GOVERNMENT AFFAIRS COMMITTEE

MINUTES OF THE MEETING

February 26, 1975

MEMBERS PRESENT: CHAIRMAN DINI
VICE-CHAIRMAN MURPHY
MR. CRADDOCK
MR. MAY
MR. MOODY
MR. SCHOFIELD
MRS. FORD

MEMBERS ABSENT: MR. HARMON
MR. YOUNG

ALSO PRESENT: Mr. Wyatt J. Owens, Lyon County
Mr.Dick Wright, Washoe County School District
Mr. Neil Humphrey, University of Nevada System
Mr. Kenneth Hansen, Department of Education
Mayor Sam Dibitonto, City of Reno
Mr. Bruce Arkell, State Planning Coordinator
Mr. Carrol T. Nevin, Crime Commission
Mr. W. E. Hancock, State Public Works
John R. Kimball, Member 16 county Advisory Commission for Aging
Anne Lynch, Nevada PTA
Mr. John L. Meder, Administrator, Division of State Lands

(The following bills were discussed at this meeting: S.B. 97, A.B. 226, A.B. 274, S.B. 55, A.B. 56, A.B. 172 and A.B. 197.)

Mr. Dini called the meeting to order at 8:00 A.M. The first bill on the agenda to be discussed was S.B. 97, which repeals provision which allows State of Nevada to sell land received from United States in exchange for state land. Mr. John L. Meder testified with regard to this bill. Mr. Meder passed a copy of his testimony to the committee members and read his testimony. A copy of Mr. Meder's testimony is attached to the minutes of this meeting and made a part hereof.

Mr. Meder then stated that the reason for requesting this was because there was concern that if lands are obtained from the federal government it may not be in the best interests of the state to sell those lands.

Mr. Dini asked if there had been any problem in the past where the state had gotten into trouble. Mr. Meder stated no that they had had a moritorium.

Mr. Schofield asked if by amendment to S.B. 97, if the land could not be sold for a two year period.

Mr. Meder stated that under the provisions of the law now, there is a section that was added which would prohibit sales of any land without legislative approval. He stated that they could obtain land, but would have to wait to sell it.

Mrs. Ford asked how many acres of state land we have now.

Mr. Meder stated a little over 3,000. He stated that the legislature has to make the decision to dispose of land.

Mr. Dini asked if there were any questions.

The next bill on the agenda was A.B. 226, which establishes the governor's office of planning and coordination as state clearing house.

Mayor Sam Dibitonto of the City of Reno testified and passed copies of his testimony out to the committee members. A copy of Mayor Dibitonto's testimony is attached to the Minutes of this meeting and made a part hereof. Mayor Dibitonto stated that one thing is important - that the control be left in the hands of the people who are responsible for the implementation of these funds. He stated that unfortunately at the same time there has been a movement in all state levels for a duplication of the process. Mayor Dibitonto stated that he felt that if there was a local clearing house established for local projects it will prove more than adequate; if the state has a clearing house in conjunction with state applied funds that is their business, but local governments should be allowed to function in the manner in which the federal funds have been designated.

Mr. Dini asked if at the present time Mayor Dibitonto's clearing house notify the state.

Mayor Dibitonto stated yes. He further stated that if they have a problem in the City of Reno, City of Sparks or Washoe County they find what the programs are and they are zeroed in at a local level. He stated that to include the state as the clearing house for the clearing house is a little rediculous.

Mayor Dibitonto stated that a local determination through the A-95 process is the way it will work. He stated that the community development bill in no way mentions state clearing house. They do stress local official participation and public hearings.

Mr. May asked what capacity he had.

Mayor Dibitonto stated his capacity was as a representative of Reno. He stated that there was a system, and that if the process was followed there was no denial.

Mr. May questioned the veto power.

Mayor Dibitonto stated that an unfavorable comment would be a veto.

Mr. Schofield questioned which agency of the state he reported to.

Mayor Dibitonto stated that notification process goes through the clearing house through the A-95 process. Mayor Dibitonto stated that this bill was the other way around.

Mrs. Ford stated that as part of his testimony, he stated that A-95 requires state review comments. She asked if he was objecting to sending the application to the state clearing house. She then asked what he thought the A-95 process was.

Mayor Dibitonto stated that it eliminates duplication of effort.

Dr. Hansen of the Department of Education testified next. He stated that he had sent a memo to the committee with regard to his objections. The memorandum was passed out to the committee members, and a copy of that memo is attached to the minutes of this meeting and made a part hereof. Mr. Hansen stated that he had received a redraft from Mr. Arkell's office. He stated that if the exceptions in the redraft can be made, that they would have no objections because Mr. Arkell is now suggesting that only those programs under the OMB circular be reviewed and would be covered in this bill.

Mr. Dini asked if there were any questions.

Mr. Bruce Arkell next testified. He stated that as a result of testimony on Friday, the bill was rewritten yesterday and that they had comments from the crime commission, education and the University. He stated that what it does is exempts from the review process applications that are not required by OMB circular A-95. Mr. Arkell then read from a handout, a copy of which is attached to these minutes and made a part hereof. He stated that there are areas that are not under the review process and most of them are in the education field. He stated that they felt that through informational purposes they avoid some of the problems. He stated that they have picked up throughout the bill and removed all denial which was in Section 8.

Mr. Dini read a portion of Section 7. He asked if review and comments would kill it at the federal level if the comments were adverse.

Mr. Arkell answered affirmatively.

Mrs. Ford asked if any new authority was being added, to which Mr. Arkell replied that he did not think it does. He stated that it does expand coverage. He stated that there are a few state agencies that this will affect.

Mr. Murphy asked if things that went through Mr. Arkell's office and are commented on by his office go to the federal government.

Mr. Arkell stated affirmatively.

Mr. Murphy then asked if they went to state and local governments.

Mr. Arkell answered affirmatively again.

Mrs. Ford asked if there was any kind of brief concise description of A-95.

Mr. Arkell gave a copy of the description of A-95 to Mr. Dini, a copy of which is attached to these minutes and made a part hereof.

Mr. Dini asked Mr. Arkell if in the essence of time if he would just explain his amendments and then we would hear from Chancellor Humphrey of the University and anyone else who wished to testify.

Mr. Arkell referred to Section 4. Mr. Arkell stated that the purpose of Section 4 was so that you would have to go through the review process. He stated that all reference to the budget was deleted.

Mr. Schofield asked what had occurred in the past that prompted this bill.

Mr. Arkell stated that there are programs which are presently not covered by the review and comments process that does have an effect on state agencies. At the present time there is no way to determine what programs are going on at the state level.

Mr. Schofield stated that there was no fiscal note and Mr. Arkell answered no.

Mr. Bob Warren next testified and stated that there is some problem as to whether or not the state now comments on all local applications.

Mr. Arkell stated that the comments are generated and returned to the applicant or will go directly to the federal agency.

