

MINUTES

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

April 28, 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, Mr. Dreyer, Mr. Glover, Mr. Howard, Mr. Robinson and Mr. Weise. Mr. Wittenberg and Mrs. Brookman were excused.

ALSO PRESENT: George Cohan, Verlie Davis, Fr. Dunphy, Arlene Joyce, George Miller, Assemblyman Danny Demers, John Gamble, LaMar LeFevre, Shirley Wedow, Robert Best, Buster Sherman, Art Rader, Jan Benson, Bill Hancock, Baird York, Jim Lien, John Riggs, Vic Cangli, Frank Groves, Douglas Byington, John Dolan and Bill Bible.

AB 249 "Extends coverage of state aid to medically indigent to include medically needy." BDR 38-90

George Cohan, Coalition for Medically Needy, stated that this bill was designed for people whose income exceeds \$200 monthly. They are not entitled to any medical or associated aid. It is almost impossible for a person with this amount of income to pay for the medications they need. There are many people who need oxygen which could run \$20-\$30 per week and some medications could exceed \$25 per month. These people live in constant fear that they might be hospitalized and their savings have dwindled. People with heart trouble have rather large medical bills. He stated that in some cases these people have to make a choice of whether to eat or buy medication as they cannot afford both. A lot of these people's conditions are worse because they could not afford a doctor when they should have gone. These people need a family doctor for regular check-ups, and if they cannot afford it, their physical condition deteriorates. A dollar sign cannot be put on a person's life.

Verlie Davis stated that Welfare based their objections on the figures provided by Clark County Social Services and these figures are high. She felt that it should not cost more than \$1.676,000 although the fiscal note states \$6 million.

Fr. Larry Dunphy gave the committee several petitions from persons in the state who would like to see this bill passed. This program would be beneficial to the recipient and the county.

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Chairman Mello told Fr. Dunphy that he has spoken to several bills that cost millions of dollars over the Governor's budget and asked if he had any suggestions for raising the money. Since taxes will not be raised, he stated that the University budget, the School Districts or even other services that are provided will have to be cut.

Fr. Dunphy replied that his job is not to tell the committee which areas should be cut but is only trying to bring before the committee the needs of the people of the state. He also stated that the percentage of people on social services is 24-25%.

Chairman Mello stated that they would then have to tax 75% of the people of the state to provide services for the other 25%.

Fr. Dunphy stated that if these services are not provided the social cost comes out in other ways. If food and health costs are not provided these people would have to be placed in institutions which is much more expensive. Children who could be helped might end up crippled for life.

Chairman Mello stated he would like to see the lobbyists spend as much time finding ways to fund the programs as they do lobbying. The other 75% want services too.

Fr. Dunphy stated that the committee must recognize the fact that some of this 75% may fall into a situation where they might need these programs.

Chairman Mello stated that the tax relief bill will help them. He feels that the people must work on a solution to these problems and must start now.

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Arlene Joyce stated that they have to rely on the agency cost projections. This program was requested last session but it was a high cost projection and they were told the state didn't have the money. She stated that over the past biennium there was a \$9 million surplus in the Welfare budget and this year there is a \$66 million surplus and a \$19 million dollars surplus for the next biennium. She stated she would hate to see a \$19 million surplus when this \$3-\$4 million program is needed. The county hospitals and the welfare programs are in a dire state.

Chairman Mello stated that a surplus is needed in State Government and there should be a \$20 million surplus this year and there might not be that much.

Fr. Dunphy stated that the allocation for this fiscal year is \$22 million. The revised projection is \$15 million and at the end of this year there will be money allocated that is not spent and it could be used in this particular area.

George Miller, Welfare Division, stated that this is not a bad program but would highly recommend any money that is not used go to the Aid to Dependent Children program. He felt that the present programs should be taken care of before any new ones are started. The reason there was such a high surplus was because the amount allocated for Screening Diagnosis was to take care of 100% of the children and they did not materialize. 9 out of 10 budgets their projections were correct and if the children would have materialized in this program they would have been on target. Other states who have this program projected \$2 - \$4 million short and it is better to be over than short.

AB 505 "Authorizes state participation on behalf of Nevada citizens in certain proceedings involving federal tax regulations and makes appropriation. BDR 32-1473.

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Assemblyman Danny Demers stated that there are many test-site workers and dealers in Southern Nevada that have had regulations misinterpreted and suits brought against them. The \$100,000 shown in the bill is incorrect as he requested the bill be drafted to read up to \$100,000. One out of every 34 Nevadans are audited. 3000 test site workers at a cost of \$4500 per worker would have \$13,500,000 taken out for audits. Also, 10,000 dealers at \$2,000 per dealer would mean \$2 million that would be taken out of the market place economy. The state has a responsibility to defend the citizens against the IRS. Nevada is the second highest state in audits. This bill would not be for the purpose of solving individual tax problems. But some of these regulations affect thousands and also affects the economy. The Tax Commission is listed in the bill because the State cannot sue the Federal Government.

