

MINUTES

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

April 16, 1975

The meeting was called to order by Chairman Mello at 8:00 A.M. in the Ways and Means Committee room.

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, Dick Rottman and Sharon Greene

Mr. Glover gave the sub-committee recommendations for Human Resources.

Director of Human Resources - it was the recommendation of the sub-committee to put the Chief of Juvenile Commission Services back into the Director of Human Resources budget by increasing this \$17,785 in the first year and \$18,565 in the second year. Also increasing the in-state travel \$4,000 in the first year and \$4,000 in the second and the operating expense \$2,000 in the first year and \$2,000 in the second. Mr. Glover made a motion to adopt these amendments. Mrs. Brookman seconded. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

Division of Child Care Services - it was the recommendation of the sub-committee to reduce social services \$9,973 in the first year and \$10,061 in the second. Also to delete the new position requested of Child Development Specialist because they felt it was not needed and if the department did feel they need it they would find money to fund it. This would reduce the budget \$13,001 in the first year and \$13,556 in the second. This would also reduce the in-state travel \$1,000 in the first year and \$1,000 in the second and equipment would be reduced \$570 in the first year. Mr. Glover made a motion to adopt these amendments. Mrs. Brookman seconded. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

Youth Services Agency - Mr. Glover made a motion to delete this entire budget. Mrs. Brookman seconded. Motion passed.

Nevada Youth Training Center - Mr. Glover made a motion to amend this budget by reducing the Athletic Program \$7,415 in the first year because since the budget was prepared they have received a grant for this purpose. Mrs. Brookman seconded. Motion passed. Mr. Robinson voted no.

Probation Subsidies - Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor. Mrs. Brookman seconded. Motion passed.

Home of the Good Shepherd - Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor. Mrs. Brookman seconded. Motion passed.

Bureau of Health Facilities - Mr. Glover made a motion to amend this budget by reducing the Medicare Certification \$7,500 in the first year and \$7,750 in the second. Also the Life Safety Code Inspector be reduced \$15,000 in the first year and \$15,500 in the second and Other Government Services be increased \$7,500 in the first year and \$7,750 in the second to go along with the Fire Marshal's budget. Mrs. Brookman seconded. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

Division of Mental Hygiene, Mental Retardation - Mr. Glover made a motion to amend this budget by deleting the position of Human Services Educator at \$19,747 the first year and \$20,656 in the second year. Also to cut the budget for People's Magazine in half by reducing it to \$12,500 in the first year and \$12,500 in the second. Mr. Weise stated that the recommendation to delete the position was because the sub-committee felt it was not a function of Mental Hygiene. Mrs. Brookman stated that the amount for People's Magazine was cut in half because they felt the magazine should be mailed out only twice a year rather than quarterly

and should be mailed only to the people in Nevada. Presently it is also being mailed out of state. This magazine is not sold on a subscription basis, but is mailed at no cost. Mr. Weise felt that the magazine should be deleted altogether and that a good number of the magazines mailed out of state are returned with wrong addresses at a cost to the state. Mr. Robinson stated that he felt better results could be obtained by sending articles to national journals and reach more people rather than through this magazine. Mr. Weise made a motion to delete People's magazine. Mr. Howard seconded. Motion failed. Mr. Weise made a motion to reduce the amount down to \$5,000 in each year. Mr. Howard seconded. Motion failed. Mrs. Brookman seconded the original motion. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

Nevada Mental Health Institute - Mr. Glover stated that the recommendation of the sub-committee is to increase the utilities to \$55,400 in the first year and \$72,800 in the second. Mr. Weise felt that the pastoral director should be deleted. Mr. Glover felt that the people need spiritual guidance and help. Mr. Robinson questioned what religion this director would be. Presently they have a rotating basis and contract. This would be a classified position for one person and could not be rotated according to religion. Mrs. Brookman stated that there is a chaplain that provides service to everyone in places like the prison, the army, etc. They do not preach to the people but just help them. Mr. Bremner stated that he did not feel it was the state's responsibility to provide religious service. Mr. Howard made a motion to delete the pastoral director. Mr. Weise seconded. Motion passed. Mrs. Brookman and Mr. Glover voted no. Mr. Howard made a motion to recommend a "Do-Pass" as amended and as recommended by the Governor. Mr. Weise seconded. Motion passed.