Mr. Humphrey, of the University of Nevada stated that it would not be necessary for him to take the committee's time in view of the amendments.

Mr. Dini asked if he would be in agreement with the amendments.

Mr. Humphrey stated yes.

Mr. Arkell stated that there were 300 applications per year. He stated that they wanted the applications rather than the summaries. He has agreed to do that.

Mr. May asked if there was a uniform application blank.

Mr. Arkell stated that there was a pre-application review.

Mr. May asked if he would object to providing the state clearing house with a duplicate.

Mr. Humphrey stated that not if it would involve unnecessary cost.

Mr. Arkell stated that it has been their experience that the summaries do not give all information that they need, but that education is exempt from the review process.

Mr. Wright stated that he would have no objection with the language now.

Mr. Nevin also stated that he would not have any objection as long as the policy of the agency is confined to review, coordination and evaluation.

Mr. Lynch of the PTA stated that he had no objection to the amendment.

Mr. Saylor of the City of Las Vegas, Director of Community Development next testified. He stated that he had some experience in the field. Mr. Saylor distributed a copy of his testimony to the committee, which is attached to the minutes of this meeting and made a part hereof. He stated that he had been involved with these programs for many years going back to the first application Las Vegas made. He stated that this also went back to the time when the state had no formal planning function whatsoever. He stated that he has long supported all state functions in the field of planning and he supports any concept that is being proposed here. He stated that he did not think that it went quite far enough. He further stated that at the local level, they feel a need for an inventory of federal aid in Southern Nevada, and stated that he found the same

thing was true for the state. He stated that they should know all of the federal funds going into the state and what these funds are doing. He indicated that if this was done at the state level it would relieve them from doing the inventory at the local level, and that some type of state clearing house is good. He further stated that a situation should not be created that would overwhelm us in terms of paper work and unnecessary financial expenditure. He stated that the information that the state would need would be through this letter of intent. He stated that although federal regulations do not require that our application be submitted to the state clearing house, the regional office has determined that it had to go this route. He stated that this was a local project, and that they have worked with the department of human resources. Mr. Arkell stated that there should be no review by the state.

Mrs. Ford stated that when they look at the state budget, there is a tremendous amount of input. She stated that it was important for the state to know.

Mr. Saylor stated that they get that through the budget review.

Mrs. Ford stated that it seems there is a great deal of interplay with regard to money, and she stated that it should come together somewhere.

Mr. Saylor stated that there is no need for formal application procedure for the general revenue sharing funds. Mr. Saylor stated that every agency must publish how the money is being spent.

Mr. Arkell stated that he did not think that you applied for general revenue sharing.

Mrs. Ford asked Mr. Saylor if he had any proposed language to put in this bill.

Mr. Saylor stated that he did not in detail.

He further stated that he would give the committee a copy of the three step proposal.

Mr. Saylor stated that there are situation that occur when there may be some money left and that they could get word at the last moment that money is available and to get an application in. Through the letter of intent it would be quick.

He stated that the proposal should be extended to require a reporting procedure so that the state can develop a complete inventory of federal funds.

Mr. Schofield asked if it was being done at this time and Mr. Saylor replied that it was not.

Mr. Arkell stated that once the review is done, the federal regional counsel will provide the hook up of application to funding.

Mr. Ivan Laud of the State Highway Department testified next and stated that he represented Grant Bastian and that they have not seen the proposed revisions of the bill.

Miss Irene Porter stated that she supports Mr. Saylor on the Notice of Intent. She stated that they are using that procedure and it works very well.

Mr. Arkell stated that that could be built in with no problem, and that it would be great.

Miss Porter stated that they are using the standard form. She stated that it takes a few months, but the agencies have learned that they must provide information. She stated that they review anywhere from 25 to 70 applications per month, and that the notice of intent and information works well.

Mr. Saylor stated that most of the applications are required to be in accord with certain planning process.

Mrs. Ford stated that there is some process whereby state applications get review.

Mr. Arkell stated it is still the A-95 process.

Mr. Bob Braodbent of the Nevada Association of County Commissioners stated that they were in opposition to the bill, but as amended, it is okay. He stated that the small counties are opposed. He stated that he would not want to see a program which would require a monthly reporting. He stated that it was not wise and that he would oppose it.

Mrs. Ford asked if under the amendments, if the small counties would oppose the bill.

Mr. Broadbent stated yes, it was their position that they don't want any state control.

Mr. Warren stated that some of the concerns are:

1. There should be no process which would require the state review before the application could go to the federal government and that this could be negotiated on behalf of local governments by the letter of intent approach.

2. He referred to the comment by Mr. Saylor on general revenue sharing. He stated that it is important that the state be told where the funds are being spent and what for.

3. The monthly report to the state with the letter of intent would serve some purpose.

4. There should be some escape hatch which would enable local governments to make an emergency application for funds at the end of the year.

Mr. Dini asked if there were any further questions, and indicated that the testimony on A.B. 226 was now concluded.

The next bill on the agenda was A.B. 274, which authorizes the city of Sparks to issue not to exceed $70,000 of bonds for the improvement, construction, other acquisition and equipment of Stempeck Park and to expend the bond proceeds for the purchase, construction, other acquisition, improvement and equipment of city park and recreation facilities.

Mr. MacIntire, City Manager of the City of Sparks testified with regard to this bill. He stated that upon recommendation from the City of Sparks Bond Counsel and after opening bids for general application bonds for $900,000, the bond issue for Stempark Park would not be possible. He referred to page 4, line and read this portion of the bill to the committee. He stated that they had discussed this with the bond counsel and that they had some alternatives. He stated that the act would allow the city to expend that $70,000 for park purposes but not for Stempeck Park.

Mr. Dini asked if the money had already been approved. He also asked if the only thing that was holding it up was that they had to move out of Stempeck.

Mr. May asked if this bond issue was approved by the voters. Mr. MacIntire stated no.

Mr. Schofield asked if it is stated that this money would go back for additional park facilities. Mr. MacIntire stated yes, on lines 25 through 30.

Mrs. Ford asked if 8% interest would cause them any problem.

Mr. MacIntire stated no. He stated that on January 7th they opened bids. He further stated that 8% presented no problem.

The next bill on the agenda was S.B. 55, which increases the monthly dollar limit on supplies a member of local government body may sell to such governing body.

Mr. Broadbent stated that this bill was presented upon the request of the County Commissioner in Esmeralda. He stated that he is a mechanic and has the only facility that allows you to do welding. What this bill does is raise the limit of money that the county could spend to $250.00.

Mr. Dini stated that in large counties $250.00 is a drop in the bucket.

Mr. May questioned the July 1st date and asked if he wanted it effective now.

Mr. Broadbent stated that he did not notice that. Mr. Dini questioned Mr. Moody on this bill and Mr. Moody stated that Mr. Broadbent had covered it very well. He stated that he thought it was a good bill.

