

MINUTES

ASSEMBLY
GOVERNMENT AFFAIRS COMMITTEE
February 3, 1977
8:00 am

Members Present: Chairman Murphy
Mr. May
Mr. Craddock
Mr. Jeffrey
Mr. Mann
Mr. Moody
Mr. Robinson
Mrs. Westall
Mr. Rhoads

Guests Present: Bob Gagnier, State of Nevada Employees Assoc.
Robert Dimmick, LCB, Audit
Assemblyman Alan Glover
Orvis Reil, NRTA/AARP

The meeting was called to order by Chairman Murphy at 8:03am for the purpose of discussing Assembly Bills 23 and 52.

ASSEMBLY BILL 23

Assemblyman Glover explained to the committee that he was approached this past fall by some retired persons in Carson City who were concerned because they were not contacted or consulted regarding the bidding procedure that took place this summer which changed the insurance company which carried the policy for the State of Nevada Employees both active and retired. He told the committee that he would like to amend his own bill to say that one of the governor's appointees should be a person retired from State service and not add any additional members to the commission. Specifically, line 7 should read " Two members shall be appointed by the governor, one of whom shall be an employee retired from state service."

Mr. Mann commented that the governor usually listens to groups who come before him and that the legislature did not have to mandate this action. Mrs. Westall commented that they should not legislate with the present Governor's personality in mind, that Governors come and go but the law stays the same.

Mr. May commented for the benefit of the committee that the members of this commission serve without compensation.

Mr. Orvis Reil, Vice Chairman of the Joint Legislative Committee of the National Retired Teachers Association/American Association of Retired Persons, also a member of the Nevada Retired Employees Association, then testified before the committee. Mr. Reil explained

that he was the principle reason for this bill as he was the person who came before Assemblyman Glover to ask for this legislation. Mr. Reil explained to the committee the events which are set out in a letter he wrote to Governor O'Callaghan on October 22, 1977 which is attached herewith as Exhibit 1 and the Governor's reply which is attached herewith as Exhibit 2.

Mr. Bob Gagnier, Executive Director of the State of Nevada Employees Association told the committee that his organization was in opposition to the bill as it is presently written but that he agreed to the amendments proposed by Mr. Glover to mandate qualifications for one of the Governor's appointees. Mr. Gagnier informed the committee that there had been some recent discussion in Ways and Means about requesting an opinion from the Legislative Counsel to determine whether they can constitutionally place an Assemblyman and a Senator on this committee on group insurance. He told the committee of some of the history of the committee. He stated that two of the present members, Budget Director and one of the gubernatorial appointees, have served for at least 7 years. He admitted that the retirees were indeed forgotten in the deliberations of this past summer and expressed his regret. He added that there were problems with the insurance company and the treatment received by the retired persons. Mr. Gagnier mentioned that there were three other groups outside the State Employees who were included in the group insurance plan, Carson Tahoe Hospital employees and employees of White Pine County and one other group who had recently applied for admission to the program. He added that these small groups were a detriment to the program. Mr. Gagnier submitted Exhibit 3 attached.

Assemblyman Robinson asked how long the present contract with the insurance company lasts, he was told that the contract ended July 1 1977. Then he asked if there was any way that the committee on group insurance could go back to the insurance co. and get a supplemental to restore the benefits that have been lost by the retirees by this contract. Mr. Gagnier explained why there is such a difficulty with a program for the retirees. The problem is social security. Public employees in this state do not have social security, but some do, that have earned S. S. credits either after they leave the state employment or before they begin work with the state; but, most do not. Consequently Medicare is confused to the insurance companies and they have no way to estimate the cost of the retiree's care. This year for the first time the insurance company is breaking out each retiree with regard to the experience the company has had in the past year with them and will charge them accordingly next year.

Mr. May asked if Mr. Gagnier wanted to clarify whether the state retiree which is appointed by the Governor be classified or unclassified. Mr. Gagnier replied that their group was made up of both types of members. Mr. May then asked if there should be some limitation of terms of office. Mrs. Westall commented that it might be easier to remove someone from the position if there was an end to the term and a decision could be

ASSEMBLY
GOVERNMENT AFFAIRS
February 3, 1977
Page Two

to renew the appointment or not.

ASSEMBLY BILL 52

Mr. Robert Dimmick of the Legislative Counsel Bureau, Audit Division explained the purpose of the bill to the committee, which was to delete a \$10,000 surety bond requirement for the Director of the Nevada Mental Health Institute. The removal of surety bonds for most of the department directors was taken care of in Chapter 270, Statutes of Nevada, 1975. In order to maintain consistency with this chapter, the Audit Division feels that NRS 433A.050 should be repealed as set forth in A. B. 52.

COMMITTEE ACTION

Mr. Craddock moved that the committee recommend a DO PASS on ASSEMBLY BILL 52, seconded by Mr. Mann, passed unanimously.

There being no further business, Chairman Murphy adjourned the meeting.

Respectfully submitted,

Kim Morgan
Kim Morgan, Committee Secretary



NATIONAL
RETIRED
TEACHERS
ASSOCIATION



AMERICAN
ASSOCIATION
OF RETIRED
PERSONS

EXHIBIT 1

NEVADA JOINT STATE LEGISLATIVE COMMITTEE

CHAIRMAN

Mrs. Nellie Laird
Box 142
Dayton, Nevada 89403
(702) 882-0460

VICE CHAIRMAN

Mr. Orvis Reil
424 E. Long Street
Carson City, Nevada 89701
(702) 882-1675

SECRETARY

Ms. Florence Schroeder
416 N. 9th Street
Las Vegas, Nevada 89101
(702) 384-7819

October 22, 1976

Hon. Mike O'Callaghan
Governor of the State of Nevada
Carson City, Nevada, 89701

Dear Mr. O'Callaghan:

As you are aware the State Employees Group Hospital Insurance was changed from Crown Insurance Co. to Prudential as of July 1, 1976.