Reno Mental Health Center - Mr. Glover made a motion to amend this budget by reducing the Regular Appropriation \$8,000 in both years of the biennium and increasing the Receipts and Recoveries \$8,000 in both years. Mrs. Brookman seconded. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

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Rural Clinics - Mr. Glover made a motion to amend this budget by reducing the Regular Appropriation by \$9,000 in both years of the biennium and increasing the Receipts and Recoveries \$9,000 for both years. Mrs. Brookman seconded. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

Las Vegas Mental Health Center - Mr. Glover made a motion to amend this budget by reducing the Regular Appropriation by \$10,000 in both years of the biennium and increasing the Receipts and Recoveries by \$10,000 in both years. Mrs. Brookman seconded. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

CBS Washoe County - Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor. Mrs. Brookman seconded. Motion passed. There was some discussion on the Capital Improvement for this.

Desert Developmental Center - Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor. Mrs. Brookman seconded. Motion passed.

Rehab Division Administration - Mr. Glover stated that the sub-committee's recommendation is to delete the Personnel Officer II and the Personnel Tech I positions. Mr. Bible stated that he could not understand the sub-committee's recommendation. They want to take out two existing positions just because they feel the division is top heavy. Mr. Weise stated that they felt it was a function of the personnel division. Mr. Bible stated that if they would look at a number of agency budgets they would find personnel officers and personnel people and they in effect shift some of the workload from central agency into the line agency. They prepare the forms and do much of the personnel work within the agency contact instead of sending it to the central agency. All that happens by doing this is an increase in the workload in central personnel. Mr. Weise felt that these people would be circulated back into the personnel department. Mr. Glover made a motion to amend this budget by deleting these two positions.

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Mrs. Brookman seconded. Motion passed. Mr. Wittenberg, Mr. Bremner and Chairman Mello voted no. The sub-committee is also recommending that the Account Clerk and Senior Account Clerk new positions not be approved. Mr. Weise stated that they presently have eight accountants. Mr. Glover made a motion to amend this budget also by not approving these two new positions. Mrs. Brookman seconded. Motion passed. Chairman Mello voted no. The sub-committee also recommended that the Contractual Services be deleted. Mr. Glover made a motion to further amend this budget by deleting these contractual services. Mrs. Brookman seconded. Motion passed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

SB 208 "Increases monthly allowance for eligible blind persons." BDR 38-983. Mr. Howard made a motion to recommend a "Do-Pass". Mr. Dreyer seconded. Motion passed.

Chairman Mello stated that he was told that splitting the Natural Resources budget, according to the bill drafters, is a lot of work and wondered if the committee wished to pursue it. Mr. Weise stated that it would not be a wasted effort because even if it doesn't pass this time, it will give something to go on next session. It was the intention of the committee to pursue it.

Mr. Robinson gave the Capital Improvement's sub-committee report. Mr. Robinson stated that the estimates shown in the budget include a 10% roll back. The priorities have not been changed. Mr. Robinson made a motion to recommend a "Do-Pass on the following Capital Improvements:

Project 75-1	Repair roofs NYR Elko
75-2	Replace Roof Blasdel
75-3	Replace Water Main UNR
75-4	Sewer System Medium Security Prison
75-5	Resurface Tract UNR
75-6	Campus Fire Protection UNR
75-7	Rehabilitate Main Entrance UNR
75-8	Enlarge Infirmary Medium Security Prison
75-9	Replace Walks UNR
75-11	Replace Gas Main UNR

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Mrs. Brookman seconded. Motions passed.

75-10 Mr. Robinson made a motion to delete "Campus Lighting UNR" because of the cost and lack of value. Their primary consideration was the increased use of electricity. Mrs. Brookman seconded. Motion passed.

75-12 Mr. Robinson made a motion to reduce the \$295,000 for "Storm Drainage" to \$250,000 because the amount requested for pipes and manhole covers is more than sufficient. Mrs. Brookman seconded. Motion passed.