Mr. Bob Warren stated that the cities support this legislation. He stated that if it was necessary to go out of the area that it would involve great expense which would be unnecessary and that this bill would be useful and serve the purposes of the small communities very well.

Mr. Schofield questioned the July 1st date and Mr. Dini indicated that it would be discussed when the committee voted.

The next bill to be discussed was A.B. 56, which, which authorizes local governments to inspect factory-built housing and manufactured buildings. The bill was introduced at Mr. Dini's request and was introduced to solve a problem in an argument between the State Fire Marshall and local building inspection authority in his particular county.

Mr. Dini stated that he was not satisfied with the language. Mr. Dini stated that this bill was not directed at any one particular person. He stated that it would have to be general law for the State of Nevada. Mr. Dini introduced Mr. Owens from Lyon County who is the County Engineer.

Mr. Owens distributed a copy of his testimony to the committee members, which testimony is attached to the minutes of this meeting and made a part hereof. Mr. Owens then read his testimony.

Vice-Chairman Murphy asked if there were any questions.

Mr. Owens stated that he would rather have local control if possible and that to insure the public of uniformity in construction that local people should be given full control.

Mr. Dini asked if he was referring to Section 461.170 and stated that Mr. Owens was talking about a major change.

Mr. Owens stated that most counties have adopted those codes and that the electrical code in Lyon County was more strict.

Mrs. Ford indicated that it would seem to her that they need to spell out what is stated in the regulations now.

Mr. Owens indicated that they were concerned with the basic construction of the unit within Lyon County. He referred to "stick built housing".

Mr. Murphy asked if there were any other questions.

Mr. Owens stated that they cannot inspect actual construction of the unit itself and this is what they are attempting to obtain.

Mr. May stated that they would have to add if the point of manufacture is in the state that they should have some regulatory authority on that point.

Mr. Don Youngham next testified. Mr. Youngham stated that he represented an out of state factory in the State of Washington, and that he also represented a builders association of Northern Nevada.

Mr. Youngham asked whether this bill was referring to closed walls?

Mr. Dini stated that this was aimed at the inspection before the walls are closed.

Mr. Youngham stated that their wall were open and that on site means where the particular building is being constructed.

Mr. Youngham stated that his system is a manufactured system, but the walls are open and he stated that it could be inspected on site. He stated that in his situation it would not require the fire marshall to inspect, because it could be inspected by the local authorities.

Mr. Bast next testified.

Mr. Warren stated that he had a question for the fire marshall. He asked if the local inspectors could inspect the homes without getting permission of the fire marshall prior to that inspection if they suspected something faulty. He asked if a panel could be opened for inspection if necessary.

Mr. Quinan the State Fire Marshall stated no, that they could call them.

Mr. Armand Richter next testified. He stated that the problem had been answered. What needed to be done was to define what is a manufactured house. He stated that the definition should be made clear. He stated that a manufactured house is one of the dastardly things that has entered into the construction business.

Mr. Dini asked Mr. Richter if he had a definition.

Mr. Richter stated that the manufactured house would be one that is closed or that the walls are completed inside and out.

Mr. Dini read from a portion of Mr. Owens' testimony.

Mr. Dini stated that he thought that they should adopt procedures for the local inspections to get in to inspect that would make it easier for them. He stated that he was not trying to prempt the state fire marshal but local people should be delegated authority.

Mr. Bast stated that he agreed. He stated that there should be certain inspections that are necessary and how the counties and cities do them is their prerogative. He stated that they have had no major problems with this program.

Mr. Quinan stated that a question was posed to him by the District Attorney of Lyon County. He stated that at the time there was a conflict between an inspector that was employed with Lyon County and the manufacturer. He stated that the Rule 165 of his regulations was put in their specifically for that purpose. Mr. Quinan stated that if a manufacturer felt that a local building department was going to be detrimental to the manufacture of his product that he has a right to have state agencies do the work. Mr. Quinan stated that he did not want to get into a local conflict.

Mr. Dini stated that they felt that there should be a clarification. He stated that there was a lot of different viewpoints on what the law really is. He stated that the counties and cities would like to know where they stand.

Mr. Owens stated that Lyon County has always had the right to inspect. He stated that he would have to have permission from the manufacturer.

Mr. Quinan stated that they did have the right to inspect because the factory was in their county.. Mr. Owens stated that they have been denied inspection.

The committee took a short recess.

Mr. Dini called the committee back to order.

Mrs. Ford moved for a "do pass" on S.B. 97 which was seconded by Mr. Schofield. All of the committee members were in favor of the motion and it was unanimously adopted. Mr. Young and Mr. Harmon did not vote as they were not at the meeting.

Mr. Schofield made a motion for a "do pass" on A.B. 274 which was seconded by Mr. May. All of the committee members were unanimously in favor of the motion with the exception of Mr. Young and Mr. Harmon who were not present at the meeting.

Mrs. Ford made a motion for an "amend and do pass" on S.B. 55 which was

seconded by Mr. Moody. The amendment would contain the words "to become effective upon passage and approval". The motion was unanimously carried by all the committee member. Mr. Young and Mr. Harmon were not present at the meeting.

Mr. Moody made a motion for "indefinite postponement" of A.B. 226, which was seconded by Mr. Schofield.

Mr. Murphy stated that the idea was a good one in that they would have information on where money was going and coming from.

Mr. Craddock stated that he saw a definite need for a bill of this type.

Mr. Dini stated that the best approach would be for indefinite postponement.

Mr. Murphy stated that he would like to redo the bill.

Mr. Schofield stated that Mr. Murphy should get together with Mr. Saylor and that they may be able to come up with a substantial bill.

Mrs. Ford stated that she opposed killing the bill because it would not solve the problem. She stated that they should try to make it a good bill.

A roll call vote was taken with regard to A.B. 226, and a copy of the roll call vote is attached to these minutes and made a part hereof.

A.B. 172 and A.B. 197 were postponed for rescheduling next week.

Mr. Dini stated that A.B. 56 had merit and that a subcommittee would be appointed of Mrs. Ford and Mr. May, and that they would report back to the committee some time next week.

There being no further business to come before the meeting, the meeting was adjourned.

Respectfully submitted,

Barbara Gomez

Barbara Gomez,
Committee Secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS

WEDNESDAY,

Date February 26, 1975 Time 8:00 A.M. Room 214

0259

Bills or Resolutions to be considered	Subject	Counsel requested*
A.B. 197	Provides for financing of health and care facilities through county and city economic development revenue bonds.	
S.B. 55	Increases monthly dollar limit on supplies a member of local government governing body may sell to such governing body.	
A.B. 56	Authorizes local governments to inspect factory-built housing and manufactured buildings.	
A.B. 172	Allows public works board to utilize construction management service procedures.	
A.B. 226	Establishes governor's office of planning coordination as state clearinghouse.	
S.B. 97	Repeals provision which allows State of Nevada to sell land received from United States in exchange for state land.	

*Please do not ask for counsel unless necessary.

