

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59th SESSION

APRIL

~~APRIL~~ 4, 1977

The meeting was called to order by Chairman Mello at 8:00 a.m.

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Glover, Mr. Hickey, Mr. Howard, Mr. Kosinski, Mr. Rhoads, Mr. Serpa and Mr. Vergiels.

OTHERS PRESENT: John Dolan, Assembly Fiscal Analyst; Bill Bible, Budget Division; Bob List, Attorney General; Speaker Joe Dini; John Meder, Parks Department; Frank Ghiglia; Assemblyman Darrell Dreyer; Dr. William Edwards, State Health Department; Jeanette Clodfelter; Assemblyman Sue Wagner; Lillian Bergevin, State Health Officer; Jim Wittenberg, Personnel Division; Darryl Monahan, Economic Development; Assemblyman Marion Bennett; Noel Willis, Humboldt County Chamber of Commerce; Joe Bucher, Manager, Chamber of Commerce Humboldt County; Jim Lien, Department of Taxation; John Richardson, Parks; Bob Warren, Nevada League of Cities; Frank Daykin, Legislative Counsel; Art Palmer, Director, Legislative Council Bureau; Mr. Carter, I.B.M. representative; Don Bailey, State Printer; Peggy Glover, General Services Director; Art Crosby, CDP; Gordon Harding, CDP; Barbara Burford, Environment Education Advisory Commission; Dan Miles, Budget Division and Ann Hibbs.

ATTORNEY GENERAL ADMINISTRATIVE FUND (Page 18). Mr. Howard made a motion to rescind the action whereby the Committee closed the budget of the Attorney General on March 31, 1977, Governor's Recommendation, as Amended; seconded by Mr. Rhoads. Motion passed.

Mr. Howard made a motion to adopt the Governor's Recommendation; seconded by Mr. Rhoads. Motion passed. (Mr. Kosinski, Mr. Serpa and Mr. Vergiels voted no.)

A.B. 480. Lowers threshold for payments by state in lieu of taxes on real property and changes applicable rate.

Mr. Glover made a motion for a "Do Pass" on A.B. 480; seconded by Mr. Howard. Motion passed. (Mr. Bremner and Mr. Kosinski voted no.)

A.B. 524. Requires division of State Parks of State Department of Conservation and Natural Resources to purchase, under prescribed conditions, certain real property located in Lyon County, Nevada, for state park system.

Speaker Dini testified that in A.B. 524 there is a proposal for the acquisition of the properties in Lyon and Churchill Counties, called the Ghiglia Ranch. This has been discussed previously in previous presentations. Speaker Dini still feels strongly that this is a major piece of property for the State to acquire which will be helpful in future development of recreational areas in western Nevada. The ranch is for sale now and this is the time to acquire the property or at least make steps towards acquiring the property.

John Meder stated that the State Parks System has done a potential site analysis on that piece of property. The conclusion of the

analysis is that every possible effort be made to acquire this site for inclusion in the State Parks System and that this parcel has a highly extreme priority.

Mr. Serpa asked if the ranch is for sale at the present time. Mr. Ghiglia replied yes, the ranch is for sale but they have not set a price on it.

Mr. Rhoads asked if it is a healthy program or policy for Nevada to get into--we have 87% of the land owned by the federal government already and now we are going ahead and taking another 3,100 acres out of private ownership and put it into state ownership. Mr. Rhoads asked that with all the federal land around, wouldn't it be a better approach to buy some federal ground. Mr. Dini replied he has never seen any federal land of this quality available for park development in western Nevada. Possibly in northern Nevada or eastern Nevada that kind of land is available. Mr. Dini stated it would be very hard to duplicate this site as far as federal land is concerned. Part of the land has been under cultivation and it has the best deer herd in western Nevada. The tax loss to the counties is approximately \$4,000 per year.

Mr. Bremner stated that most of the land that is worth developing for state park services is in private ownership. There are just no other pieces of property that are suitable for park development.

Mr. Dini stated he thought there is a possibility that Fish and Game money should be used in this project also as a game preserve and for the development of the marshes in the goose and duck hunting areas.

Mr. Rhoads asked if the state obtained federal money is the federal government going to have any control. Mr. Meder replied there are some conditions, but it is pretty open.

Mr. Howard asked if the property was acquired would there still be the possibility it could be kept in production to a certain extent by sub-leasing. Mr. Meder replied that is the understanding Parks has at this point, at least on a short term basis.

A.B. 6. Makes an appropriation for mobile health care services to rural elderly persons.

Mr. Dreyer stated this bill is the result of the Interim Subcommittee study on the problems of the aged and aging. They felt there was a shortage of medical care for the rural citizens. The mobile unit would be under the general supervision of a Nurse Practitioner and then there would be a balance of staff of an LPN Technician, etc. The mobile unit is needed because in some areas in Mineral and Esmeralda counties it is 132 miles to the nearest organized out-patient facility; 240 miles for Eureka County.

Mr. Dreyer stated this program is a pilot program strictly for the elderly. With the medical school sending students out they would be treating everyone. On the other hand, this mobile unit could be of value to them.

Mr. Bremner asked if the mobile unit would be concentrated in any particular geographical area. Mr. Dreyer replied it is going to get to all the areas of the state, but there would be a schedule. They would be doing quite a bit of driving. The mobile unit is for preventive care.

Dr. Edwards, State Health Department, spoke in favor of the bill. He stated that the bill has also been strongly endorsed by the State Developmental Disabilities Council and it was the hope that the mobile unit may also be used for the care of the handicapped around the state. Dr. Edwards passed out a handout to the Committee, which is somewhat of an alternative to a mobile health care unit.

The State Health Department has some reservations on a mobile health care unit, especially with a state this size. The Health Department wondered about the cost effectiveness and if perhaps it isn't better for the patients to travel to a satellite clinic, such as Wells which is staffed by a Nurse Practitioner. The Health Department is quite familiar with the Nurse Practitioners in the State Health Department. They have worked with about 15 family planning Nurse Practitioners and rural Nurse Practitioners. The positions in Elko and White Pine counties have contacted their Legislators and they don't care for this type of a unit or even a satellite clinic in their areas. The handout speaks to satellite clinics and as many as four could be developed with the amount of monies spoken of in the bill.

Mr. Kosinski stated that three separate plans had been presented to the Committee regarding rural health care needs and asked if perhaps the three groups could get together and come up with one program at a more reasonable cost that would satisfy the needs. Mr. Dreyer replied they would certainly hope so. Mr. Trounday had a meeting last week involving the medical school, the rural Legislators, the Health Department and the hospital administrators trying to seek some solution for the health care needs of the rural part of the state.

A.B. 119. Creates citizens' state government compensation commission.

Mrs. Wagner stated that A.B. 119 created a Citizens State Government Compensation Commission which would study salaries and reimbursable expenses of elected state offices, Supreme Court Justices, District Judges, appointed heads of departments and divisions of the Executive Branch of state government.

