

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

April 19, 1979

Chairman Mello called the meeting to order at 8:00 a.m.

MEMBERS PRESENT: Chairman Mello, Vice-Chairman Bremner, Mr. Barengo (late 8:30), Mrs. Cavnar, Mr. Glover, Mr. Hickey, Mr. Mann, Mr. Rhoads, Mr. Vergiels, Mrs. Wagner, and Mr. Webb.

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director; Larry Struve, Chief Deputy Attorney General; Paul Cohen, Administrative Health Services Officer; Dr. Bing Oberle, Acting Administrator of the Division of Mental Hygiene and Retardation; Monte Meador, Public Health Advisor; Ernie Gregory, Administrator, Division of Environmental Protection, Department of Conservation and Natural Resources; Dr. Fugazzotto, Public Health Advisor; Bill Hancock, Department of Public Works, and Jack Mayville.

AB 299

Mr. Ernie Gregory, Administrator, Division of Environmental Protection, Department of Conservation and Natural Resources, said that this bill makes an appropriation of \$128,600 to purchase monitoring equipment for the air pollution control programs. Mr. Gregory said that this appropriation is for the replacement of outdated monitoring equipment which was purchased five years ago. He said that this equipment presents problems to the Division in obtaining replacement parts. Mr. Gregory listed the equipment to be purchased as three carbon monoxide analyzers, three ozone analyzers, one sulphur dioxide analyzer, two nitrogen analyzers, three strip chart recorders, eight signal averagers and two data loggers. He added that \$15,000 is included in the request to make this equipment operational.

Mr. Bremner asked if any federal funds were available for the equipment purchases. Mr. Gregory said there were none to his knowledge.

Mr. Rhoads asked if some of the analyzers are currently out of operation due to the Division's inability to obtain replacement parts. Mr. Gregory said that some of the analyzers are and stated that it is intention to replace the equipment when the old analyzers are no longer serviceable. Mr. Rhoads asked if this appropriation will be necessary every biennium. Mr. Gregory said that the new equipment requested will last about five years.

Mr. Webb said that he has received a large volume of calls concerning annual inspection of vehicles and asked if this is an absolutely mandatory federal requirement or if the inspection requirement could be done only when a vehicle is newly registered or sold. Mr. Gregory said that this program is being reevaluated and a presentation to the Senate Committee on Natural Resources is planned. He added that the plan developed in Clark and Washoe Counties and currently in the law requires an annual inspection. Mr. Webb requested to be advised of the date of this presentation. Mr. Glover added that the Transportation Committee has also been discussing this inspection plan and has had a great deal of adverse comment from constituents regarding this inspection requirement.

SB 370

Mr. Larry Struve, Chief Deputy Attorney General, explained that this bill makes a supplemental appropriation to the special fund of attorney general in the amount of \$40,000. Mr. Struve said that this fund is used to pay for litigation expenses that are unanticipated at the time the budget is prepared. He said that this fund was used to pay litigation connected with the Ruby Marshes litigation suit, to pay for the boundary

suit with California and other litigation. The cost of the boundary suit is now at about \$15,000, the NOW suit cost will be about \$17,000, and the Hall suit cost estimate is \$6,000. He stated that the current balance in this account is now \$1,961 and that the Attorney General has \$9000 pending in accounts payable.

Mr. Rhoads inquired as to the necessity for the special fund as it is the function of the Attorney General's office to protect the citizens and defend these lawsuits on various issues within the regular budget. Mr. Struve said that this account is used to handle the legal expenses not covered in the regular budget and that it pays for the legal and travel expenses of deputys in the central office to handle extremely complex litigation, such as the Truckee River suit. Mr. Webb said that this type of appropriation for charging travel and court fees to an outside account is another way of circumventing the budget. Mr. Struve said that to assume these costs, there is no other account where these expenses for over ten years. Mr. Webb said that with the large budget of the Attorney General's office, these costs should be paid from that budget. Mr. Struve said that these expenses are unanticipated and cannot be included in the budget, nor can State agencies be charged for these expenses.