58TH NEVADA LEGISLATURE

GOVERNMENT AFFAIRS

LEGISLATION ACTION

DATE **February 26, 1975** /~ 0270

SUBJECT **A.B. 226**

MOTION:

Do Pass ____ Amend ____ Indefinitely Postpone x Reconsider ____

Moved By **Mr. Moody** Seconded By **Mr. Schofield**

AMENDMENT: ____

Moved By ____ Seconded By ____

AMENDMENT: ____

Moved By ____ Seconded By ____

VOTE:	MOTION Yes	MOTION No	AMEND Yes	AMEND No	AMEND Yes	AMEND No
DINI	x					
MURPHY		x				
CRADDOCK	x					
HARMON						
MAY	x					
MOODY	x					
SCHOFIELD	x					
FORD		x				
YOUNG						
TALLY	5	2				

ORIGINAL MOTION: Passed x Defeated ____ Withdrawn ____

AMENDED & PASSED: ____ AMENDED & DEFEATED: ____

AMENDED & PASSED: ____ AMENDED & DEFEATED: ____

Attached to Minutes **February 26, 1975**

GOVERNMENT AFFAIRS COMMIT EE

GUEST REGISTER

1 - 0271

DATE: February 26, 1975

NAME	BILL #	REPRESENTING	TESTIFYING
Wyatt J. Owens	56	Lyon County	yes
Paul A. Christensen		City of Las Vegas	no
Dick Wright	226	Washoe Co. School Dist	Yes
Neil D. Humphrey	226	Univ. of Nevada System	Yes
Frank Alexander	226	Washoe County Dept of Gov't	No
Bernell H. Hansen	226	Dept. of Educ.	yes
Mayor Sam Dibitonto	226	City Reno	Yes
Joe Lafiorra	226	City of Reno	No
Bruce Arkell	226	State Planning Coord.	Yes
Carol J. Neun	226	Crime Commission	yes.
W Edwards	172	State Public Works	yes
John R. Kimball	197	member 16 city adv. comm. for aging	yes
Shirley Wedow	226	Nevada PTA	No
Ann Lynch	226	Nevada PTA	yes.
Connie Lawson	226	Nevada PTA	No

ELMO J. DeRICCO, *Director*
DEPARTMENT OF CONSERVATION
AND NATURAL RESOURCES

STATE LAND REGISTER

ADDRESS REPLY TO
DIVISION OF STATE LANDS
NYE BUILDING
[redacted]
Telephone 885-4363

5897

STATE OF NEVADA

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

1 - 0272

Division of State Lands

CARSON CITY, NEVADA 89701

February 25, 1975

M E M O R A N D U M

TO: The Honorable Joseph Dini, Jr., Chairman
Assembly Government Affairs Committee

FROM: John L. Meder, Administrator

RE: SB 97 - Repeals provision which allows State of Nevada to sell land received from United States in exchange for State land.

SB 97, amends NRS 323.050 by removing the provision that State land received from the United States by exchange "shall be subject to sale by the State according to its laws" and adding the condition that such lands "may be sold only by express legislative authority." The amendment makes NRS 323 consistant with the other provisions of State law that require legislative approval for the sale of State owned land.

It is our concern that the present law requires the State to attempt to sell exchanged lands even though it may not be in the best interest of the State.

I will be most happy to answer any questions you may have on this bill.

1

cc: Mr. Elmo J. DeRicco, Director
Department of Conservation and Natural Resources

AB226

February 25, 1975

1 - 0273

The Honorable Joseph Dini
Member of the Assembly
Chairman of The Committee on Governmental Affairs
Carson City, Nevada

The following is testimony given by Mayor Sam Dibitonto, Mayor of the City of Reno, On February 26, 1975 to the Committee on Governmental Affairs, in opposition to Assembly Bill No. 226.

Mr. Chairman and Committee Members:

As evidenced by the 1966 Demonstration Cities and Metropolitan Development Act and the 1968 Intergovernmental Cooperation Acts, local government for some time now has been experiencing the decentralization of decision-making responsibilities from the Federal and State governments down to local governments, a political concept which long has been advocated by locally elected officials.

In 1969 the U.S. Office of Management and Budget issued O.M.B. Circular A-95 which, among other things, established state and local areawide clearinghouses in a concerted effort to encourage and strengthen coordination of State, areawide and local planning and project activities which are assisted under various Federal grant and loan programs.

The existing O.M.B. Circular A-95 project notification and review process affords locally elected officials and citizens a method by which they may determine the consistency of individual proposed plans, programs and projects with locally adopted Areawide Goals and Plans, in order to eliminate duplication of projects and unwise expenditures of local tax dollars.

/- 0274

Late in 1972 the United States Office of Management and Budget and Governor O'Callaghan designated the Washoe Council of Governments, formally the Area Council of Governments, as the Areawide Growth and Development Clearinghouse for the Washoe County area. Since receiving this designation the Areawide Clearinghouse has reviewed and processed a total of 126 local government, local agencies and state agency grant applications requesting a total amounting to $38,583,968 in Federal grant assistance.

The existing O.M.B. Circular A-95 Project Review Process has been extremely helpful to local government and greatly assisted local elected officials in eliminating duplication or overlapping of projects and unwise expenditures of local tax dollars, as well as keeping them appraised of growth and development projects within Washoe County.

Although the U.S. Office of Management and Budget Circular A-95 currently requires State and Areawide Clearinghouse review comments for some 144 Federal grant programs prior to approving grant applications, I have been informed that in the very near future O.M.B. Circular A-95 will again be revised to include this requirement of all federally funded grant programs. However, it is my understanding that no attempt is being made to give any State Clearinghouse the power to disapprove State Agencies or local units grant applications to any federal agency.

It appears to me that Sections 6, 7, 8 and 9 of AB226 are drastically inconsistent with the intent and purpose of the U.S. Office of Management and Budget Circular A-95 and would most certainly cause undue delay in processing local grant applications to the federal government and unnecessary confusion at the federal level in considering State and Areawide Clearinghouse project review comments prior to funding a grant application.

Certainly AB226 is not in keeping with the existing Congressional political philosophy to strengthen the decision-making capability and responsibility of the local elected officials, as it would clearly usurp many long standing local government perogatives.

Therefore, I offer this written testimony in opposition to Assembly Bill No. 226.

Sam Dibitonto

Mayor, City of Reno

AB226

1 - 0276

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Carson City, Nevada 89701

KENNETH H. HANSEN
Superintendent

February 25, 1975

MEMORANDUM

TO: Joseph E. Dini, Jr., Chairman
Assembly Committee on Government Affairs

FROM: Kenneth H. Hansen, Superintendent

SUBJ: A.B. 226

The attached memorandum from James Costa with respect to A.B. 226 is, I believe, a very compelling and well-researched document. I hope that you and the members of your Committee will find it useful as you consider this legislation. Please let me know if there is further information which we can supply to you and your Committee.

KHH:ms
Enc.