Mrs. Wagner stated it is often difficult politically to raise our own salaries and per diem and possibly this Commission, by taking a evaluative look, would provide that assistance. Mrs. Wagner feels there is some virtue in placing, particularly this issue as far as Legislators are concerned, with a group of people outside the governmental structure. Mrs. Wagner commented that the bill in its original form had 17 people and the Government Affairs Committee reduced the number to nine. The Governor shall appoint the members and there is a fiscal impact of \$5,400 basically for travel expenses.

Mr. Kosinski asked if it was discussed in Government Affairs hearings as to whether or not the present pay increase bill for elected officials should be held up if this Commission was to be created. Mrs. Wagner replied no, because that bill hadn't been introduced at that point.

Mrs. Wagner sees this Commission as being somewhat of a long range thing, not looking at the pay and salaries just for this Session.

A.B. 391. Increases amount which public agencies may pay for group insurance premiums.

Miss Bergevin, sitting as Chairman of the Committee on Group Insurance, stated the bill provides a 15% increase in the employee's share of the group insurance program. The Committee has met with the representatives of William Mercer Company and have a proposal which will alter their present coverage somewhat to come within the bounds of the 15%. To a limited extent this 15% does subsidize the premium for the dependents. It is very limited.

Mr. Wittenberg stated this is the administration bill which will increase the employer's contribution for the employee \$4.80 per month for the first year and \$5.52 per month the second year. That is a 15% increase. It is a total cost of approximately \$810,000 new money. The recommendation to increase it to that level was based on the findings of the fringe benefit survey which indicated that practically all private and public employers are paying 100% of the employee cost for insurance. There are only one or two

jurisdictions that are paying for any portion for a dependent.

Chairman Mello asked why the Committee didn't go to bid. Miss Bergevin replied the Committee discussed this at great length and the broker indicated that if you go to bid every year you soon find that no carrier will take the case. For some reason, state and municipal cases are not in high favor with insurance companies. Miss Bergevin stated the Committee didn't go to bid for about five years and last year when they went to bid they only got about four valid bids on the case. The recommendation was not to go to bid because if you change carriers every year, soon no one will bid on the case. That was the information received from the broker.

Mr. Bremner asked for the figures as to what exactly it would cost for the employee only. Miss Bergevin said she would provide the Committee with figures.

She stated one of the things the Committee took into consideration was not getting the dependents costs so high that a family could not afford to cover their children. They changed certain coverages for the employee in an attempt to keep the premiums down. If the dependent were paying full share, the cost for the dependent would increase.

The current rate for one dependent is \$26.18 and will go to \$30.37 under the bill. The two dependent current rate is \$42.09 and will go to \$48.82 under the bill.

Mr. Serpa asked about the deductible and Miss Bergevin replied there is \$100 deductible with a \$300 family deductible.

A.B. 483. Darryl Monahan stated that two years ago he sat before the Committee and asked for \$200,00 to supplement an advertising campaign in rural Nevada. At that time he said he wouldn't be back asking for money again and that is why it is not in the Economic Development budget. The bill is being requested through the Economic Development agency from the small counties. Economic Development testified before the special Committee and that was their recommendation.

Assemblyman Bennett stated that there have been people from various parts of the state, particularly in the rural part of Nevada, and almost everyone they have heard from suggested that this program is a very good program and that it is really a financial transfusion for rural Nevada. The special Committee unanimously recommended to the Ways and Means Committee that this program be funded again because it does do a lot of good. This program will do a lot of good to help the small counties help themselves and they are quite hopeful this program will pass.

Noel Willis, President of the Humboldt County Chamber of Commerce and owner of a 25 unit motel in Winnemucca spoke in favor of the bill. He stated about three years ago they became interested in increasing tourism traffic in Winnemucca in the off season. Their summer business is very good but the off season business is very poor. With the last appropriation they developed fun packages in which they were able, as a community effort, to package their town and they had a medium by which they could sell stock in Winnemucca either overnight or for three days and two nights. The first year the State Department of Economic Development, with their appropriation, developed a 30 second television add which they ran in Boise and Southern Oregon and it went off very well. It increased Mr. Willis' business by 5% in the off season. This past year the funds were limited. There was no T.V. coverage, but they did provide Winnemucca with \$13,500 worth of newspaper advertising in those areas. At this time Winnemucca is running about 60% of last year's efforts through the fun package program.

Mr. John Bucher, Manager of the Chamber of Commerce for Humboldt County stated that what the state injection of funds has done is create a greater expenditure out in the rural areas. The smaller casinos, motels and businesses don't have the amount of funds to be able to go out and experiment on a one shot deal to try promotion. Because of this program, they were able to try a one shot deal regarding the Chariot Races in Winnemucca. Because of the prize money offered, Mr. Furpo came up and shot a film on it for their T.V. station and luckily NBC picked it up and it was shown all across the country. They even received a postcard stating it was shown in New Zealand. The important thing about this is if the Legislature had not provided them with the funds to develop the fun package, if they would have had to do that solely on their own, they would not have had the \$7,800 to take a shot and put it on the Chariot Races.

This was an educational program for the rural counties. It got them into the tourist business and then they also had some advertising dollars and they were able to participate in some major magazines. They were shown that Nevada has entertainment and recreation of all types, statewide. They also advertised for the outdoor type Nevada. This gave them the added money to actually get into the business. The neighboring states are really pushing for the recreation type travel.

Chairman Mello stated that \$200,000 was appropriated last Session and asked if much of that money was used to get started and further asked why they need \$200,000 again. Mr. Monahan replied that this time they are going to go one step further. There are several other communities interested in establishing this program so, again, they would have to start from scratch. Also, the advertising expenses have gone up. According to the national average, it has gone up 20% for purchase of advertising dollars so that has to be looked at.

Mr. Kosinski asked Mr. Willis if he believed that the rural areas are being shortchanged by the Department of Economic Development insofar as the programs are concerned, the \$200,000 special money aside, but under the ordinary operating procedure, did Mr. Willis feel that the rural counties get support from the Department. Mr. Willis replied yes and stated that if the \$200,000 was not approved there would be very little for the rural communities and there wouldn't be adequate services as to what they have had in the past to continue with the programs started.

Mr. Howard stated he did research before he ever got interested in the act before it came to the Session, and the casinos that he contacted had increased a minimum of 17%, some as high as 22% with the program. The motels had increased a minimum of 20%, attributed to the fun packages for those that had participated. This didn't only go on in Humboldt County. Mr. Howard made a survey around Battle Mountain and there was an increase there. What comes out of Utah comes through Elko and Battle Mountain and when people leave Winnemucca they go back through those areas, and if you keep the people in the state one or two extra days, that's a lot of money.

Mr. Rhoads indicated that the Elko Chamber of Commerce called him and stated they thoroughly endorse the program.

Mr. Howard made a motion for a "Do Pass" on A.B. 483; seconded by Mr. Glover. Motion passed.

A.B. 496. Provides subsidy to senior citizens to pay power bills and makes appropriation.

