

Assembly

MINUTES

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 58th SESSION

March 10, 1975

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Dreyer, Mr. Glover, Mr. Howard, Mr. Robinson, Mr. Weise and Mr. Wittenberg

ALSO PRESENT: John Dolan, Bill Bible, Senator Carl Dodge, John Collins, Ernie Gregory, Dale Beaumont, Herb Roundtree, Myron Grosworthy, Henry Echemendy, John Hawkins, Assemblyman Jacobsen, Paul Lumas, Don Quinton, Jim Wittenberg, Bob Gagnier, Don Jessup, Tom Spear, Howard Hill, Leon Winkleman, Gene Phelps, John Crossley, Shirley Wedow, and Dino Martini.

SB 2 "Makes appropriation to University of Nevada for state analytical laboratory." BDR S-452.

Senator Carl Dodge stated that there are three irrigation districts serving over 300 farmers. His interest arose out of problems which confronted them under the Federal Water Pollution Control Act. A need for the bill arose because of an amendment to this Federal Water Pollution Control Act in 1972: The National Pollutant Elimination Discharge System. They found out last fall that as far as agricultural waste waters they were going to be put under a permit system by the Environmental Protection Agency. In order to start monitoring Nevada's water as far as pollutants, they need some sort of a lab to take care of the analysis work. This need was pointed out after it was possible to consider the University of Nevada's budget so they introduced special appropriations. \$38,000 would be needed in the first year. \$19,000 of this would be for lab renovation and equipment and \$19,000 for labor and supplies. The \$20,000 for the second year would be for labor and supplies for a total of \$58,000.

Ernie Gregory stated that the program requires permits for irrigation returns from 3000 continuing acreage. They do not know yet what they will be looking for in the way of pollutants which have resulted from irrigation practices. They want to monitor irrigation till waters and come up with a program by the end of 1977.

over

Dale Beaumont, Dean of the College of Agriculture in Reno, stated that in 1890 the college of Agriculture was required by statute to have water and soil analysis available to the Agriculture industries of Nevada. Since that time they have had a soil and water laboratory. The lab is working on soil fertility samples and some water quality analysis that is nowhere near as intent as EPA requirements. They tried to look into what they could do to respond to the new Federal regulation. There are 35 individual permits in the state not counting the 3 irrigation districts. They do not know the resource talents or the cost to clean up the water. In trying to figure out the cost, they have sorted out type of analysis that need to be done and have contacted commercial laboratories to see what the costs would be. There are no labs in the state but there are some planned and there are states nearby who have labs. They worked the lab cost based on requirement of time and lab needs for individual samples. They checked with three labs nearby and Nevada's samples would run \$6.60 per sample with the State paying \$3.30 and the individual paying \$3.30. They could have three different lab reports at \$24 for one report, \$37 for another report and \$20 for another. These \$6.60 costs are compared with 3-5 times as much on a commercial basis.

Herb Roundtree stated that in order to do their job they need support from the State to get it going effectively.

John Collins disagreed with SB 2 in its present form. He stated that he is basically opposed because of the cost effectiveness. He is with an independent firm and stated that his cost estimate would be \$6.50. He stated that it would cost the state \$18,000 to \$19,000 for equipment and labs. He stated that if this amount of money was used for 6100 samples it would be a cost of \$8.10. His lab already has the equipment. Also, there are 35 identified ranchers with 3000 acres but they do not know if it is continuous acreage. This would mean that possible as low as 12 would be coming in for permits rather than 40 and this could bring the figure up to \$19.50. They can offer a much wider range of services to

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ranchers and farmers. They propose, that if the State wishes to subsidize Agriculture, a more effective way would be to put the money into an open account and the individual ranchers would be able to use the money as they need it and apply for it.

Mr. Robinson suggested that this be put under the State Environmental Commission or Conservation and Environmental Protection as they do surveillance and protection of water. He could not understand why they wanted to go outside of the agency rather than to an already heavily budgeted agency.

Herb Roundtree stated that this would not be a duplication. The other agencies would have no time to spare for this.

Dale Beaumont stated that this would not go on for more than three years. The samples have to be taken every two weeks through the irrigation season which would mean 15 samples per farm.

Mr. Weise felt that there are labs that already have the equipment and should be used rather than gearing up a new lab and equipment.

Senator Dodge stated that they did not know that these labs existed when the bill was written and it seemed logical to proceed through the University of Nevada. He was concerned about whether these labs would guarantee the cost in the future and the availability of their service.

Dale Beaumont stated that these are only estimates and could be brought up on a non-designation point system.

John Collins stated that the cost is not on volume, but on time and labor. There would be 40 potential dischargers and the state would put up \$20,000 per year which would be \$1000 per rancher. There could be 153 samples per discharger per season.

AB 43 "Makes supplemental appropriation for payment of additional taxes due to Carson City under Subsection 4 of NRS 361.055." BDR S-535.