Copies to: Members of Committee (8)
State Board of Education

1/ 0277

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Carson City, Nevada 89701

KENNETH H. HANSEN
Superintendent

February 25, 1975

MEMORANDUM

TO: Joseph E. Dini, Jr., Chairman
Assembly Committee on Government Affairs

FROM: Kenneth H. Hansen, Superintendent

SUBJ: A.B. 226

The attached memorandum from James Costa with respect to A.B. 226 is, I believe, a very compelling and well-researched document. I hope that you and the members of your Committee will find it useful as you consider this legislation. Please let me know if there is further information which we can supply to you and your Committee.

KHH:ms
Enc.

1- 0278

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Carson City, Nevada 89701

KENNETH H. HANSEN
Superintendent

JAMES P. COSTA
Liaison and Federal Program Administrator

MEMORANDUM

TO: Kenneth H. Hansen, Superintendent of Public Instruction

FROM: James P. Costa, Federal Liaison

SUBJECT: Testimony to Assembly Committee on Government Affairs re: A.B. 226, an Act relating to coordination of Federally-aided State and local programs establishing the Governor's Office of Planning and Coordination as a State Clearinghouse in applying for Federal grants, providing application procedures, and providing other matters properly relating thereto.

DATE: February 24, 1975

The Nevada Department of Education endorses the concept of coordination of information and action of State agencies with respect to planning and developing programs and seeking and assigning resources thereto. It is aware of the provisions of Circular A-95, of its evolution as a result of the Intergovernmental Cooperation Act and other acts relating to community and area development, and that Circular A-95 designates the establishment of a State Clearinghouse for certain applications for Federal funds. The Department appreciates that cooperation in providing information to the Clearinghouse is essential for the Clearinghouse to accomplish the purposes of A-95 and of the Intergovernmental Cooperation Act.

Section two of A.B. 226 declares that the purpose of this chapter is to "coordinate". Again, the Department has no difficulty accepting this as long as it is intended that coordination means sharing of information and the initiation of discussion to prevent conflicting, overlapping, and redundant programs and expenditures.

Section three defines the terms that are used within the body of the bill and the term "Federal grant" is used to mean any and all financial assistance by the government of the United States.

Section four prohibits the application for or expenditure of "Federal grants" for any purpose except in accordance with the provisions of this chapter. The Department of Education holds that this provision is in conflict with several sections of the Nevada Revised Statutes as follows:

NRS 387.060 permits local school districts to receive and expend money received from forest reserves.

NRS 387.065 permits local boards of trustees to receive and expend receipts from coal, oil, and gas leases.

NRS 387.067 authorizes the State Board of Education to accept and direct the disbursement of Federal funds appropriated and apportioned to the State under the Elementary and Secondary Education Act of 1965. It further authorizes the State Board of Education and any school district to make such applications and agreements and give such assurances to the Federal government and conduct such programs as may be required as a condition precedent to receipt of funds under this Act.

NRS 387.075 and 387.090 gives these authorities with respect to the school lunch funds.

NRS 387.050 gives these authorities with respect to the vocational education funds.

Section six refers to State Clearinghouse approval of the application and determination of its conformance with the policies and plans established by the Governor and the Legislature. The authority requested in this section does not hold with the definition of "coordination" and appears to be in conflict with certain sections of the Nevada Constitution and the Nevada Revised Statutes as follows:

Article eleven of the Constitution requires the legislature to provide for a uniform system of common schools, to provide for a Superintendent of Public Instruction, and prescribe the duties and functions thereof.

NRS 385.010 creates the State Department of Education, placing it under the direction and control of the State Board of Education, with a general responsibility for operating and maintaining the system of common schools.

NRS 385.100 authorizes the State Board of Education to prescribe regulations under which contracts, agreements, or arrangements may be made with agencies of the Federal government for funds, services, commodities, or equipment to be made available to the public schools and school systems under the supervision or control of the State Department of Education. A further provision of this section is that the State Board of Education shall not have control over those Federal funds accruing to any school district in the State of Nevada pursuant to the provisions of Public Law 81-874 and Public Law 81-815.

NRS 385.110 requires the State Board of Education to prescribe and cause to be enforced courses of study for the public schools of this state.

NRS 388.360 establishes the authority of the State Board of Education, sitting as the State Board for Vocational Education, with respect to administering and apportioning Federal vocational education funds for the State of Nevada and developing plans and programs pursuant thereto.

NRS 388.390 authorizes local school districts to establish vocational education programs approved by the State Board of Education and to share in the Federal and State funds provided therefor.

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NRS 388.450 authorizes the establishment of special programs for handicapped minors and requires the State Board of Education to prescribe minimum standards.

NRS 388.520 forbids payment of State funds unless instruction for handicapped minors has been approved by the Department of Education.

All of the foregoing citations establish the State Board of Education and the State Department of Education as policy setting, planning, and developing agencies of the State government within the context of laws provided therefor.

Section eight. This section appears to give local agencies favored treatment over State agencies when there is conflict on an application. It further specifically forbids a State agency to make application until it has been approved by the State Clearinghouse. Again, our contention is that "approval" does not hold with "coordination". Section eight further provides for denial of an application for fiscal reasons made by the Department of Administration. The definition of "fiscal reasons" is not clear in the bill. The Nevada Department of Education presents work programs through the Executive Budget to each session of the Legislature for review and approval. These work programs are based on anticipated receipts of Federal funds for which the Department will make application or develop state plans over the biennium. It seems unnecessary to provide the Department of Administration with denial authority for applications when the budgets have been approved and the Department of Administration has authority to review any work program amendments made between sessions.

Conclusion: The Department of Education is willing to exchange information with respect to plans and activities with other agencies utilizing the services of the Clearinghouse to do so. It will cooperate fully with other agencies to arrive at a mutual resolution of conflict, overlap, or duplication. The State Department of Education, however, recognizes its unique position with respect to developing statewide goals, objectives, plans and policies, the authority thereto conferred upon it by legislation, and suggests that A.B. 226 as proposed would have an effect to erode and diminish the responsibilities and duties of this Department and of local school districts. The Department, with its knowledge of A-95, feels that A.B. 226 would have an effect to expand the functions of the State Clearinghouse and seem to give it an authority not consistent with the intent of Congress in the Intergovernmental Cooperation Act or Circular A-95.

Information which was not available at the time of testimony, but of which I have recently become aware concerns language in the report of the Committee on Labor and Public Welfare, U.S. Senate, on S. 1539, the Education Amendments of 1974.

On pages 88 and 89 of the report, the Committee discusses the confusion existing over the terms "decentralization" and "regionalization". During that discussion, the Committee mentioned the operation of OMB Circular A-95, which is quoted as follows:

"In addition, OMB Circular A-95 establishes a system of State governor review of applications. While this may be a good idea from a coordinative standpoint, it is not what the legislation envisioned. A number

"of education programs contemplate a direct Federal-local relationship. The 45-day period in which a State is authorized to comment on the application by A-95 effectively circumvents the intent of the law. It also means a new level of check-off for those Federal-local programs, that of the State.