Marion Bennett stated as he understands it, this bill is an intent to try to get some relief to the suffering presently being encountered

by the senior citizens of this state. Hopefully, it amounts to trying to give them \$10.00 per month. They have tried to do it the cheapest way they possibly could and that is to have the Tax Commission be the administrators of the program with the same criteria as the tax rebate system. It is Mr. Bennett's understanding that the Tax Commission is predicting about a \$400,000 revenue to the general fund. Mr. Bennett feels it's a shame that the last days of our senior citizens' lives have to be so hard.

Jim Lien, Department of Taxation, stated he was not speaking either for or against the bill. He stated Taxation understands the bill to be an add on \$1.2 million extra appropriation. Any individual that is eligible under the senior citizens program and receives an allowance would automatically receive an additional \$120.00. In computing out the amount of appropriation proposed and the number of individuals they anticipate in the program, the appropriation is insufficient at \$120.00. If you allow the first year's appropriation balance to be carried over to the second year, then the two year appropriation of \$2.4 million is deficient by approximately \$36,000.

A.B. 523. Makes appropriation to Division of State Parks of State Department of Conservation and Natural Resources for capital improvements in state parks and restoring equipment of Virginia and Truckee Railroad.

John Meder stated Parks has met several times with the subcommittee on the park Capital Improvement Program. The project is Number E and it lists the construction that will be going on in the State Parks System during the year. Mr. Glover stated there is one amendment that needs to be made to A.B. 523, which is on Line 6 where the word "all" should be deleted. The Parks Department felt that there was not sufficient money available this year to survey all of the boundaries in the state, but they will try to accomplish as much as they can under the appropriation. So the bill should read: "and for boundry survey of the state park property."

Mr. Glover stated there doesn't appear to be any problem with any of the state park projects. There was some controversy over the Lahontan project, but this part of the budget does not deal with that, and the problem apparently has been worked out with everyone involved. The subcommittee is recommending all of the Capital Improvements for the state parks.

There is an appropriation of \$103,000 for the restoration of equipment of the V & T Railroad. Mr. Glover stated Parks will be restoring locomotives No. 22, the Inyo and No. 18 in Dayton, plus the mail express baggage car No. 21. There will also be a visitor's display. The storage building will be completed this month and as this equipment is repaired, it will be stored and kept out of the weather where it won't deteriorate. One of the problems in the past has been any work that was done for restoration of this equipment would go to no avail because it simply sat out and was subject to bad weather. With the facilities that have been completed, the equipment will be protected and displayed properly.

Mr. Kosinski said that what concerns him about the project is the ultimate cost as opposed to the biennium-biennium appropriation which is requested of the money committees. The total cost of this project is over \$1 million. Mr. Kosinski asked what the ramifications would be if they were just to stop the improvement of this equipment and leave it for display purposes as it presently exists. Mr. Meder replied much of the equipment is in sad condition.

Mr. Glover pointed out that \$95,000 of this money will also be matched with some historic preservation funds.

Mr. Glover pointed out that one of the problems when you are restoring V & T equipment is it takes a certain amount of expertise to tell you exactly how to restore it.

A.B. 547. Establishes committee to study local government finances and makes appropriation.

Bob Warren, Nevada League of Cities and also speaking on behalf of the Nevada Association of County Commissioners, spoke to the bill. The bill originated from the fact that the City of New York was in serious fiscal trouble and there were many discussions about this at the National League of Cities meeting when it was discovered that New York and other cities were on the verge of fiscal crisis.

They looked into this program and discussed it at length and raised the question have there been any studies conducted that would attempt to raise a red flag and would identify whether or not a city can be evaluated to determine whether there may be fiscal deterioration or trouble down the pike.

It turned out that there had been such studies done. The Advisory Commission on Intergovernmental Relations had conducted a study of some 30 cities back in 1970-71 and 1972 and had warned New York City at that time that it was flunking the criteria that had been used to measure the fiscal health of the city. This gave Nevada the idea that it should measure its own fiscal health to see if there were any New Yorks in the Nevada horizon.

Mr. Warren approached the Nevada League of Cities with this suggestion and members of the Board, which are composed of elected officials from the various cities, said yes, we should take a look at our fiscal health to determine if we are indeed in trouble. Mr. Warren warned them that if they do that they are also going to take a look at the financial management practices of the city because they have to determine whether they are self-inflicting their wounds or illnesses or whether there is a shortage of funds and that something should be done in that area. Again, the Nevada League of Cities said if we are doing something, let's be aware of it.

Mr. Warren then went to the Nevada Association of County Commissioners and made the same address. They replied yes, Nevada should find out if it is in trouble down the road and they would submit themselves to an evaluation.

As a consequence they went before a group of finance officers for the cities and counties and asked them if they would work with Mr. Warren to analyze their impending fiscal condition. That study was completed. It took about six months and some of the results that came out of the study tended to lead them to believe that there is down the road some serious fiscal chaos for some of Nevada's cities and counties. On a short term basis, perhaps it can be handled by various adjustments, but over the long term if the trend is not reversed, there would be some serious problems. The Legislators represent the agencies and the Legislature has the responsibility of funding and providing a working base for their political subdivisions.

A questionnaire was sent out, they got the results, gave it to the Governor and asked the Department of Taxation to analyze it to see if the study was valid and to see if Taxation agreed with their conclusions and to see whether or not the Governor thought anything should be done about it. Mr. Lien's office evaluated the study and said he agreed with their conclusions that there appears to be some deterioration that is impending, but he wasn't sure why Nevada was in trouble and wasn't sure what should be done because the study did not get into that area. They merely pinpointed the problem. Mr. Lien did recommend that there be a 2 year study on this that would take a hard, close look at the fiscal health of local governments in Nevada.

Mr. Lien stated the Department of Taxation is seeing a rapid deterioration as far as ending balances are concerned on entities. They are seeing pressure being brought to them. For example, this particular year there were 50 entities which are in their preliminary budgets over the \$5.00 constitutional limit which means they have to take care of that problem themselves or the Department of Taxation has to on May 1st. Secondly, come January 1, 1981, the Department of Taxation will reallocate cigarette, liquor and county and city relief tax monies based on the 1980 population. The study will allow the 1979 Legislature to take a realistic look at how it's going to allocate our population based taxes. The Department of Taxation is encouraging the study and will participate as much as possible.

S.B. 270. Makes appropriation to state printing and records division of department of general services for purpose of establishing automated composition system.

Art Palmer stated this bill is precipitated by the observation that we are probably on borrowed time as far as the equipment at the State Printing Office is concerned. It is a linotype operation using hot lead and the Nevada Legislature has enjoyed for many years excellent services from the State Printing Office. Not all states reprint bills after they are amended. There are daily histories and indexes. Mr. Palmer felt that a lot of us take this for granted and don't realize the terrific work that is behind this both from a clerical standpoint of compiling the information and also printing it.