Chairman Mello felt the bill was a good one but that millions of dollars might be spent in litigation.

Assemblyman Demers stated that the intent of the bill is clear. This obligation as representatives must be recognized. When the IRS comes down with a regulation it means \$20 million being taken out of the market place. The state does not have the resources to get into the public defender type system but it could help in handling class action suits. The Attorney General was not put in the bill because he feels that Interim Finance and the Tax Commission should be able to hire an attorney who has expertise in taxes.

Chairman Mello stated that the Government and IRS employees salaries are being paid by the state and felt perhaps it was time more money was paid to stop them from harrassing the taxpayers. He thought it might not be a bad thing to try in the interim.

AB 514 "Enacts provisions for organization, supervision and support of community schools in the State of Nevada." BDR 34-1405

John Gamble, State Department of Education, stated that this bill formalizes the concept of community education. It involves the total community and organizes the schools around the needs of the community. This would be around the schools that are not open 24 hours a day or during the summer. It will also provide incentive grants and the expansion of programs. The

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fiscal note has been reduced to \$100,000 as a small portion is needed for administration. If the concept grows, Mr. Gamble stated that they will be back for more money.

Lemar LeFevre, State Department of Education, stated that they are cooperating with parks, senior citizens, school districts, etc. in this program. They are asking for this amount for seed money for this program. Books are locked up, automotive shops are closed and the parks are closed most of the time and they are asking for the community to become involved.

Shirley Wedow, Parent/Teacher Association, stated that PTA's throughout Nevada and the Nation support this concept and have urged all PTA's to get involved in education on the community level. 77% of the adults over 18 want some kind of continuing education. Currently the Universities and Community Colleges are serving other people but there are many others who are not being served. They do not want to duplicate services. She stated that this was the only new program contained in the President's bill but no money has been appropriated yet. They need to show that the state has an interest or they may not receive any Federal funds.

John Gamble stated that this is mostly centered around the public schools but the Community Colleges are cooperating. Community education is less formalized and at little or no cost.

Lemar LeFevre stated that Red Rock and Garside have already begun this program.

Chairman Mello stated that the Community Colleges have dropped classes because of a lack of money and feels this money should be used in the Community Colleges. He also felt there would be a duplication of programs. He also felt the money should be used to teach children how to read and write as there are several high school graduates who cannot do either.

Mr. Glover questioned whether the \$100,000 would pay for the utilities and the replacement of machines that are being worn down.

Lemar LeFevre stated that the community schools in Southern Nevada are in the black and are holding 40 classes. They accept donations in some counties to help but they need this seed money. He also stated that Clark County agrees with the concept but not the process.

Bob Best, Nevada State School Board Association, stated they support this bill because it leaves it up to the School District as to whether or not they want to participate.

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Buster Sherman, Mineral County, stated they have conducted a pilot program and their main goals are to meet the needs of the individuals in Mineral County. He conducted a survey and sent out 300 questionnaires and developed the program around this survey. At the end of the program they had a student evaluation on the programs held: Nutrition, volley ball league, sewing and wild game butchering to see if it met the needs. 96% replied yes. It was also the consensus of the survey that the school district should promote more activities. The Mineral County Board of Education stated that if this bill was passed, they would hire a coordinator for this program.

Mr. Dreyer made a motion to recommend an "Indefinite Postponement". Mr. Robinson seconded. Motion passed with Mr. Bremner voting no.

AB 524 "Makes appropriation from state general fund to state public works board." BDR S-1476.

Mr. Glover stated that a lot has been invested in rolling stock for the V and T Railroad. The state should not let it sit and deteriorate. \$500,000 is the estimated cost of purchasing the Mound House in Carson City for storage. It would cost \$490,000 to build a new place to store this equipment.

Art Rader stated that in 1971 the State appropriated \$100,000 and in 1973 \$110,000.

Mr. Glover stated that they had a hearing last session and it was felt that the special committee selected did not do their job. He feels that

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State Parks will be able to do a much better job. He felt that the state should not let this rolling stock slip away.

Art Rader stated that most of the money that was raised by Nevada Heritage was embezzled. Accurate records were never kept and no one knows how much money was taken.

Chairman Mello stated that most of the taxpayer's money was lost and they do not know where it went. This was suppose to get the state involved in this project and it should not have even got started until the promoter was bonded.

Mr. Howard stated that when this was brought up the first time several years ago, they were told that money was already appropriated to acquire the rolling stock.

Art Rader stated that the rolling stock is here but everything else is gone. He does not think it is the obligation of the state to build a tourist Railroad, but only a museum.

Jan Benson felt this issue was settled in the last session. State Parks would now be administering this and they are doing a fantastic job. It was the choice of the people of the state that the rolling stock be purchased. If this stock is left out and it will deteriorate. It must be protected.