"The Committee would like to point out that authority for all Office of Education programs is vested in the Commissioner; he can delegate that authority only to employees of the Office. Therefore, within the regional office, it is the OE Regional Commissioner who has final authority over education programs, not the HEW Regional Director, who is a Departmental employee. Pressures to "regionalize" education programs cannot obliterate these legal distinctions. Similarly, section 421(c) of the General Education Provisions Act, the so-called Cranston Amendment, prohibits the imposition of additional criteria on a program which are not specified or implicit in the authorizing legislation. Any requirement of a check-off by the Governor, as contained in OMB Circular A-95, would surely be suspect under the language of the Cranston Amendment. The Committee will continue to follow the situation in the regional offices closely to assure that Congressional intent is being carried out."

JPC/mb

ASSEMBLY BILL NO. 226

AN ACT relating to coordination of federally aided state and local programs; establishing the governor's office of planning coordination as a state clearinghouse in applying for federal grants; providing application procedures; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. Title 18 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to [10] 11, inclusive of this act.

SEC. 2. The legislature declares that the purpose of this chapter is to coordinate federally aided state agency and local unit programs with other state programs.

SEC. 3. As used in this chapter, unless the context requires otherwise:

1. "Application" means a written request to a federal agency for a federal grant.

2. "Federal grant" means any financial assistance provided to a state agency or local unit by an agency of the United States, whether as a loan, gift, grant, contract or in any other form.

3. "Local unit" means any county, city, town, township, special district, school district, any agency of any of them or any combination thereof [.] , except for local unit programs not specifically required by OMB A-95 to be reviewed by the state clearinghouse.

4. "State agency" means any agency of state government eligible to apply for and receive federal funds [.] , except the University of Nevada System and State Board of Education programs not specifically required by OMB A-95 to be reviewed by the state clearinghouse.

5. "State clearinghouse" means the governor's office of planning coordination.

6. "State plan" means the statement of goals, objectives and programs designed to define and accomplish the mission of the state agency for which the statement is made.

SEC. 4. The governor's office of planning coordination is responsible for the general administration of this chapter. A state agency or local unit shall not make application for [or expend] federal grants for any purpose except in accordance with the provisions of this chapter [.] , unless specifically exempted.

SEC. 5. Any state agency or local unit which makes application for a federal grant shall submit a copy of the application to the state clearinghouse prior to submission to a federal agency [.] unless exempted in section 3. The form and procedure for submission shall be determined by the state clearinghouse and shall conform with the requirements for administering OMB Circular A-95 of the United States Office of Management and Budget.

SEC. ~~6.~~ 7. The state clearinghouse shall review and comment on [approve] the application within 30 days from the time it was received if, after consultation with appropriate state agencies, it determines that the application is for an activity which is in conformance with the policies and plans established by the governor and the legislature, or is not in conflict with such policies and plans.

SEC. ~~7.~~ 6. The state agency or local unit may proceed with its application if the state clearinghouse has not communicated [within 10 days] its intention to review the application within 10 days from the date of receipt. [or if it has not denied the application within 30 days from the time it was received.]

SEC. 8. If an application is found to be in conflict with established state policies and plans, the state clearinghouse shall work with the applicant in an effort to draft an application which is acceptable within a mutually agreed upon time not to exceed 60 days from the time it was received. [Local applications] Applications may be submitted to the federal agency after an effort has been made to make the application acceptable, whether or not the conflict is resolved. [A state agency application shall not be submitted by the applicant to the federal agency until the application is approved by the state clearinghouse. Any denial of an application must be in writing, which includes a statement of the reasons for the denial. Copies of the denial shall be sent to the agency and to the governor. In case of a state agency application, the application shall be denied if objection for fiscal reasons is made by the department of administration.] If the conflict cannot be resolved, the applicant and governor shall be notified in writing of the conflict and the attempt made to resolve it.

SEC. 9. The state agency or local unit shall submit to the state clearinghouse copies of any [substantive] revisions of the application. The state agency or local unit may proceed with the application if the state clearinghouse, after following procedures established in [section] sections 6, 7 and 8 of this act, makes no objection within 30 days from the date the revisions were received.

SEC. 10. The state clearinghouse shall adopt and promulgate regulations to carry out the provisions of this chapter and may exempt certain types of applications from the procedures specified in sections 3 to 9, inclusive, of this act.

1. Waivers shall be granted to the state agency or local unit applicant permitting concurrent filing with the state clearinghouse and federal funding agency in cases where the review times specified in sections 6, 7 and 8 will not permit completion of state clearinghouse review prior to specified federal application or funding deadlines.

SEC. 11. State agency and local unit applications exempted from provisions of this act shall provide copies or monthly summaries of all federal grant applications to the state clearinghouse for informational purposes.

AB 226

0286

February 25, 1975

TO: COMMITTEE ON GOVERNMENT AFFAIRS

FROM: DON J. SAYLOR, AIP, DIRECTOR
CITY OF LAS VEGAS DEPARTMENT OF COMMUNITY DEVELOPMENT

SUBJECT: A. B. 226

The legislation contained in A.B. 226 relative to a state clearinghouse function in connection with applications for federal funds is logical and beneficial; however, I don't believe that the legislation goes far enough. In addition to providing for a coordination of federally aided state and local programs, I think it is quite necessary that the State have information available concerning all federal funds coming into the State and the effects of this funding in terms of projects completed or programs initiated. The proposed legislation does not provide for this type of information; therefore, I think it should be expanded. However, at the same time, I believe that in the interest of good government, we should avoid creating a situation that becomes unduly burdensome both at the State and local level and also avoid creating a situation that would demand substantial increases in staff resources both at the State and local level in order to properly administer the legislation. I think we should keep in mind that there are somewhere between 800 and 1000 different types of federal funding sources cloaked in a myriad of fashions, formats, and procedures. Quite frequently we lose sight of all of the possible ramifications resulting from proposed legislation and consider only the specific objectives of the legislation, and I think this is quite true of A.B. 226. In one sense of the word, I don't believe that it goes far enough, yet at the same time I believe that it is so structured that it would create a hydra-headed monster that would impede the flow of federal funds to a point of being detrimental.

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In many cases, an application by a local entity for federal funds involves a substantial amount of preparation input resulting in a relatively voluminous application. If the State clearinghouse procedure involves submittal of several copies of the application, it, in many cases, would substantially increase the staff work load and expense at the local level, and would also require a substantial staff review effort at the State level to ferret out the pertinent data from the non-pertinent data in terms of State review. Furthermore, the additional time factor necessary for the review by the State of the application could create, in some instances, very serious scheduling problems and in some cases may even, because of federal deadlines, prohibit the local unit from submitting an application on time, thereby losing the eligibility.