Apparently both the Printing Office and the Legislative Council Bureau recognize that we should, at least at this Session of the Legislature, initiate an attempt to get into automated composition system. This entails at the outset quite an expenditure but in the long run it may reduce printing costs. It is estimated that this would cost \$500,000 which would be allocated to the Legislative Commission and authorized to be expended by the Legislative Commission based upon, at the end of the Session, the selection of a firm system and equipment which will accommodate the initial approach toward the 1979 Session. At the 1979 Session they envision only producing by some automated equipment the journals of the two houses and histories of the two houses. It would not immediately get into the area of bill drafting per say although in this interim period between 1977 and 1979, they would attempt to get most of NRS into a memory bank, a computerized system so they can have statutory retrieval. The statutory retrieval system they would work toward making sure was completed by the 1981 Session and would enable them not only to search NRS with a lot more accuracy, but also speed up the automated bill drafting system. The \$500,000 has been requested by the Legislative Council Bureau envisioning a move in that direction.

Don Bailey, State Printer, stated the \$434,000 is a figure that is based on updating of the hot type application that is a 19th century application. They would like to bring it up to the 20th century. The reasons behind this are that they have not manufactured hot type machines in the last four years which in turn means Printing cannot purchase new equipment. Also the operation in maintaining the equipment they now have, some equipment dating back to 1921, cannot be maintained because they cannot purchase the new parts.

The immediate benefits would be that they could increase the volume. If the volume is increased and a better and faster turnaround in services generated, then they can expect more business from their agencies that are now taking a certain percentage of their work and going outside to commercial shops. They feel that along these lines, they can generate in the future a less inexpensive package to their services. The program does not come without cost and a lot of effort. It will be an expensive program, but included are two mini computer typesetters, two to three terminal input machines, a machine that would make a black and white printout, processors and up-date the system after photo composition is in effect. They have to foresee in the future an increase in their capability offset press work.



Chairman Mello asked if a bill is amended on the Floor will the Printing Office have it back in time to go on the General File the following day which is not being done now. Mr. Bailey replied that possibility is there, not instantly. Mr. Bailey said that one word changes are not coming back in time to go on the General File because of the hot type application. A one word change creates many more problems than it would with a cold type application.

Mr. Daykin stated not immediately at the 1979 Session, but by 1981, when the system is fully operative, they will be able to crank one work amendments into the system almost automatically and get them back in the time discussed. They will begin to experiment with it in 1979 depending upon what they have in the data bank and how far they get. Two years further down the road, they can make the one word changes.

S.B. 178. Changes method of repaying cost of state computer and makes appropriation for purchase of additional equipment.

Art Crosby stated this legislation authorizes the Data Processing Commission to acquire an alternate attached processor for \$470,000. It also changes the way they recover the original appropriation of \$2 1/4 million to buy the computer. They have had several audit exceptions on this from federal audit saying you should go to a depreciation base on the computer, which they have done.

Mr. Harding stated an attached processor is simply a means by which they can do more computing work. It is analogous to adding another engine to their train to pull more cars. They have to forecast increased workloads over that which now exists and forecast an increase of 30% by the end of this year. They simply do not have the capacity within the existing equipment to handle the workload. Therefore, they need the additional equipment.

S.B. 178. Mr. Hickey made a motion for a "Do Pass"; seconded by Mr. Howard. Motion passed.

S.B. 270. Mr. Vergiels made a motion for a "Do Pass"; seconded by Mr. Hickey. Motion passed.

A.B. 547. Mr. Howard made a motion for an Indefinite Postponement; seconded by Mr. Serpa. Motion failed.

It was the wish of the Committee that the bill be held.

A.B. 523. Mr. Glover made a motion to amend the bill on Line 6 by deleting the word "all"; seconded by Mr. Bremner. Motion passed.

Mr. Glover made a motion for a "Do Pass, as Amended"; seconded by Mr. Hickey. Motion passed. (Mr. Kosinski and Mr. Serpa voted no.)

Mr. Kosinski made a motion to amend the motion of "Do Pass, as Amended", and to amend the bill by deleting the appropriation to the V & T; seconded by Mr. Serpa. Motion failed. (Mr. Kosinski and Mr. Serpa voted yes.)

A.B. 496. It was the wish of the Committee to hold the bill.

A.B. 391. It was the wish of the Committee to hold the bill.

A.B. 119. Mr. Bremner made a motion for an Indefinite Postponement; seconded by Mr. Kosinski. Motion passed.

A.B. 6. It was the wish of the Committee to hold the bill.

A.B. 524. It was the wish of the Committee to hold the bill.

Mr. Serpa presented the recommendations of the Subcommittee on the State Department of Education budgets.

In the Education Administration budget (Page 136), instead of a salary savings of \$177,384 and \$178,963, that will be dropped to \$150,000 in each year of the biennium.

Mr. Serpa stated there was a problem in the salary savings which was pointed out after the Subcommittee's initial decision that Mr. Costa can't cut the people that were suggested because they were people with longevity so Mr. Costa would probably have to cut more personnel to realize the salary savings in the report and in the charts that Senator Hilbrecht presented.

Mr. Vergiels stated the subcommittee wasn't supposed to report until the next day so Mr. Serpa's finalizing the report was a surprise to him. Mr. Vergiels had asked Mrs. Burford to come up relative to the environmental advisory council. Mr. Vergiels has been somewhat committed to this position since they left the meeting with Senator Hilbrecht so he hasn't had a chance to talk it over and talk about the changes. Mr. Vergiels thought the report should be given the following day. Mr. Serpa disagreed and said the longer we hold it up, the more special interest groups are going to come up and pressure the Committee.

Mr. Vergiels stated one of the problems they have is that one of the reasons Mrs. Burford came up was on the environmental group. When the money was appropriated last Session, \$38,000 was appropriated for environmental education and the State Board of Education decided it wasn't within their order of priorities and used the money for something else. One of the reasons the Department is in trouble is because they haven't spent within the legislative intent to begin with.

Barbara Burford, Chairman for Environmental Education Advisory Committee, stated they were funded finally and last Session they were to have an Environmental Education Consultant which they did not achieve. Now she finds that the money is being eliminated for their Committee to meet. They have had problems trying to work through the State Department of Education, but by law, they are functioned through them. They are finally beginning to have some things take place, such as Energy in Man's Environment, which is a program of energy conservation in the schools. They are working with the Energy Resource Board on this and the monies will be funded by the power companies and other private enterprises. They are also getting some programs going on through the University of Nevada, Reno and Las Vegas, to make people aware of the environmental resources of the federal and state agencies. If they don't have the money so they can at least meet, then they will be a Committee in name only.

Mr. Glover made a motion to adopt the Subcommittee's recommendations on the State Department of Education budgets; seconded by Mr. Rhoads. Motion passed. (Mr. Bremner and Mr. Vergiels voted no.) The Subcommittee's recommendations are attached.

The meeting adjourned at 11:15 a.m.

PROPOSAL FOR EXPANDED PRIMARY HEALTH CARE SERVICES IN RURAL NEVADA

I. Background

This proposal was drafted at the request of the Assembly Ways & Means Committee as an alternative to AB 6.

Primary health care places emphasis on health maintenance and prevention of disease rather than treatment of acute illness. With the expanding costs of in-hospital medical care, the health industry is becoming more concerned about and involved in primary health care services. Some of the components of primary care include: (1) health problem identification through diagnostic tests, screening techniques, and physical examinations; (2) improvement, maintenance or restoration of health status thru appropriate out patient care; (3) monitoring of health status on a regular basis; and (4) suitable referral for treatment of serious health problems.