Henry Echemendy stated that the supplemental appropriation is for the current year's billing for In-Lieu taxes payment from the State of Nevada to Carson City which is shared by the School District and Carson City in the amount of \$35,395. A bill was submitted to the State in September 1974 in the amount of \$157,512 whereas they were appropriated \$122,117.

John Hawkins, Superintendent of Schools Carson City, pointed out that the In-Lieu funds received by the State are proportioned to the school budget the same as property taxes are proportioned for maintenance, operation and bond indebtedness. Since 1966-67 to 1972-73 the district maintained the lowest per pupil cost in the state on maintenance and operation. They handle 80 students from Dayton and also children from the Children's Home. Their bond indebtedness has been up to 15% assessed valuation. These funds are essential for operation.

Mr. Glover stated that this bill is important to Carson City.

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AB 166 "Changes formula to utilize state's share of operation and maintenance costs of Carson City sewerage system." BDR S-558.

Mr. Echemendy stated that the purpose of this bill is that in 1960 the state and Carson City built a modern sewage treatment plant. The state granted to Carson City \$135,000 and 120 acres of land to construct the plant. This was based on a condition that the voters of Carson City passed a bond issue for its share in the construction costs of the plant. The maintenance and operative costs of the plant were to be reimbursed on a proportionate basis from the state which was derived from determining the fixture units that were connected on state owned property. Las April, Carson City, after they started operating their own water system, decided that a more equitable way of assessing sewer use fees to private customers was to go on water use basis. Practically all customers are billed on water meter basis and no record is kept of the fixture units. They need to arrive at another way of billing to determine this water fixture unit. The current

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billing takes into consideration the new plant which is more expensive to operate. They are asking that the bill be considered, but rather than \$1.60 per unit it should be changed to \$2.10 being charged to the state. The existing contract states that Carson City will never charge the State of Nevada for connecting fees. The purpose of this has been eroded in the fact that residents have two bond issues for improvements to the plant. The State has not participated in these costs and they feel that they should pay for connecting fees as the other residents do.

Bill Myzell stated that he agrees with this but felt that it would cause a hardship to the prison and an amendment to the bill should be made to exclude the prison from a connecting fee.

Don Quinton, State Fire Marshall, asked if this would have any effect on fire hoses and sprinkler heads and felt that this too should be excluded from connecting fees.

Paul Lumas stated that this would not relate to any type of fire connection.

Mr. Echemendy stated that it is explicit in the law right now that fire hoses and sprinklers will not be charged this fee. He also stated that he has no objection to putting this language in the bill.

AB 243 "Makes appropriation from general fund to state public health facilities construction assistance fund." BDR S-871.

Mr. Polish stated that they have a construction deficiency on the Caliente hospital because the costs are more than they had expected and they had to make some changes. He stated it was a fine facility and ask for the support of the Committee on this bill.

Mr. Glover stated that the sub-committee visited this facility and stated that it is the only hospital between Elko and Las Vegas and is needed.

AB 227 "Increases amount allowable for payment of state employees' group insurance premium." BDR 23-769.

Over

Jim Wittenberg stated that this was the administration's bill which is part of the total salary and fringe benefit proposal for state employees. It provides for an increase up to 50% for the increase in the cost of the existing program. This was the best figure the insurance company could come up with and there are no increased benefits involved. It is the prevailing practice of employers to provide total coverage for employees.

Bob Gagnier stated he does not question the employer paid portion, but SB 195 has been submitted to include dental and coverage for the first dependent. He stated that less than 40% cover their dependents which causes adverse selection. He felt that providing dependent coverage would lower the employees premium because it would eliminate adverse selection. They are suggesting that the committee on Group Insurance be permitted to award contract dental insurance if it could be done within the premium specified.

Don Jessup stated that the Professors of the University are asking for an amendment to allow the professional employee to withdraw from the state's plan and use the premium payment to get their own insurance.

Dr. Tom Spear stated that the committee got together and tried to figure out what was wrong with the plan. The biggest gripe of the professional employees was that the program did not meet their needs and it was too expensive. The employees were turning to private insurers for their dependent's coverage. They have an interest in preventative medicine which would lower the cost under any group under the Health Maintenance Organization.

Mr. Robinson stated that the doctors have pulled out of the Nevada Health Plan because they were not being paid and left many bills behind when they did.

Mr. Weise stated that he could not understand why someone would be opposed

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to a group of people pulling out of the plan. He also could not understand why Mr. Gagnier's bill would cost \$5 less per month. He also asked if this program would be re-bid or re-negotiated.

Mr. Jim Wittenberg stated that they will re-bid and the Committee was directed to do a study regarding this re-bidding.

Mr. Gagnier stated that they are opposed to the amendment and that when a group splits the premiums could skyrocket. He also stated that there is no HMO in the state and if there were, they would be obliged to offer this as an alternative.