75-14 Mr. Robinson made a motion to delete the "Lighting Capitol Complex" because it is primarily decorative lighting and would have a demand on energy. Mrs. Brookman seconded. Motion passed.

75-15 Mr. Robinson made a motion to delete the "Snow Melting" at the contractor's suggestion because they do not know if it would work after it is put in. Mrs. Brookman seconded. Motion passed.

75-16 Mr. Robinson made a motion to approve the Correctional Center but the committee has no consensus on the location and is not included in the motion. Mrs. Brookman seconded. Motion passed.

Mr. Weise made a motion that the location be in Clark County. Mrs. Brookman seconded. Mr. Dreyer stated that Senate Finance approved the project but they want the location to be next to the Carson City prison and is against it being located in Las Vegas. John Dolan stated there would be little difference in operating costs between it being located in Clark County or Carson City. Mrs. Brookman felt that if it was in Clark County there would be more job opportunity, education and a chance to hire the minority for the prison. The prison in Carson City does not have any affect on the people who live there. Mr. Weise stated that the people who would be in the prison would not be hard core prisoners. They would be the type that needs rehabilitation and in order for them to receive it, it must be built near a metropolitan area. Mr. Dreyer stated that while visiting the prison he and Mr. Bremner talked with the prisoners and they

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want more rehabilitation programs rather than a new prison. Chairman Mello stated that the reason for that is because the prison is so overcrowded, they would have a better chance for earlier parole. They also do not have room at the prison for rehabilitation programs. Mr. Weise stated that two-thirds of the prisoners who were eligible were paroled at the last parole hearing. He felt that rehabilitation programs could not be instituted in Carson City. They would not have the opportunity to hire a decent staff out of Carson City. He felt that Clark County has an obligation because the majority of the persons in the prison are from Clark County. Chairman Mello stated that the people in Clark County say they do not want it there because they do not want it in their district. Carson City has the Capitol Building, the Governor, the Executive Branch, the Legislative Branch and the Judicial Branch of Government and a majority of the state employees and the prison has not bothered them a bit. Mr. Robinson stated that this prison will be the last chance a person has. The prison has not hurt tourism in Carson City and would have no effect on tourism in Las Vegas. Most of the people do not know that a prison exists. He felt it should be built where it would be most effective. It is called a Correctional Center, not a prison. Chairman Mello stated that the prison has to be built in someone's district. One of the finest business establishments is next door to the prison and several new houses are being built around it. Mr. Weise felt that it would have more of a positive fiscal effect on the community and would create many jobs. Motion passed. Mr. Dreyer voted no.

75-13 Design Capitol Building Rehabilitation - Mr. Robinson stated that there are several alternatives to this: do nothing and rebuild it when it falls down and injures people if there is an earthquake; construct a new executive office building using the facade for the outside and the dome; or renovate the building itself. Mr. Glover stated that the capitol needs to be preserved as it is Nevada's number one historic building. It would take a lot of money to repair it but it is worthwhile. He felt that future generations would appreciate it. Mr. Weise stated that the greatest value is the outside. He felt that the people should be moved into a new building and use this as a museum. Mr. Robinson stated that he felt this building would soon be too small to house the State's high elected officials and their growing number of staff. He also stated that it would take two years just to do the design. He also felt that the state should not be held liable for an act of God and there would be many other buildings that would fall as well. He felt perhaps this should be restored after it falls.

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75-17 Mr. Robinson made a motion to recommend a "Do-Pass" on the Desert Developmental Center. Mr. Weise seconded. Motion passed.

AB 388 "Authorizes commissioner of insurance to adopt a uniform system of accounting and financial reporting for health and care facilities. BDR 40-1146.