Mrs. Wagner asked how the decision is made to enter into a particular case. Mr. Struve said that when the Attorney General's office gets involved in a case, there is no formal policy, but he stated there are two situations wherein the Attorney General may intervene on behalf of the State. He stated that the Attorney General gets involved when cases are brought against the State and the interests of the State have to be protected. He stated the decision to enter the case is made when the papers are filed with the Secretary of State. Secondly, Mr. Struve stated that the Attorney General has the authority to file suits on behalf of the State under the authority of NRS 228. Mrs. Wagner asked if the Attorney General has the authority to pick and choose what suits to enter. Mr. Struve replied that that was correct.

SB 372

Mr. Struve said that this bill makes an appropriation to the contingency fund for the purpose of satisfying a judgment against the State of Nevada in the case State of Nevada, et al. versus Hall et al. in the amount of \$1,500,000. Mr. Struve furnished the Committee with information concerning this lawsuit which is included as Exhibit "A." Mr. Struve said that according to the United States Supreme Court, Nevada cannot claim any immunity from suit in the courts of sister states and that Nevada's statutory limit on the waiver of sovereign immunity (\$35,000.00 per claim) cannot be applied in any sister state court.

Mr. Struve said that if Nevada refused to honor this decision and refuse to pay the judgment, Nevada has tax impount accounts in California which could be attached to satisfy this judgment. Mr. Struve pointed out that upon the original decision, Nevada had requested a rehearing before the Supreme Court on the matter and had since gotten 41 additional state attorney generals to join with Nevada in filing the suit. He said, however, that the request for a rehearing had been denied on April 16, and that the State of California is ready to start attachment proceedings if payment is not forthcoming. He stated that the State owed \$1.3 million plus interest.

Chairman Mello asked if this appropriation is to be made to the Interim Finance Contingency Fund or the Statutory Contingency Fund. Mr. Struve said that the intent is that it should be made available to the Board of Examiners so that they can pay the judgment from the Reserve Fund. Chairman Mello pointed out that AB 372, as written provides the appropriation to Interim Finance and stated that if the money is needed immediately the bill should be amended. Mr. Glover asked the effective date from which interest must be paid. Mr. Struve said that August 13, 1976 is the date the judgment was entered. Chairman Mello asked the total amount of this judgment including interest if paid immediately. Mr. Struve said that the total amount of the judgment is \$1,150,000 plus interest at 7% which is about \$230,000.

Mr. Struve furnished the Committee with a memorandum concerning a proposal to consider amendment to the U. S. Constitution to clarify the sovereign immunity of states of the union in suits brought in the courts of sister states which is included as Exhibit "B." Mr. Struve suggested the establishment of a \$1 million reserve fund for future law suits and added that the Committee should consider getting an Assembly joint resolution to call for a Constitutional amendment to the U. S. Constitution as described in Exhibit "B."

Mr. Barengo requested that a bill be drafted in accordance with the memo set forth by Mr. Struve. (Exhibit "B") The Committee concurred with this suggestion.

Mr. Paul Cohen, Administrative Health Services Officer, explained that this bill provides for the purchase of a plasma spectograph at a cost of \$118,000. He said that leasing the equipment would cost \$28,978 each year of the biennium and had been included in the agency request on page 285 of the Executive Budget. He stated that it had been determined that it was cheaper to buy the equipment and that that was the reason for AB 371.

SB 328

Mr. Cohen said that this appropriation of \$42,400 is to provide for the increasing costs and increasing number of clients in the tuberculosis program.

Mrs. Wagner asked the rate of increase of tuberculosis in Nevada. Mr. Monte Meador, Public Health Advisor, said that 73 cases were reported in the last calendar year and that in 1975 there had been 36 cases. He stated that Nevada is 35th in the nation in reported cases per 100,000 people. Mr. Mann inquired if this increase could be related to aliens from the Far East being relocated in Nevada. Mr. Meador said that there have been some cases from that source but he pointed out that screening on the relocatees is done by the Public Health Service prior to the relocation.

SB 212

Mr. Cohen said that this bill creates a special silicosis fund and makes an appropriation of \$190,681. Mr. Cohen said that there are currently eight recipients.