I will cite some specific examples of some of the potential ramifications after I first provide to you my recommended clearinghouse procedures.

To achieve the intent of A.B. 226, and to achieve further information than that proposed by A.B. 226, I would recommend that the State clearinghouse function be handled as follows:

1. That the local agency submit a letter of intent to the State Planning Coordinator, describing the proposed project, estimated cost, source of local share funding, and in the case of physical projects, a map showing the location. Additionally, the letter of intent would describe any potential association with any State projects, improvements, functions, etc. In other words, through the letter of intent the State clearinghouse should be able to quickly ascertain whether or not review with State agencies is necessary or whether the application is "clean" in terms of any state ramifications. No more than a few days should be necessary, and if no further review is necessary, the State could respond immediately, thereby clearing the application for further processing at the local level. This would also avoid the undue burden of submitting several copies of the

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completed application which, as I stated before, may be quite voluminous in some cases. If further review is necessary, the results of this review should be forthcoming within a period not to exceed 30 days. Conceivably, this could mean that if the letter of intent was submitted immediately at the inception of the development of the application, the State clearinghouse function could be completed prior to the application being finalized at the local level, thereby not providing any impediment of the submittal of the application to the federal agency,

2. If the application is successful and the federal funding is approved, the state clearinghouse should be furnished a copy of this approval, thereby allowing the state to have knowledge of the fact these funds would be coming into the state.

3. The state clearinghouse should be advised by the applicant when the project has been completed.

One example of the potential ill effects from a state clearinghouse review of the completed application is the City's application for Community Development Block Grant funds. Incidentally, I think it is appropriate for you to consider the fact that the Federal government has an emerging philosophy directed at allowing local units of government as much flexibility and authority as possible in the utilization of Federal funds and one of the steps they have taken is to cut down on the amount of red tape procedures involved with compiling and filing an application. The Regional Office of HUD has determined that our application for Community Development Block Grant funds must have state clearinghouse review. We could not submit the application to the State for review until after the City had approved the application. The City approved it on February 19, 1975 and we hand-delivered the application on February 21 to the State Planning Coordinator. The application is completely local in nature. It has no connection with any State projects, programs, or anything

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else related. The Federal regulations, however, do require that any project proposed for funding under our application not be eligible for any other type of funding including State funding; consequently, through the two to three month period that we spent in developing the application, we have had constant contact with the State Department of Human Resources to insure that any of our proposals were not eligible for any funding resource through that agency. Because of this, we felt that the State clearinghouse function could have been done immediately upon our review with the State Planning Coordinator of the application in that everything involved is purely local in nature. We have had assurances from that office that they will review and take action as soon as possible, but we have also been told that the normal procedures of that office permit the signing of State clearinghouse actions only once a month which usually is during the middle of the month and that there was reticence to deviate from this policy. This means that even if the application is satisfactorily reviewed at the State level within the next day or two, that it conceivably would have to lay on a desk until the next scheduled signing date. In some cases, this may not prove to be any particular burden, but in the case of the CD Program, every day that passes after the end of February conceivably could upset our rather detailed schedule and conceivably could cost the City money. Furthermore, applications must be submitted for CD monies to HUD by April 15, 1975. Had we not been able to prepare and finalize our application when we did, and had we not been able to submit it to the State this early, it is conceivable that if the State clearinghouse review utilized their allocated 45 days before responding, that it could have, in effect, denied the City the utilization of these funds by prohibiting them from submitting the application prior to the deadline.

The above is an example where there is no benefit to be derived from a lengthy state review of our application in that we have been in close contact with the only

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State agency involved, yet we are still subjected to the ill effects of the time involved in the review which could take up to 45 days.

Another example of the potential ill effects of the proposed legislation is that there is also always the possibility of Federal aid programs becoming available with a very short deadline involved, sometimes as short as a week. This situation can come about at the end of the budget year when there is still money left over in the pot and local units are advised of the availability provided they apply within the week. If the local agency has no control over the time factor involved in the state clearinghouse review, and if that review can take place only after the application has been completely formulated, it conceivably would eliminate some possibilities of federal aid coming into the State and to the communities.

It seems to me also that wherein other State review boards are already involved, the State clearinghouse review becomes a redundant function. For example, in the case of LEAA funds, there is a State Crime Control Commission and a State Crime Control Plan and all applications submitted must be reviewed by that Commission and must be in accord with that Plan. I am a member of the Regional Clearinghouse Board and whenever we review applications for LEAA funds, it is done simply by determining whether the local priority Board has reviewed the application and acceptance of the fact that the State Crime Control Commission will insure that the application is in accord with the State Plan. I believe that this is true of other types of federal funding in addition to LEAA funding such as Comprehensive Health, etc.

In summation, I have suggested to you that you expand the scope or the purpose of the state clearinghouse function and at the same time, adopt procedures that would insure that it does not become a red tape monster involving much unnecessary paper work and time involvement and I believe that the letter of intent procedure

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would do all of this. The primary ingredient of this procedure is that the State review could be going on at the same time the local entity is preparing the detailed application and would also avoid the necessity of the local entity submitting several copies of the detailed application and avoid the necessity of substantial state staff input in reviewing the detailed application.

The wording in the Bill in some respects is too all embracing and begs definition. For example, Section 3, Definition #2 states "whether as a loan, gift, grant, contract or in any other form." Conceivably, this could mean that if the City of Las Vegas wished to borrow money from a Federal Reserve Bank they would need State clearinghouse review; or, even more dramatic, would be an example of an emergency situation wherein federal aid in the form of personnel assistance or equipment assistance could not be requested without State clearinghouse review. I think that it is impossible to comprehend just how utterly inclusive this wording is. Therefore, I would recommend that it be changed to read as follows: "Federal grant" means financial assistance provided to a state agency or local unit by an agency of the United States through an application for a federal grant-in-aid.

Additionally, under Section 4, it states "shall not make application for or expend federal grants" and I believe that the word "expend" should be deleted. Additionally, I think that any legislation adopted relative to state clearinghouse review should specifically exempt general revenue sharing funds. These funds are a direct source of funding to local units of government from the Federal government and are not considered a grant-in-aid.

February 25, 1975

1- 0292

TO: COMMITTEE ON GOVERNMENT AFFAIRS

FROM: DON J. SAYLOR, AIP, DIRECTOR
CITY OF LAS VEGAS DEPARTMENT OF COMMUNITY DEVELOPMENT

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I will cite some specific examples of some of the potential ramifications after I first provide to you my recommended clearinghouse procedures.

To achieve the intent of A.B. 226, and to achieve further information than that proposed by A.B. 226, I would recommend that the State clearinghouse function be handled as follows:

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completed application which, as I stated before, may be quite voluminous in some cases. If further review is necessary, the results of this review should be forthcoming within a period not to exceed 30 days. Conceivably, this could mean that if the letter of intent was submitted immediately at the inception of the development of the application, the State clearinghouse function could be completed prior to the application being finalized at the local level, thereby not providing any impediment of the submittal of the application to the federal agency,

2. If the application is successful and the federal funding is approved, the state clearinghouse should be furnished a copy of this approval, thereby allowing the state to have knowledge of the fact these funds would be coming into the state.