Mrs. Greene presented to the committee several amendments (see attached). The sub-committee is recommending the same amendments except to delete SEC 5, l., Line 19 and 20 and SEC 6, l. Line 38 and 39. Mr. Rottman stated that the amendments do not detract from the bill too much and suggested that these deletions not be made. The sub-committee also added amendments to SEC 4. which are intended to have a leveling effect on health costs rather than increasing. SEC 5. is important and would not hurt the hospitals or health facilities. Mr. Robinson felt that this amendment is not properly related to the bill and is not the intent of the bill. Mr. Weise felt that the rules and regulations, since they will be reduced to writing, should be incorporated into the law.

Mr. Wittenberg made a motion to adopt the amendments on page 2 with the exception of SEC 5 which will be considered separately. Mr. Glover seconded. Mr. Weise made a motion to leave in SEC 5, l. Line 19 and 20 and SEC 6, l. Line 38 and 39. Mr. Howard seconded. Motion passed with Mr. Wittenberg, Mr. Glover and Mr. Bremner voting no. Mr. Wittenberg made a motion to recommend a "Do-Pass" as amended. Mr. Glover seconded. Mr. Howard voted no.

The meeting adjourned at 11:00 A.M.

To: Chairman Don Mello, Assembly Ways and Means Committee

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The following amendments are offered on behalf of the Nevada Hospital Association to Assembly Bill 388, the financial disclosure Act for health and care facilities.

SEC. 4. 2. Line 13 - Insert "financial" between comma and papers.

SEC. 5. 1. Line 19 & 20 - Delete "including such cost allocation methods as he may prescribe."

SEC. 5. 1. Line 22 - Add the sentence, "Existing systems of accounting and reporting used by health care facilities shall be given due consideration by the Commissioner in carrying out his duty of recommending basic systems of accounting and uniform reporting required by this act. The Commission, insofar as reasonably possible, shall adopt basic accounting and reporting systems and recommendations which will not increase the administrative costs of the facility."

SEC. 6. 1. Line 38 and 39 - Delete.

SEC. 6. 1. Line 50 - Add the sentence, "In no event shall institutions or persons subject to the provisions of this act be required to file reports any sooner than six months after the close of their adopted fiscal year. Extensions may be granted to institutions who can substantiate that information is not available at the required reporting date."

SEC. 7. 1. Delete lines 5 through 10.

SEC. 8. Line 29 through 35 - delete and replace with the following:

1. Operating expenses related to patient care.
2. Expenses incurred for rendering services to patients for whom payment is not made in full including, but not limited to, contractual allowances imposed by Federal or State law, charity care and uncollectable accounts.
3. All incurred interest charges on indebtedness for both capital and operating needs.
4. Costs of education both primary and continuing.
5. Expenses for research related to patient care.
6. Depreciation expenses of both property and equipment.
7. Amortization of incurred capital and operating related indebtedness.
8. Requirements for capital expenditures for replacement, modernization, renovation and expansion of services and facilities.
9. Requirements for necessary working capital including, but not limited to operating cash, patients' accounts receivables and inventories.
10. Federal, State and local taxes not ordinarily considered operating expenses where applicable.
11. Operating surpluses necessary for a fair return to their owners equal to returns on investments in industries of comparable risk; or for the purpose of assuring continuity of operation and prudent management.

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Sec. 4. The commissioner may:

1. Adopt, amend and repeal rules and regulations respecting the exercise of the powers conferred by this chapter.

2. Hold public hearings, conduct investigations and require the filing of information relating to any matter affecting the cost of services in all institutions subject to the provisions of this chapter and may subpoena witnesses, financial papers, records and documents in connection therewith. The commissioner may also administer oaths in any hearing or investigation.

3. Exempt any health and care facility or group of facilities from adopting a uniform system of accounting and financial reporting if he finds that it is not in the public interest or it would increase materially the cost of health care offered by the facility or group of facilities.

~~4. Prescribe by regulation that rates shall not be unfairly discriminatory, excessive or inadequate.~~

5. Exercise, subject to the limitations and restrictions imposed in this chapter, all other powers which are reasonably necessary to carry out the expressed objects of this chapter.

Sec. 5. After the last word in this section, add the following language:

On and after April 1, 1976, the charges made to purchasers of health care services by health care facilities shall not be unfairly discriminatory.

new
No

New
Alternative to
0.4 above

yes