AB 372

Dr. Bing Oberle, Acting Administrator of the Division of Mental Hygiene and Retardation, said that this bill requests a supplemental appropriation of \$80,222 to augment the funds for operation of the children's behavioral services due to loss of some Title XX funds. Mr. Mann requested the reason for the reduction of Title XX clients. Dr. Jack Mayville said that Welfare had cited a decreasing rate of Aid to Dependent Children clients in the Washoe County area due to the high employment rate. Mr. Mann suggested referring this bill to the Human Resources Subcommittee as the agency had overestimated receipts by \$226,000. Mr. Alastuey pointed out that this was a new program last biennium and it was assumed that collections would continue at the same rate, which has not been the case.

SB 211

Dr. Oberle said that this bill makes a supplemental appropriation to the Reno Mental Health Center for salaries in the amount of \$55,746. He explained that this amount is the result of a Supreme Court judgment in favor of a former employee who was reinstated to State employment and awarded a total of \$96,275.30.

SB 217

Dr. Oberle said that this appropriation in the amount of \$45,952 is for the purchase of dictation and audio-visual equipment for the Nevada Mental Health Institute. Mrs. Wagner requested further information concerning the use of this equipment. Dr. Oberle said that the audio-visual equipment would be used for training of staff, orientation of staff, and clinical work.

SB 341

DO PASS motion made by Mr. Vergiels; seconded by Mrs. Wagner. Motion approved.

SB 217

Chairman Mello referred the bill to the Subcommittee.

SB 211

DO PASS motion made by Mr. Bremner; seconded by Mr. Hickey. Motion approved. Mrs. Wagner voted NO.

SB 370

DO PASS motion made by Mr. Mann; seconded by Mr. Rhoads. Motion approved. Mr. Webb voted NO.

SB 372

Chairman Mello questioned the amount of money requested in SB 210 for placement in the Contingency Fund. Mr. Alastuey said that this request is approximately \$500,000 which includes the cost of the presidential primary. Chairman Mello explained that if the presidential primary bill is not approved, the money would remain in this fund. Chairman Mello suggested combining the request of SB 210 with the appropriation request to pay the Hall suit judgment since both appropriations are to the Statutory Contingency Fund. Mr. Bible said that some of the language in SB 372 should then be amended stating that the purpose of the appropriation is to satisfy the judgment against the State.

Motion to amend this bill as explained by Chairman Mello made by Mr. Bremner; seconded by Mrs. Wagner. Motion approved.

DO PASS motion as amended made by Mr. Bremner; seconded by Mrs. Wagner. Motion approved.

Mr. Alastuey clarified the amount to be put in this fund, \$1.4 million for the purpose of satisfying the judgment, and approximately \$500,000 for the Contingency Fund. Chairman Mello said that this is correct and that if the total judgment is not quite \$1.4 million, the balance will remain in the Contingency Fund.

SB 212

DO PASS motion made by Mrs. Wagner; seconded by Mr. Bremner. Motion approved.

SB 328

DO PASS motion made by Mr. Mann; seconded by Mr. Hickey. Motion approved.

AB 371

DO PASS motion made by Mr. Vergiels; seconded by Mrs. Wagner. Motion approved.

AB 299

Mr. Mann asked if any stand should be taken against the implementation of the program of annual vehicle inspection. The bill was held pending further information from the Transportation Committee.

Mr. Webb presented information on the University Capital Improvement program which indicated a difference between the University estimates and those presented by the Public Works Board. He asked Mr. Hancock of the State Public Works Board for clarification of the item for roof repair for the University of Nevada, Reno campus improvement project that had been estimated to cost \$721,000 by the SPWB while the university estimates for the same project totalled \$250,000. Mr. Hancock said that the difference is to provide for compliance with the energy conservation

standards. Mr. Webb furnished university estimates of the University of Nevada, Reno Capital Improvement projects costs which is included as Exhibit "C." Mr. Hancock said that some of the differences are that the University figures do not include the project cost but only the construction cost. Mr. Webb discussed various differences in the university's construction costs as compared with SPWB's figures and asked if there were a 30% to 40% cushion built into the figures that Mr. Hancock had furnished. Mr. Hancock said that 10% inflationary factor is built into those figures. Chairman Mello suggested that Mr. Webb work with Mr. Hancock on the different costs of campus projects.

Chairman Mello requested the approximate cost of a 1000 bed prison. Mr. Hancock said that the cost would be about \$56 million.