Primary care services should be made available to all age levels. However, it seems more practical to limit a pilot project of this nature to one age group. At the end of the first year of operation the program could be evaluated to determine if age restrictions should be revised. Since the report of the Legislative Commission on the problems of the aging showed a need for preventive health care for the senior citizens in rural Nevada, and since this was the intent of AB 6, it is recommended that these services be provided for individuals 55 years of age and older.

II. Recommendation

Primary Health Care Centers could be established in four areas (regions) of rural Nevada. The location of the Centers would be based on (1) senior citizen population density and (2) availability of preventive health care resources. First priority would be given to those areas with a large senior population coupled with limited preventive health care resources. Although the Centers might be situated in specific towns, the staff shall travel on a regularly scheduled basis to other locations within the region to hold clinics.

A. Basic Services

- Screening exams including but not limited to blood pressure, urine, glaucoma, hemoglobin, vision, hearing
- Complete physical examinations including diagnostic tests, e.g. EKG, serology, x-rays
- Dental screening plus some dental care
- Monitoring and maintenance of individuals with chronic illness on an outpatient basis
- Selected medications for management of chronic illness
- Health education including nutrition counseling

B. Supplemental Services (Optional)

- Transportation from home to clinic and back
- Podiatry services

C. Staffing

- 1 Nurse Practitioner for each Center
- 1 Clerk for each Center
- 1 Part-time Physician Consultant (contract) for each Center
- 1 Dentist (Itinerent would travel from Center to Center, contract)
- 1 Podiatrist (Itinerent would travel from Center to Center, contract)
- 1 Audiologist (Itinerent would travel from Center to Center, contract)
- 1 Program Coordinator/Supervising Nurse
- 1 Program Clerk (optional)

D. Staff Functions

The Nurse Practitioner would be responsible for the overall coordination of each Center. She would provide the basic physical assessment and screening activities. She would also provide health education services and some monitoring of health

status. Identified health problems would be referred to the Physician Consultant for follow-up. The Physician and Nurse Practitioner would work collaboratively under written protocols in the monitoring and maintenance of chronic health conditions. The Dental Consultant would provide screening and referral services. The audiologist and podiatrist would provide direct care services.

E. Other Contract Services

- Contract Services with pharmacies for selected medications
- Contract Services with health care facilities for selected diagnostic tests
- Contract Services with dentists for follow-up services

F. Voluntary/Official Agency Coordination (partial list)

Every effort would be made to coordinate activities with existing agencies.

- Senior citizens groups - publicity - transportation
- Services to the Blind - Lions Clubs - eyeglasses
- Welfare - Potential reimbursement for Title XIX
- Medicare - Potential reimbursement for selected services
- Rehabilitation Division
- Division of Aging
- Physician - Dental - Nursing Organizations

G. Eligibility Requirements

Since this program is primarily aimed at those individuals on fixed incomes, criteria would be developed for financial screening for services. This of course could be waived in areas where there is no other resource for care. Criteria of this nature has been developed in the Clark County areas and is being developed in the Washoe County area. Financial status would also be evaluated before payment for diagnostic tests, medications, and dental treatments. Individuals with established M.D. relationships would be referred back to that physician when

health problems were indentified. Payment again would depend upon financial status.

#### H. Reimbursement

A sliding fee scale could also be devised to solicit payment for services. (Again Clark and Washoe counties have instituted this procedure in their geriatric program.) Title XIX and Title XVIII resources would also be investigated for reimbursement purposes. Aging Services has provided grants to the two local Health Departments for similar projects. They also could be approached for funding.

#### III. Comments

The concept of primary health care has evolved fairly recently. It is not a panacea for all health care needs. If a serious health care problem is indentified clients will still have to travel to urban areas for sophisticated diagnostic work-up and treatment. It can however act as deterrent to serious illness by identifying the disease process in an early stage, and by instituting appropriate treatment at this level.

Projects of this nature have been successfully established in other areas. One in rural New Mexico is described in the March 1975 Journal of the American Public Health Association. (copies available in Health Division Office) Both Clark and Washoe County Health Departments have instituted similar primary care programs for Senior Citizens. They have been fully utilized by Seniors even though they are located in Urban areas with a high physician/client ratio.

Addendum I

Proposed Budget 4 Centers (\$399,485)

	<u>1st Year</u>	<u>2nd Year</u>
Salary	107,000	117,700
Fringe	16,050	17,655
Travel Per Diem	15,000	16,500
Medical Services*	20,000	20,000
Dental Services*	5,000	5,000
Podiatry Services*	5,000	5,000
Audiometric Services*	5,000	5,000
Pharmacy Services*	4,000	4,000
Laboratory Services*	2,000	2,000
Equipment	12,000	0
Office Supplies	1,600	1,760
Medical Supplies	3,200	3,520
Rent	5,000	5,000
	<u>\$200,850</u>	<u>\$198,635</u>

- 1) All contract services\* are estimates.
- 2) The budget reflects 4 Centers, 4 practitioners, 4 clerks, and 1 program coordinator.
- 3) A 200,000 budget would support two Centers.
- 4) A 100,000 budget would support one Center.

Estimated population over 54 by county (1977 estimate from the Section of Vital Statistics):

Carson City	4641	Lincoln	529
Churchill	2160	Lyon	1654
Douglas	2121	Mineral	1263
Elko	3184	Nye	926
Esmeralda	163	Pershing	602
Eureka	214	Storey	329
Humboldt	1453	White Pine	1578
Lander	456		

The four proposed Service Areas in priority order are listed below:

Area I Douglas and Storey Counties and Carson City; service population is 7,091.

Area II Elko, Humboldt, and Pershing Counties, and the northern part of Lander County; service population is 5,545.

Area III Esmeralda, Lyon, and Mineral Counties, and the northern part of Nye County; service population is 3,264.

Area IV Eureka, Lincoln, and White Pine Counties and the southern portion of Lander County; service population is 2,471.

It is proposed that Churchill County would perform its own services under the auspices of a contract with the Division, and the southern portion of Nye County would be serviced by Clark County District Health Department by contractual arrangement. In the event that Churchill County does not wish to participate, they would be included in Area I. If an arrangement to serve the southern portion of Nye County could not be made with CCDHD, then it would be included in Area III. Service population of areas I and III would then be 9,251 and 2,871, respectively.



successfully maintain the mentally retarded at home and in the community.

The BCHS family planning program has made and continues to make a major contribution in using its resources to prepare older mentally retarded individuals to live in a heterosexual world and to deal more effectively with community demands. Many people in State institutions have been sexually segregated for years and have little knowledge of the opposite sex and no exposure to community rooms, standards, or expectations. BCHS-funded workshops have been held throughout the country to establish channels of communication between family planning services and the service systems for the mentally retarded. Needs on State levels were explored and plans developed to apply the available knowledge and skills of family planning services to the deinstitutionalization process.

