program gets in trouble the employees pay any additional premium.

James H. Thompson represented the Attorney General's office on S.B. 326: He stated that the Supreme Court has not rendered an opinion as to whether or not the interest chargeable on the judgment is legal because of the statute setting a limit of \$25,000.

He said that the best thing that could be done is to pay and then amend the legislation. It was also suggested that the limit on the amount of a claim submitted to the Board of Examiners be raised.

S.B. 445, Ray Knisley. This bill would authorize funding necessary to complete the studies currently under way on the application and use of irrigation waters in the Truckee and Carson basins. This appropriation request was not put in the University budget because the University felt it could handle it out of the School of Agriculture funds. Since funding has been cut in this area it is now impossible to fund out of the University budget and hence the request by the drafting of this legislation.

There has only been one study made on these two areas. Chairman Mello stated that there was an appropriation of \$20,000 made last session for the Fallon area study. This appropriation should complete the studies in both areas.

Senator Emerson Titlow introduced the following people, who appeared on behalf of Mining Engineering Feasibility Study: Frank Block, Dr. Lindstrom, Paul Philo, Fred Williams, Bob Palmer, Leo Phale, Dr. Baker, Bob Gluden, Paul Gimmel, Charles Archibald and Bill Copley.

During last session, SCR 19 was passed which initiated the undertaking of a mining feasibility study in the State of Nevada. Phase 1 of this study has been completed and to accomplish phase 2 it is requested that SB 475 be passed. The passage of this bill would complete the project.

Phase 2 is aimed at technical evaluation and feasibility recommendations regarding custom processing facilities. This would revitalize the small mining industry in the State.

A.B. 901: Amend and do pass by Mr. Howard. Second by Mr. Schofield. MOTION PASSED.

S.B. 326: Move do pass by Mr. Howard. Second by Mr. Schofield. MOTION PASSED. It was decided by the Committee not to amend the bill to include the interest which has accumulated since 1970. The impression given by the Attorney General's office is that there may be a chance that the Supreme Court will not allow the payment of the interest on the judgment.

A.B. 362: It was decided to hold this bill until the agencies that have been funded on this type of program have been heard from.

A.B. 857: Mr. Capurro moved that a resolution be introduced to have the legislative commission study the feasibility of self-insurance. Second by Mr. Schofield. Motion passed.

Mr. Capurro moved that A.B. 857 be indefinitely postponed. Second by Mr. Prince. MOTION PASSED.

Mr. Howard moved that the Committee take the position that any bill that has been indefinitely postponed not be brought up before the Committee again. Second by Mr. Schofield. MOTION PASSED.

Committee decision to hold A.B. 741.

Mr. Capurro moved do pass on S.B. 445. Second by Mr. Howard. MOTION PASSED.

Meeting adjourned at 9:40.