AB 473

Mr. Barengo presented the Retirement Board's Subcommittee report and said that AB 473 retains parole and probation officers in definition of "police officer" for purposes of early retirement. Mr. Barengo said that the Subcommittee recommends retention of the Parole and Probation offices in the definition.

DO PASS motion made by Mr. Barengo; seconded by Mr. Bremner. Motion approved.

AB 731

Mr. Barengo said that this bill allows members of the retirement system to invest additional monies in the system to gain a return from the investment capabilities of the system. Mr. Barengo suggested adding section (d) which would allow the board to charge a fee for administering this program, and allowing members of the legislature to buy into this program. He explained that this would benefit the members of PERS since they could take advantage of the discount offered to PERS when large amounts of stock are purchased. Mr. Glover requested an explanation of how this investment program would work. Mr. Barengo compared the program to a mutual fund where an account is kept open and whatever return is received from investments is the amount of the buyer's return also. Mr. Glover asked how long this investment program could be continued. Mr. Barengo said that under AB 731 an individual would have this right as long as he is entitled to participation in the State employees' system or is a vested member. He said that the return could be taken at the employee's prerogative. Mr. Bremner said that the purpose of this bill is to encourage employees to put extra money aside for their retirement.

Chairman Mello said that many people are under the impression that they can live on their pension when they retire which cannot be done.

Motion to adopt the amendments made by Mr. Barengo; seconded by Mr. Bremner. Motion approved.

DO PASS motion as amended made by Mr. Barengo; seconded by Mr. Bremner. Motion approved.

AB 738

Mr. Barengo said that this bill permits full service credit for part-time employment of certain public employees who are eligible to retire. He explained that under this bill individuals 60 years old or older who wish to retire may work on a half-time basis and still receive full credits toward retirement. He stated that the employee, under this arrangement, must enter into a contract that he will retire within a five year period or he would forfeit these credits. Mr. Barengo said that the plan is completely voluntary. Information concerning this plan is included as Exhibit "C." Mr. Vergiels commented that if a person is extended at 65, the Board of Regents automatically extends them to the age of 70.

DO PASS motion made by Mr. Barengo; seconded by Mr. Bremner. Motion approved.

AB 24

Chairman Mello said that this bill creates a risk management division department of administration. Mr. Bremner said that subrogation activities have been very profitable in Clark County and stated that these activities should be part of the risk manager's responsibilities. Chairman Mello added that at this time, the State is paying a 25% commission for insurance coverage while for the same coverage, Clark County is paying 14.9% commissions.

DO PASS motion made by Mr. Mann; seconded by Mr. Bremner. Motion approved.

INSURANCE PREMIUM REVOLVING FUND

Motion to adopt the Governor's recommendation made by Mr. Mann; seconded by Mr. Rhoads. Motion approved; budget closed.

AB 151

Mrs. Wagner proposed cutting the appropriation in half, establishing one center instead of two, and eliminating any reference to CETA or other federal programs in the definition of displaced homemaker. She added that the decision on the location of this center should be made by the vocational education board.

Motion to adopt the amendments made by Mrs. Wagner; seconded by Mr. Barengo. Motion approved.

The meeting was adjourned at 10:25 a.m.

STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

MEMORANDUM

TO: Assembly Ways & Means Committee

DATE: 4/19/79

FROM: Larry Struve
Chief Deputy Attorney General

SUBJECT: Need for Self-Insured Reserve Fund and Umbrella Coverage for
State of Nevada

On April 16, 1979, the United States Supreme Court denied Nevada's Petition for Rehearing in the case of State of Nevada et al. v. Hall et al. Thus, the decision of March 5, 1979 upholding the judgment of a California trial court against the State of Nevada in the amount of \$1,150,000 plus interest at 7% per annum remains unchanged. Because of this decision, Nevada and every other State are subject to suit in the courts of every other sister State, and Nevada's statutory limit on the waiver of sovereign immunity (\$35,000.00 per claim) need not be applied in any sister State court.

Because of this new liability exposure of the State of Nevada, serious consideration should be given to establishing a risk management program in State government, including the establishment of a self-insured reserve fund to pay claims and judgments against the State and the purchase of umbrella liability insurance coverage to protect the State against catastrophic losses resulting from judgments entered against Nevada in the courts of other States.