### MOBILE HEALTH UNITS

Mobile units are most successful in delivering quality health care when they are backed up by comprehensive health service systems in permanent facilities, have good physician interest, and community support.

The advantages and disadvantages of mobile units and the ways they can be used to serve low density and remote or mobile populations in the United States and other countries are of continuing interest to deliverers of health services.

The BCHS-supported migrant projects utilizing mobile units have been reviewed to study how mobile units can deliver health services to the migrant population.

On the eastern shore of *Virginia*, a mobile unit for specialized dental care is moved periodically to three different permanent facilities where comprehensive health services are provided. A mobile unit is used because it is not economically feasible to equip and maintain three permanent dental units. The unit is small enough to be easily maneuverable on rural roads. Use of a larger van for preventive and treatment services was discontinued because it required a professional mover to negotiate the roads safely. For general care, the project now uses vans to transport migrants to permanent facilities.

In *North Carolina*, a mobile unit is used effectively to provide health maintenance screening services. Patients are referred to permanent facilities for diagnosis and most health services, including dental care.

The Rural Improvement Council in West Palm Beach, *Florida*, uses a self-contained mobile unit

staffed by a physician assistant and a social worker to serve the migrants in a seven-county area around Lake Okeechobee. The project also operates a fleet of vans to provide transportation to a permanent facility for those requiring treatment. The PA in the mobile unit communicates with physicians at the permanent facility by two-way radio. The unit has been an effective public relations outreach device for attracting migrants to the project.

The Community Action Council of South Texas in Rio Grande City, *Texas*, discontinued the use of a mobile unit because of operational problems. The unit was dependent on permanent structures for utility hookups and waiting room/rest room facilities. Several churches in the community supplied these needs but discontinued the arrangements because of increased maintenance costs in their own facilities. The unit remains unused at present.

In Maricopa County, *Arizona*, the migrant health project uses mobile units to build community support for better health programs, and to demonstrate the value of health services. The mobile units are trailers with two rooms equipped for limited services such as tuberculosis screening, medical examinations, immunizations, dental examinations, family planning, and some episodic treatment. Small heavy-duty trucks pull the trailers, keeping the mobile unit in use even in the event of engine breakdown or truck maintenance simply by using another towing vehicle.

The Yuma County, *Arizona*, migrant health project uses self-supporting units requiring no hookup facilities. Two of the three are camper type units on pickup trucks. This arrangement is best for the area since there are no hookup facilities in some places, and the condition of the roads makes it difficult or impossible to tow trailers. The nurse practitioners who staff the units utilize two-way radio communication to physicians at the permanent facility.

The San Joaquin Medical Society of Stockton, *California*, uses mobile units extensively. Two trailers move to a different site almost every night. This project is unique because the mobile units are staffed with physicians at all times. The trailers have two examination rooms, and only those diagnostic and treatment problems requiring sophisticated equipment are referred to permanent facilities.

Mobile units are also used in the Farmworkers Family Health Center in Toppenish, *Washington*, the North Central Washington Migrant Health Project of Wenatchee, *Washington*, and the Idaho Migrant Council in Caldwell, *Idaho*. These units

*Promoting Community Health, D.H.E.W., Public Health Service, 1976* 28 1-157

are staffed with nurse practitioners or physicians' assistants, with a physician on duty at some units part of the time. Screening, immunization, examination, and some treatment services are provided by the mobile units, with more extensive services at permanent clinic facilities.

The report reviewing the BCHS-supported migrant projects that utilized mobile units concluded that:

The effectiveness of mobile units is limited to highly specialized kinds of activity such as X-ray or dental services, and to general health maintenance/preventive services such as screening, immunizations, examination, health education, etc. The mobile unit must be small enough to be readily towed or easily maneuvered on the roads in the area where it is to be used. Equipment should be basic and simple to minimize breakdowns....

Mobile units should be used in situations where they supplement the services of a more comprehensive health service system and adequate backup services exist or can be provided.

## NUTRITION

Implementation of new charts for measuring the growth of children, more effective integration of the USDA-WIC program (Special Supplemental Food Program for Women, Infants, and Children) with health care services for needy mothers, infants, and children and improvement of the nutritional management of high-risk infants are currently being emphasized by the BCHS nutrition staff. Such efforts are designed to improve the quality of nutrition services in community health centers, migrant projects, maternal and child health projects, and other BCHS programs.

### Growth Measurement

With the National Center for Health Statistics and the Center for Disease Control, the BCHS has introduced and helped community health programs to implement the new growth charts developed by a National Center for Health Statistics Task Force. The new growth charts are based on current measurements of height, weight, and anthropometric data of a more representative population sample than those now in use. Guidelines for clinical interpretation of deviations from established patterns of growth will be a helpful resource for physicians, physician assistants, and other clinical personnel

who are assuming increasingly important roles in providing health care for children.

Measurements of physical growth are used in child health care to monitor growth in order to:

- detect and assess abnormalities of growth,
- reassure parents about normality of their child's growth and
- aid in evaluating intervention or treatment.

Measuring the growth of presumably well children is done as a screening procedure. However, the most productive interpretations of children's growth—whether the measurements are normal or abnormal—are made from numerous observations over a period of time, rather than one measure.

Measurements other than length-height, weight, and head circumference may prove meaningful for evaluation of physical growth. Skinfold measurements are unique in that they measure outer fat and thus help to clarify the relationship between weight and height. Many experts believe that American children from middle and upper-income families (predominantly Caucasian) have reached their maximum potential stature, and if current trends of decreasing physical activity and steady or increasing intake of calories persist, children will grow no taller, but will become fatter. The only clinical means other than visual impressions of assessing body fatness that is suitable for office evaluation is the measurement of skinfold thickness with calipers. The actual use of this technique is growing slowly, because this measurement requires attention to detail and considerable practice. Training is needed to use calipers correctly to get accurate measurements.

### Supplemental Food Program

As of April 1976, there were approximately 599,243 people participating in the Special Supplemental Food Program for Women, Infants, and Children (WIC). The funding level for FY 1976 was \$250 million, with a carryover from 1975 of about \$33.6 million, making a total of \$283.6 million available for the program.

Late in 1972, WIC, as a pilot program of the U. S. Department of Agriculture, began to offer cash grants to State health departments or comparable State agencies to supply specified nutritious food to pregnant and lactating women, infants, and children up to 4 years of age. The program was later extended through fiscal 1975. In October 1975, amendments were enacted to extend the program through September 30, 1978, and \$250 million per year was authorized. Program changes included an increase in administrative costs to include clinic

Testimony on A.B. 6 - Mobile Health Unit for Aged

I am Ann Hibbs, representing the Nevada Nurses Association.

In previous testimony, the Nevada Nurses Association went on record as feeling the mobile unit would be inadequate to service the aged for the whole state.

We would like to go on record as supporting the concept of rural clinics, as proposed by Dr. Edwards.