3. The state clearinghouse should be advised by the applicant when the project has been completed.

One example of the potential ill effects from a state clearinghouse review of the completed application is the City's application for Community Development Block Grant funds. Incidentally, I think it is appropriate for you to consider the fact that the Federal government has an emerging philosophy directed at allowing local units of government as much flexibility and authority as possible in the utilization of Federal funds and one of the steps they have taken is to cut down on the amount of red tape procedures involved with compiling and filing an application. The Regional Office of HUD has determined that our application for Community Development Block Grant funds must have state clearinghouse review. We could not submit the application to the State for review until after the City had approved the application. The City approved it on February 19, 1975 and we hand-delivered the application on February 21 to the State Planning Coordinator. The application is completely local in nature. It has no connection with any State projects, programs, or anything

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The above is an example where there is no benefit to be derived from a lengthy state review of our application in that we have been in close contact with the only

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State agency involved, yet we are still subjected to the ill effects of the time involved in the review which could take up to 45 days.

Another example of the potential ill effects of the proposed legislation is that there is also always the possibility of Federal aid programs becoming available with a very short deadline involved, sometimes as short as a week. This situation can come about at the end of the budget year when there is still money left over in the pot and local units are advised of the availability provided they apply within the week. If the local agency has no control over the time factor involved in the state clearinghouse review, and if that review can take place only after the application has been completely formulated, it conceivably would eliminate some possibilities of federal aid coming into the State and to the communities.

It seems to me also that wherein other State review boards are already involved, the State clearinghouse review becomes a redundant function. For example, in the case of LEAA funds, there is a State Crime Control Commission and a State Crime Control Plan and all applications submitted must be reviewed by that Commission and must be in accord with that Plan. I am a member of the Regional Clearinghouse Board and whenever we review applications for LEAA funds, it is done simply by determining whether the local priority Board has reviewed the application and acceptance of the fact that the State Crime Control Commission will insure that the application is in accord with the State Plan. I believe that this is true of other types of federal funding in addition to LEAA funding such as Comprehensive Health, etc.

In summation, I have suggested to you that you expand the scope or the purpose of the state clearinghouse function and at the same time, adopt procedures that would insure that it does not become a red tape monster involving much unnecessary paper work and time involvement and I believe that the letter of intent procedure

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would do all of this. The primary ingredient of this procedure is that the State review could be going on at the same time the local entity is preparing the detailed application and would also avoid the necessity of the local entity submitting several copies of the detailed application and avoid the necessity of substantial state staff input in reviewing the detailed application.

The wording in the Bill in some respects is too all embracing and begs definition. For example, Section 3, Definition #2 states "whether as a loan, gift, grant, contract or in any other form." Conceivably, this could mean that if the City of Las Vegas wished to borrow money from a Federal Reserve Bank they would need State clearinghouse review; or, even more dramatic, would be an example of an emergency situation wherein federal aid in the form of personnel assistance or equipment assistance could not be requested without State clearinghouse review. I think that it is impossible to comprehend just how utterly inclusive this wording is. Therefore, I would recommend that it be changed to read as follows: "Federal grant" means financial assistance provided to a state agency or local unit by an agency of the United States through an application for a federal grant-in-aid.

Additionally, under Section 4, it states "shall not make application for or expend federal grants" and I believe that the word "expend" should be deleted. Additionally, I think that any legislation adopted relative to state clearinghouse review should specifically exempt general revenue sharing funds. These funds are a direct source of funding to local units of government from the Federal government and are not considered a grant-in-aid.

ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS

First, I want to thank the committee for this opportunity to express my support of Assembly Bill No. 56. I hope that these few remarks will be of assistance to you in evaluating the merits of this bill.

I would like to assure the members of this committee that my remarks while critical of the present enforcement of factory-built housing and the inspection thereof, contain no personal malice towards any State Employee.

In my capacity as County Engineer for Lyon County, I have had the opportunity to discuss factory-built housing, as related to its enforcement by the Nevada State Fire Marshal, with building officials of various counties and cities. It has been the unanimous opinion of those I have talked to that while the plans submitted may have met all required codes, the inspection of these units is infrequent, if at all, and certainly not sufficient to assure proper construction. I can only assume that this is a result of the lack in numbers of qualified inspectors. When one considers the large area that is administered by the State Fire Marshal's office, this can be understood.

On one occasion, I contacted the State Fire Marshal's Office and requested the procedure for approval and inspection for a particular factory-built model. In his letter to me of October 17, 1973, Mr. Quinan stated that approval by his office of a particular model specifies only that this model meets the standards of the Department of Commerce regulations for factory-built houses and "this is your assurance that the model identified by the approval does not need further inspection unless there is visible damage to the unit". It is apparent that on site quality control is not considered important by Mr. Quinan. I am sure that the members of this committee realize, as I do, that quality control is essential in any construction project. All organizations from the private sector to the Federal Government realize the tremendous importance of quality control. In some instances, more money is spent on quality control than on the actual engineering and design. This is not to say that all contractors and builders are not to be trusted. Many times an honest mistake is made in the interpretation of the plans by the contractor; some builders come in from other areas and are not used to working within the framework of the local codes and, of course, we do have the occasional contractor, who if not watched, will try to increase his profit margin by not providing the quality of construction as required by the plans and specifications.

1-0299

On October 30, 1973, I requested on behalf of Lyon County that the Department of Commerce of the State of Nevada delegate its enforcement and inspection of the Factory-built Housing and Manufactured Building Law to the Lyon County Public Works Department for all factory housing and modular construction within Lyon County. In his reply, Mr. Quinan listed five requirements to be met before his office would consider my request. The first four requirements dealt with qualifications and experience of the personnel of the Lyon County Department of Public Works. These requirements were understandable and certainly justifiable. However, the fifth requirement was "A statement from the manufacturer requesting the Lyon County inspection service". This requirement would be most difficult, if not impossible to fulfill. I am sure the vast majority of contractors would prefer to build with little or no inspection, and the few irresponsible contractors among us would certainly not agree to this requirement.

I believe, and I'm sure the members of this committee will agree, we should have uniformity in the quality of the homes constructed within the community. The person buying a factory-built home should be guaranteed the same quality of construction as the person buying a conventionally built home. I believe under the present implementation of the law, this is not the case.

I have always believed that where possible, people should be governed by the lowest level of government. This should also be true in the various fields of enforcement. I feel that if local government has within its employ people with qualifications and experience to implement all codes and are completely familiar with all phases of construction, the duties of onsite inspection of factory-built housing and manufactured housing should be entrusted to them.

I, therefore, ask this committee to recommend passage of Assembly Bill No. 56.

Thank You

Wyatt J. Owens

Wyatt J. Owens