Tony Pallozzolo stated that the statutory committee had asked for \$10,000 to get a consultant who would do an audit and report to the Committee as to whether they would rebid or renegotiate, but Senatè Finance denied this and asked the Insurance Commissioner to do the study, which has not yet been done.

Mr. Gagnier stated that the Assembly Bill was based on estimates as to what they project the cost to be and the Senate Bill would eliminate adverse selection if the dependent coverage is provided for.

Chairman Mello felt that the Committee should hold this bill until they find out what happens on the Senate Bill.

AB 122 "Clarifies provisions of various funds within the department of motor vehicles." BDR 43-339.

Leon Winkleman, Budget Director, stated that this bill is a direct result of a Legislative audit and request that the Motor Vehicle fund be the fund to deposit all monies in. They want to utilize one fund and still maintain the trust obligation with seventeen counties as far as privilege tax goes and also maintain some trust obligations with Motor Carrier bonds and Financial Responsibility bonds. They are also requesting a \$5 charge be made for returned checks. A \$7000 appropriation is requested to increase and restore the present change fund to \$10,000 and this will be used only for a change fund. There is a repeal in this bill under 41.075 which repeals the obligation that they had to be bonded under the Bond Trust Fund Act and as a result of the audit and employees are now covered under the State Fidelity Bond. The main thrust is to utilize one fund for all depositing.

Over

Gene Phelps, Business Manager for the Highway, stated that he does not object to proportion except that it is deposited in the Highway fund. This will make a one month delay and decrease the amount of income in the highway deposits. This is a critical problem due to the reduction coming in Highway funds.

John Crossley, stated this is directly from an audit report where different places for deposits are made. \$1 million of the counties money is going through DMV fund and then goes back to the county and transfers are being made to the Highway fund. The lag problem in this process is being corrected. It is not necessary for them to wait until the end of the month, but that it must be done by the end of the month.

Gene Phelps stated that major revenues collected by DMV are currently deposited in the Highway Fund as they come in. They are talking about \$2-3 million per month and feels there is a significant fiscal amount to allow funds to be in the Motor Vehicle fund for a month prior to distribution. The interest income to the Highway Fund is roughly \$200 per day per million dollars and under the current system, the cash is presently available.

AB 247 "Makes appropriation to the Nevada State Library for purchase of books and bookmobiles." BDR S-873

Joe Anderson stated that this bill would extend and make useful resources of the state on a more equitable access basis and are making an application for these dollars in terms of delivery throughout the state.

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Barbara J. Mauseth stated that they are requesting three major bookmobiles and have checked with three different manufactures. They have had good success in terms of ability for bookmobiles to operate, but not in terms of time.

Chairman Mello stated that the sub-committee saw one of these bookmobiles. A 1960 Ford, gas engine, and which carried 3000 books. He stated this bookmobile had 125,000 miles on it and looked like it had never been touched.

Shirlee Wedow stated that they support this very strongly and would like these bookmobiles.

AB 110 "Modifies fund structure in program of state aid to medically indigent by deleting requirement of Title XIX fund in state treasury." BDR 38-156.

Dino Martini stated that this was a result of the last Legislative audit of the Welfare Division. Request for State Title XIX fund established in state treasury. The agency is not using this fund, but placing this account money into General Fund account money. They are asking for the Legislature to remove all mention of Title XIX from State Treasury so that the accounting can be done in the same manner as it is presently being done.

John Crossley stated that they are recommending that this fund be abolished.

Bill Bible stated that abolishment of the fund would reduce paper work.

AB 111 "Abolishes state welfare fund and welfare research fund." BDR 38-150.

Mr. Martini stated that this pertains to the mention of the various chapters of the law pertaining to state welfare fund. They ran into the same problems here as they did in Title XIX. They are asking that the mention of State Welfare fund be removed and in its place be called Welfare Administration Account in General Fund. This takes into consideration changes in NRS 422.240, 422.275, 425.170, 427.130, and 432.080 which pertain to programs administered through State Welfare. Second part of this bill is asking that NRS 422.255 be repealed. This is the establishment of a Welfare Research fund that was established and never used and they have no need for.

OVER

AB 110 Mr. Dreyer made a motion to recommend a "Do-Pass". Seconded by Mr. Wittenberg. Motion passed.

AB 111 Mr. Bremner made a motion to recommend a "Do-Pass". Seconded by Mr. Weise. Motion passed.

AB 122 Mr. Wittenberg made a motion to recommend a "Do-Pass". Seconded by Mr. Glover. Motion passed.

AB 243 Mrs. Brookman made a motion to recommend a "Do-Pass". Seconded by Mr. Bremner. Motion passed.

AB 247 Mr. Dreyer made a motion to recommend a "Do-Pass". Seconded by Mr. Robinson. Motion passed.

The meeting adjourned at 10:45 A.M.