Although over 3 months have passed very little information has been received by the Retired Public Employees who are covered by the insurance. The one thing we did receive was a shock when the first notice was received of our increase in premiums. It was for 3 months. In my case my wife and I are covered and the premium under Crown was \$19.06 but the first amount withheld for Prudential appeared as \$53.95.

I, like numerous others become alarmed but I was able to immediately get information through the Retirement Office that the increase was for three months - still a big increase.

As a result of this jolt a number of Retired Public Employees of Nevada are organizing a group.

Since Mrs. Laird and I are on the NRTA/AARP Nevada Joint Legislative Committee we thought we should see what can be done. Since we do belong to a recognized group and the new group is just being organized and has not been incorporated.

Mrs. Laird and I went to your office, but do to you being away on business, we were directed to Mr. Barrett's Office. We met with Mr. Barrett and discussed our problem; the problem being that the Retired Employees were not on the Committee that selected the insurance company and for some unexplained reason the committee apparently gave little thought to our cause.

One thing no one has explained to those of us who are retired, is why those of us over 65 that are eligible for Medicare pay a premium of \$6.50 a month more than those over 65 that are not eligible for Medicare.

The present committee is composed of 5 members 2 of which are appointed by you and that is why we wanted to discuss the problem with you and still desire to discuss the problem.

We believe that a retired employee should be on the committee and the law changed to so designate that a retired

Dr. J. Cloyd Miller
President, NRTA

Alice VanLandingham
President, AARP

Harriet Miller
Executive Director
Original document is of poor quality



NATIONAL
RETIRED
TEACHERS
ASSOCIATION



AMERICAN
ASSOCIATION
OF RETIRED
PERSONS

NEVADA JOINT STATE LEGISLATIVE COMMITTEE

CHAIRMAN

Mrs. Nellie Laird
Box 142
Dayton, Nevada 89403
(702) 882-0460

VICE CHAIRMAN

Mr. Orvis Reil
424 E. Long Street
Carson City, Nevada 89701
(702) 882-1675

SECRETARY

Ms. Florence Schroeder
416 N. 9th Street
Las Vegas, Nevada 89101
(702) 384-7819

employee be on that committee. You have been sympathetic to the problems of the older people, we are not sure when your successors take over what might happen.

We, our Legislative Committee, have thought for a long time that the boards and committees that concern older people should have at least one senior citizen as a member. In this case the committee is involved with retired state employees so the selection should be more restrictive in order to include one of those retired persons.

Mrs. Laird and I would appreciate meeting with you and discussing what we have in mind in regards to the committee and if we are in accord; to receive your suggestions as to how to proceed.

Thanking you, I am

Sincerely Yours,

Orvis E. Reil, Vice Chairman
NRTA/AARP Nevada Joint State
Legislative Committee

Dr. J. Cloyd Miller
President, NRTA

Alice VanLandingham
President, AARP

Harriet Miller
Executive Director

National Headquarters: 1909 K Street, N.W., Washington, D. C. 20049 (202) 872-4700



MIKE O'CALLAGHAN
GOVERNOR

THE STATE OF NEVADA
EXECUTIVE CHAMBER
CARSON CITY, NEVADA 89710

November 5, 1976

EXHIBIT 2

Mr. Orvis E. Reil, Vice Chairman
NRTA/AARP Nevada Joint State
Legislative Committee
424 East Long Street
Carson City, Nevada 89701

Dear Orvis:

Responsive to your letter of October 22,
please be advised that I was in Las Vegas at the
time you and Mrs. Laird wanted to visit me.

I believe you make a good case for having
a retired State employee sit as a member of the
group insurance committee. Accordingly, it is
my suggestion that you ask Assemblyman Alan Glover
or Senator Gary Sheerin to request that such
legislation be drafted.

Meanwhile, should a position on the committee
become vacant in the future, you may be assured I
will consider such an appointment.

Warmest personal regards.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike O'Callaghan
Governor of Nevada

NOTES REGARDING AB 23 FOR ASSEMBLY GOVERNMENT AFFAIRS

The current composition of the "committee on group insurance" is five members; two appointed by the governor, two appointed by SNEA and the Director of the Department of Administration.

This bill would add two additional members to the committee, both state employee retirees.

It is the feeling of SNEA that this is disproportionment because of the existing coverage.

There are currently 9,241 employees-retirees in the program. Of that number only 650 are retirees.

Of a total premium of \$446,000 per month, retirees pay \$20,706.

SNEA is certainly not happy with the current composition of the "committee on group insurance" but this measure would add to the problem, not alleviate it.

If it is the feeling of the legislature that retirees be represented on the committee, our proposal would be that one of the governor's appointees be a retiree.

Submitted by Robert Gagnier, SNEA, February 3, 1977

GOVERNMENT AFFAIRS COMMITTEE

DATE: 2/3/77

	PRESENT	EXCUSED	ABSENT
CHAIRMAN MURPHY	✓		
VICE CHAIRMAN MAY	✓		
ASSEMBLYMAN CRADDOCK	✓		
ASSEMBLYMAN JEFFREY	✓		
ASSEMBLYMAN MANN	✓		
ASSEMBLYMAN MOODY	✓		
ASSEMBLYMAN ROBINSON	✓		
ASSEMBLYMAN WESTALL	✓		
ASSEMBLYMAN RHOADS	✓		