Since it is too early to tell what type or how many claims will be filed against the State of Nevada in coming years as a result of the Hall decision, it is recommended either that a part of the reserve for statutory contingency fund (administered by the Board of Examiners) or the contingency fund (subject to control of the Interim Finance Committee) be set aside to be used exclusively for the payment of unanticipated claims or judgments against the State or that a separate self-insured reserve fund be created for this purpose. In view of the amount of the judgment entered in the Hall case, a sum of \$1,000,000 should be available to this fund, subject to adjustment in future years in light of the actual claims experience of the State.

With respect to obtaining excess liability coverage, the proposed risk management division in the department of administration or the budget division should undertake a study of the need and feasibility for obtaining excess liability coverage for the State of Nevada, in light of the new risks created by the Hall decision.

Exhibit "A"

1528

Assembly Ways & Means Committee
April 19, 1979
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Such a study should include an analysis of the amount of umbrella coverage desirable as well as the premium cost. Usually, this type of coverage is fairly inexpensive and would provide an alternative to having to obtain special legislative appropriations to pay large judgments against the State above the amount contained in the self-insured reserve fund.

In the event umbrella liability insurance coverage is determined to be feasible, the legislature should provide authority by which this excess coverage can be purchased, if such authority does not now exist. One alternative appears to be provided in A.B. 24, which would create an insurance premium trust fund. Apparently, monies for this fund would be obtained from state agencies for the purpose of paying insurance premiums to obtain policies to protect the contributing agencies. Obviously, in order to purchase an umbrella insurance package, the contributing agencies would need sufficient money in their budgets to deposit a sum that would pay the premiums charged for excess liability coverage for the State of Nevada as a whole. If this is not possible, some other authority should be established to provide necessary funds.

The Attorney General's Office is obviously unhappy with the result of the Hall case, but in view of the implications of this decision, the above recommendation appears to be the most prudent approach in light of the unknown risks now facing the State.



LARRY STRUVE
Chief Deputy Attorney General

LS:jc

cc: Governor List
Howard Barrett, Budget Director

STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

MEMORANDUM

TO: Assembly Ways and Means Committee DATE: 4/17/79

FROM: Larry Struve
Chief Deputy Attorney General

SUBJECT: Proposal to Memorialize the U. S. Congress to Consider
Amendment to the U. S. Constitution to Clarify the Sovereign
Immunity of States of the Union in Suits Brought in the
Courts of Sister States

It is recommended that the Nevada Legislature consider adopting a joint resolution requesting the Congress of the United States to submit to the State legislatures a Constitutional amendment to the United States Constitution to limit the effect of the recent U. S. Supreme Court decision in the case of State of Nevada et al. v. Hall et al. (decided on March 5, 1979, petition for rehearing denied on April 16, 1979), which declared there is no constitutional doctrine of interstate sovereign immunity to protect states from unconsented suits in the courts of sister states. Such a joint resolution could take the following form:

SUMMARY - REQUESTS CONGRESS TO SUBMIT AMENDMENT TO UNITED STATES CONSTITUTION TO ESTABLISH IMMUNITY OF EACH STATE FROM ANY UNCONSENTED SUIT IN THE COURTS OF ANOTHER STATE EXCEPT TO THE EXTENT SUCH IMMUNITY IS WAIVED IN ITS OWN COURTS OR AS A MATTER OF COMITY WITH ANY OTHER SISTER STATE

ASSEMBLY JOINT RESOLUTION - Requesting the Congress of the United States to Submit to the State Legislatures an Amendment to the United States Constitution Which Would Establish the Immunity of Each State to Unconsented Suits in the Courts of Another State Except to the Extent Such Immunity is Waived in its Own Courts or as a Matter of Comity with Any Other Sister State

WHEREAS, the United States Supreme Court in the case of State of Nevada et al. v. Hall et al., 47 U.S. Law Week 4261 (March 5, 1979, Petition for Rehearing denied April 16, 1979), held there is no constitutional doctrine or language which requires one state to limit the exercise of its power in authorizing its courts to assert jurisdiction over another State or to respect the limitations placed on any State's statutory waiver of its immunity from suit; and

WHEREAS, the United States Supreme Court further held that none of the provisions of the U. S. Constitution imply that a State's immunity from suit in the courts of another State is anything other than a matter of comity and not the result of a constitutional command; and