P. 822  
5103,000

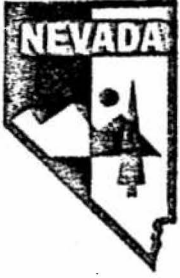
Engines 18	\$ 15,000
22	\$ 5,000

Car 21	\$ 20,000
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Plan & Develop Exhibits	21	\$ 50,000
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\$ 100,000

MIKE O'CALL  
Governor



In Reply Refer to:

MAR - 4 1977

**NEVADA  
STATE  
PARK  
SYSTEM**

JOHN L. MEDER  
Administrator

ROOM 221  
NYE BUILDING  
201 S. FALL STREET  
CAPITOL COMPLEX  
CARSON CITY,  
NEVADA 89710  
(702) 885-4384

Assemblyman Jim Kosinski  
Ways and Means Committee  
Room 360, Legislative Building  
Carson City, Nevada 89701

Dear Mr. Kosinski:

In accordance with your request relating to the V&T project appropriations, expenditures, and potential expenditures, I have attached the requested information.

At the present time, there has been no master plan developed for the site on the southwesterly side of Highway 395 in Carson City. It is our belief that this site offers an opportunity for development of both interior and exterior exhibits and displays. A master plan for those displays would cost approximately \$20,000. Site development which would follow would include the layout, construction of roads, parking areas, comfort stations, landscaping, etc. Exhibit development itself would be similar to exhibited development that we have prepared for other parks and the visitor centers such as Valley of Fire, Fort Churchill, and Mormon Station. Estimates on the cars and equipment are self-explanatory.

If you need any additional information, don't hesitate to call me.

Sincerely,

John L. Meder  
Administrator

Attachment

cc: Norman Hall  
John Dolan

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V&T PROJECT APPROPRIATIONS AND EXPENDITURES

Fiscal Year	1971-1972	1972-1973	1973-1974	1974-1975	1975-1976	1976-1977(3)	Total to 6/30/77
State Appropriation	\$100,000		\$ 62,466		\$300,000(4) 15,300	\$ 12,300	\$490,066
Federal Funds			75,000 (Hist.Pres.)		6,000 (NARBC)		81,000
TOTAL							\$571,066
Equipment Purchase	\$ 24,500(1)		\$150,000(2)				\$174,500
Transportation of Equipment	20,964	\$ 740	750			\$ 20,000	42,454
Security Fencing	2,843						2,843
Utilities		198	234	\$ 235	\$ 321	325	1,313
Caretaker		1,477	2,400	2,400	2,700	2,700	11,677
Maintenance of Grounds		67	279	54	484	2,000	2,884
Insurance	260	181	34				475
Miscellaneous		213	567	7	118	2,100	3,005
Feasibility Study			3,240	8,410			11,650
Engine No. 25 Restoration					12,600		12,600
Engineering Consultant					4,000	3,000	7,000
Storage Facility Construction					300,000(4)		300,000
TOTALS	\$ 48,567	\$ 2,876	\$157,504	\$ 11,106	\$320,223	\$ 30,125	\$570,401

(1) Engine No. 25 from Hurlbut Amusement Company. Fourteen railcars from Shortline Enterprises.

(2) Engines No. 18 and 22 from Paramount Immobiliare (\$75,000 from federal Historic Preservation Fund).

(3) Estimated for full year ending 6/30/77.

(4) Full appropriation \$300,000, actual cost not yet determined. Administered by Public Works Board. Fiscal years 1972 and 1973 were administered by the Nevada State Museum and fiscal years 1974 and 1975 by the Nevada State Park System.

V&T PROPOSED FUTURE RESTORATION AND DEVELOPMENT

Master Plan	\$ 20,000
Site and Development	250,000
Exhibit Development	100,000

<u>Priority Group One</u>	Estimated Costs to Restore
Locomotive No. 18	\$ 20,000
Locomotive No. 25	24,000
Motor Car No. 99	40,000
Caboose-Coach No. 9	50,000
Coach No. 12	70,000
Mail-Express-Baggage No. 21	20,000
Tunnel Car No. 53	12,000
Total	<u>\$236,000</u>

<u>Priority Group Two</u>	
Locomotive No. 22	\$ 20,000
Coach No. 4	84,000
Coach No. 11	80,000
Box Car No. 1005	18,000
Water Car No. 2	16,000
Wood Rack Car No. 56	8,000
Wrecking Car No. 57	12,000
Total	<u>\$238,000</u>

<u>Priority Group Three</u>	
Locomotive No. 27	\$ 30,000
Express Car No. 14	42,000
Coach No. 18	90,000
Box Car No. 1013	20,000
Flat Car No. 128	8,000
Flat Car No. 134	16,000
Wood Rack No. 55	16,000
Total	<u>\$222,000</u>

Total Restoration Estimate	<u>696,000</u>
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GRAND TOTAL	\$1,066,000
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1-183

VIRGINIA & TRUCKEE RAILROAD EQUIPMENT  
OWNED BY THE STATE OF NEVADA

<u>V. &amp; T. Number</u>	<u>Type of Service</u>	<u>Location</u>	<u>Condition</u>
<u>Locomotives - 4</u>			
No. 18 "Dayton"	Passenger & Snow	Promontory	excellent
No. 22 "Inyo"	Passenger	Promontory	excellent
Second No. 25	Passenger & Freight	Carson City	very good
No. 27	Passenger & Freight	Virginia City	good
<u>Motor Cars - 1</u>			
No. 99	Passenger	Sparks	poor
<u>Passenger Cars - 7</u>			
No. 4	Passenger	Mound House	poor
No. 9	Caboose-Coach	Mound House	poor
No. 11	Passenger	Carson City	good
No. 12	Passenger	Carson City	good
No. 14	Express	Mound House	fair
No. 18	Passenger	Mound House	poor
Second No. 21	Mail-Express-Baggage	Carson City	very good
<u>Box Cars - 2</u>			
No. 1005	Combination	Mound House	fair
No. 1013	Hay Car	Mound House	poor
<u>Flat Cars - 4</u>			
No. 122	All purpose	Mound House	poor
No. 128	All purpose	Carson City	good
Second No. 134	All purpose	Mound House	poor
Third No. 140	All purpose	Mound House	poor
<u>Service Cars - 5</u>			
No. 2	Water Car	Mound House	fair
No. 53	Tunnel Car	Mound House	very good
Second No. 54	Wood Rack Car	Mound House	fair
Second No. 56	Wood Rack Car	Mound House	good
Second No. 57	Wrecking Car	Carson City	very good



## Needed: hard look at fiscal health of cities and counties

## today's comment



ROBERT WARREN  
Executive Director Nevada League of Cities

ALL LEGISLATORS are aware that the broad-based and expanding revenue sources available to the state have enabled state government in Nevada to provide most of the public services necessary in an expanding urban society. The state has been able to staff and finance the operating and capital costs of a variety of existing and new programs.

Not all legislators are aware, however, that the state's major political subdivisions — its cities and counties — are unable in an alarming number of instances to provide even the basic services: abundant, long-term potable water; sewerage facilities to match federal requirements; safe and properly maintained streets, and an adequate level of police and fire protection.