Mr. Rader stated that only \$250,000 would be necessary: \$120,000 to erect a stell prefab museum building shell, \$50,000 to complete the important primary interior finishes in the building (skeleton lighting and heating, water supply, etc.), \$30,000 for State Park's staffing to operate the V and T program, and \$50,000 to apply for Federal matching funds to begin restoring the equipment for display.

Mr. Hancock stated that a 20,000 square foot building would cost approximately \$463,000.

Mr. Rader stated that he would like to see it in the Mound House but it would have to be restored. It would cost less to build a new building since the round house was built in 1869.

Baird York stated that a determination has to be made regarding what the state wants to do. If the state waits any longer the equipment will be further deteriorated. The equipment must be protected as it is so old and so important to Nevada's heritage. It should be decided whether the state wants a building that is only large enough to store the equipment, one large enough to store and repair the equipment or one even larger to store, repair and display the equipment. A rail museum, properly maintained will have a tremendous tourist drawing effect.

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Jan Benson stated that it would be foolish to restore the equipment without having a place to store it.

Mr. Rader also stated that the National Guardsmen have been very helpful in moving the equipment at a low cost and prison inmates have been used in restoring the equipment.

Baird York stated that the commercial price for moving the equipment would be about \$500 per piece for one or two miles.

Mr. Rader stated that he hoped that the major railroads would help as they have in California. He feels that this session should decide whether or not to have a museum, because if they decide not to, the equipment should be sold.

Jim Lien stated that this is part of our heritage and the state has almost let it slip away. Other states should be shown that Nevada cares about their heritage as they would like to take it away from us.

Chairman Mello stated that Nevadans care as the state put up the funds in the first place.

John Riggs stated that what bothers him is that California has been stealing our heritage. The V and T is synonymous with Virginia City and Carson City. He felt the decision was to either build a museum or a building to store the equipment which would have to be remodeled some day for a museum.

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He stated that mistakes are made, but it was not a mistake to purchase the equipment. Utah would love to keep the equipment that is there now. This museum would also have pictures, etc along with the equipment.

Jan Benson stated that a storage building would be an investment if the equipment is housed later in a larger building as it could be used to store something else.

SB 448 "Makes appropriation for capital improvements on land used for Nevada State Fair." BDR S-1503

Vic Cangi stated that \$100,000 has been put up for this improvement and they are asking the state to put up matching funds as it is a state fair. The Nevada State Fair put up \$30,000, Reno Rodeo put up \$20,000 and the Washoe County put up \$50,000. This money would be used to extend the grandstand, install more stalls and sanitary facilities.

Frank Groves, Reno Rodeo, stated that they are the second largest user of the fairground and it is in very bad shape. The stalls were burned to the ground by the order of the Health Department and they were told they would all be replaced, and as yet not all of them have. They are assured that the fairground will be there for 15 years and should have better stalls. Until the grandstand and bleachers are improved the charge to the public cannot be increased. The insurance will be cancelled if they are not improved and they are only asking for this appropriation as a One-Shot deal. The bill does not have an effective date and they are up against a deadline and they would hope the bill is amended to include "effective upon passage and approval."

Mr. Weise stated that they are always having competitive rodeos and the crowd drawing performers will be lost if the fairgrounds are not improved.

Mr. Weise made a motion to amend this bill to include "effective upon passage and approval." Mr. Howard seconded. Motion passed. Mr. Weise made a motion to recommend a "Do-Pass" as amended. Mr. Howard seconded. Motion passed.

AB 680 "Makes appropriation toward restoration of Morrill Hall at University of Nevada." BDR S-1872.

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Douglas Byington, Alumni Association, stated that Morrill Hall is the oldest building on the Reno campus and was placed on the National Register of Historic Sites and they are now eligible for Federal funds. They have been raising money by selling medallions for \$100 a piece, they have received donations, etc. It would be something the alumni could be proud of.

Larry Struve stated they are preparing the alumni for the university centennial commemorating 100 years and they are raising funds for the restoration of the hall. There are three reasons for this: 1. to gain a functional facility to house the alumni headquarters. It is important to have a symbol home when appealing for funds; 2. to preserve the oldest building would make a gift to the university and Nevada as a museum; and 3. a lasting tribute to the alumni of the state university. It is important as a physical reminder. He handed the committee a copy of the Morrill Hall balance sheet synopsis showing where they are now in raising enough funds. They have raised several thousand dollars by selling the medallions. These funds are tied down because they have created a Morrill Hall trust fund.

Mr. Bremner made a motion to recommend a "Do-Pass". Mr. Dreyer seconded. Motion passed.

SB 423 "Appropriates monies from general fund to legislative fund." BDR S-148

Mr. Weise made a motion to recommend a "Do-Pass". Mr. Dreyer seconded. Motion passed.

The meeting was adjourned at 11:00 AM