The reason: The majority of Nevada's cities and counties are experiencing the leading edge of serious fiscal deterioration. Local government elected officials and managers have discovered — and the legislators should likewise know about this problem — that expanding urban requirements for public services can no longer be financed from the narrow-based, inflexible sources of revenue traditionally available to cities and counties.

This ominous deterioration of the fiscal health of local governments in Nevada has been documented by a six-month study, conducted during 1976 by a task force of city and county finance officers and managers at the request of the Nevada Association of County Commissioners and the Nevada League of Cities.

The study team used nationally accepted accounting criteria

to measure financial trends from four budget years (1973-'74 through 1976-'77) for all of Nevada's cities and a cross-section of seven counties. And the findings are frightening for the future fiscal viability of local governments in Nevada:

- Although revenues available to the state have regularly permitted a substantial ending fund balance, the study indicates ending fund balances for the cities and counties will decline 71 percent during the four year period. Expressed in dollars, the combined ending fund balance of all reporting entities amounted to \$10.031 million in 1973. As of June 1977, the combined ending fund balance is projected to be \$2.899 million — more than a 71 percent decline. And, as the finance directors pointed out, the ending fund balances are the "single most revealing measure of an entity's financial condition."

- Another obvious way to determine the fiscal health of cities and counties is to measure the income of revenues versus the out-go of expenditures. The task force found for four-year period that revenues increased 41 percent; but expenses increased 54 percent — creating a 13 percent and widening gap between revenues and expenditures. If not reversed, this trend points to certain deterioration of the financial underpinnings of local governments.

- A third indicator is the rate of growth of the assessed valuation of property within cities and counties. The study found that although there has been a steady increase in assessed valuation, the rate of increase has diminish-

ed. As long as the nationwide economy remains uncertain, this source of revenue will continue to fall below the norm.

- The study also points up the psychological impact of the impending fiscal crisis faced by local governments. At the time of the survey the cities and counties were so nervous about their fiscal futures that only one city and no counties contemplated the issuance of General Obligation Bonds to finance public works projects. Some may respond: "Good, this will save the taxpayers a lot of money." *Wrong, it will cost the taxpayers a lot of money.* When necessary public works projects — such as maintenance of streets, repairs to or expansions of water and sewerage facilities — are postponed, the taxpayer must eventually finance the *substantially greater costs* of the interim deterioration and inflation when the project is finally constructed.

Despite the fact that cities and counties are "belt-tightening" by cutting services, postponing projects and firing or holding the line on employees, we can expect that this condition of fiscal deterioration for most of Nevada's cities and counties will worsen to the point of financial crisis in some governmental units.

WHAT CAN BE DONE? The Nevada Association of County Commissioners and the Nevada League of Cities are co-sponsoring a resolution which would set up an interim legislative committee to: "Undertake an evaluation of the fiscal conditions and needs of local governments." (The

(Continued on page 18)

(Continued from page 4)

study would be conducted by a business and economic research team from the University of Nevada, Reno and Las Vegas.

It would analyze:

- **Fiscal Management.** — Permit a legislative evaluation to determine if any of the fiscal crisis experienced by cities and counties are self-inflicted. If inadequate fiscal management practices are noted, corrective legislation will be suggested.
- **Expenditure and Revenue Patterns.**
- **Tax Effort.** — Evaluate whether all existing sources of income are being utilized.
- **Reallocation of functions** between local and state governments. Determine if the state should assume certain of the city/county service burdens.
- **Revenue Alternatives.** — Feasibility and desirability of sharing certain state revenues and/or generating new sources of income.

Armed with this never-before-available data, the 1979 session of the Nevada State Legislature can carefully examine the fiscal health chart of its cities and counties and take action — if warranted — to provide a reasonable level of funding for local governments in this state. □

April 1, 1977

MEMORANDUM

TO: ASSEMBLY WAYS AND MEANS COMMITTEE  
FROM: Assemblymen John Serpa and John M. Vergiels  
SUBJECT: Subcommittee's Recommendations on the State Department of Education's Budgets

Your subcommittee's recommendations on the State Department of Education's budgets are listed below:

EDUCATION ADMINISTRATION, Page 136 *adopted by wdm 4/4*

General fund salary savings of <sup>150,000</sup> ~~\$177,884~~ and <sup>150,000</sup> ~~\$178,963~~ are recommended. The specific personnel and operating reductions to achieve these savings are left to the discretion of the State Board and the Superintendent, ~~except that no personnel reductions in the current Southern Nevada Office shall be made and this mandate conveyed by letter of intent.~~

AUTOMOBILE DRIVER EDUCATION, Page 139

Governor Recommends

SCHOOL LUNCH PROGRAM, Page 144

Governor Recommends

ADULT BASIC EDUCATION, Page 146

Governor Recommends

EDUCATION CIVIL RIGHTS, TITLE IV, Page 148

Governor Recommends

ELEMENTARY AND SECONDARY EDUCATION, TITLE IVC, Page 150

Salary savings of \$92,830 and \$94,074 are recommended and the category "Grants" is recommended to be increased by \$92,830 and \$94,074. The specific personnel and operating reductions to achieve these savings are left to the discretion of the State Board and the Superintendent except that the recommended amounts for "Grants" shall not be reduced to achieve savings and this mandate conveyed by letter of intent.

ELEMENTARY AND SECONDARY EDUCATION-COMBINED, Page 153

Governor Recommends

ELEMENTARY AND SECONDARY EDUCATION, TITLE VI, Page 154

Governor Recommends

FLEISCHMANN SCHOLARSHIPS, Page 156

Governor Recommends

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT, Page 158

Salary savings of \$38,568 and \$38,678 are recommended and the category "Development and Training" is recommended to be increased by \$38,568 and \$38,678. The specific personnel and operating reductions to achieve these savings are left to the discretion of the State Board and the Superintendent except that the recommended amounts for "Development and Training" shall not be reduced to achieve savings and this mandate conveyed by letter of intent.

ADVISORY COMMITTEE FOR ENVIRONMENTAL EDUCATION, Page 160

It is recommended that this budget be eliminated.

April 1, 1977

TEACHER TRAINING FOR HANDICAPPED CHILDREN, Page 161

Governor Recommends

DISCRETIONARY GRANTS PROGRAM, Page 162

Governor Recommends

REGIONAL INTERSTATE PROJECT, Page 163

Governor Recommends

VOCATIONAL EDUCATION, Page 164

Salary savings of \$48,637 and \$48,973 are recommended and the category "Aid to Schools" is recommended to be increased by \$48,637 and \$48,973. The specific personnel and operating reductions to achieve these savings are left to the discretion of the State Board and the Superintendent except that the recommended amounts for "Aid to Schools"

and "Fire Training" shall not be reduced to achieve savings and this mandate conveyed by letter of intent.

CARE OF DEAF AND BLIND, Page 167

Governor Recommends

ADVISORY COUNCIL FOR VOCATIONAL-TECHNICAL EDUCATION,  
Page 168

Governor Recommends

COMMISSION ON POSTSECONDARY INSTITUTIONAL AUTHORIZATIONS,  
Page 170

Governor Recommends

HIGHER EDUCATION STUDENT LOAN FUND, Page 172

Governor Recommends