Exhibit "B"

1580

WHEREAS, the ultimate consequences of the United States Supreme Court's holding in State of Nevada et al. v. Hall et al., supra, may open the door to avenues of liability and interstate retaliation that will prove unsettling and upsetting to the federal system of government in the United States of America; and

WHEREAS, there are many indications that the Framers of the U. S. Constitution and many other courts have assumed that States were immune from suit in the courts of their sister States; and

WHEREAS, the Eleventh Amendment to the United States Constitution nullified the decision of the United States Supreme Court in Chisholm v. Georgia, 2 Dall. 419 (1793), in which a State was held answerable to a suit brought by a private citizen of another State in federal court; and

WHEREAS, a State's right to sovereign immunity has been described in expansive terms in prior opinions of the United States Supreme Court, including statements to the effect that a State's freedom from unconsented litigation was a constitutional right obtained by means of the Eleventh Amendment; and

WHEREAS, the decision of the United States Supreme Court in State of Nevada et al. v. Hall et al., supra, greatly dilutes the sovereignty of each State of the Union by permitting the courts of each State to treat a sister State in the same manner as a private litigant and not as a sovereign entity; and

WHEREAS, the strength of the American system of government is based on the principles of "cooperative federalism" and a federal system of government constructed on notions of state parity; and

WHEREAS, under Article V of the Constitution of the United States, the Congress may propose amendments to the federal Constitution whenever two-thirds of both houses deem it necessary; now, therefore, be it

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY that this Legislature respectfully requests the Congress of the United States to submit to the legislatures of the several States an amendment to the United States Constitution which would limit the exercise of sovereign power by the courts of one State to assert jurisdiction over another sovereign State that has not consented to suit in a sister State's courts, which Constitutional amendment would be in substantially the following form:

"Each State of the United States shall be immune from any suit in law or equity in the courts of another State commenced or prosecuted by citizens or officers of any other

state or of any foreign State except to the extent any State has waived its sovereign immunity in its own courts or has waived immunity as a matter of comity with any other sister State."

and be it further

RESOLVED, that the Legislature of the State of Nevada proposes that the legislatures of each of the several States request the Congress to submit for ratification the Constitutional amendment proposed in this resolution; and be it further

RESOLVED, that a copy of this resolution be immediately transmitted by the Legislative Counsel to the President of the Senate and the Speaker of the House of Representatives of the United States, to each member of the Nevada Congressional delegation and to the presiding officer of each house of the legislatures of each of the several states of the United States of America; and be it further

RESOLVED, that this resolution shall become effective upon passage and approval.

cc: Governor Robert List

UNIVERSITY OF NEVADA · RENO - CAPITAL IMPROVEMENTS 1979-1981

CAMPUS IMPROVEMENTS

1. Primary Power System Improvements	\$ 250,000.00
2. Heat Exchanger and Addition to Central Heat Plant . . .	40,000.00
3. Repair 5,000 squares of roofing	250,000.00
4. Anatomy Lab Exhaust System - Manville Building	50,000.00
5. Handicapped Facilities - (Elevators, ramps, lavatories, telephones, drinking fountains, etc.) in 20 buildings	2,009,000.00
6. Language Laboratory	80,000.00
7. Lower Campus Landscaping	100,000.00
8. Addition to Central Control System	<u>40,000.00</u>
Sub-total.	\$ 2,819,000.00

NEW FACILITIES

1. Mackay School of Mines - ROTC Facility (could be done in two or three phases).	\$ 8,464,000.00
2. Humanities Building, Phase I	4,416,000.00
3. Relocation of Physical Plant	2,600,000.00
4. Administration Classroom Wing - Mack Social Science . .	1,500,000.00
5. Land Acquisition	<u>5,000,000.00</u>
Sub-total	<u>\$21,980,000.00</u>
TOTAL:	<u>\$24,799,000.00</u>

Exhibit "C"

CAMPUS IMPROVEMENTS - UNIVERSITY OF NEVADA · RENO

No. 5 - HANDICAPPED FACILITIES

ELEVATORS:	Morrill Hall	4 stories	120,000	
	Home Ec (remodel)		20,000	
	Mackay Science (remodel)		30,000	
	Palmer Engineering	3 stories w/encl.	140,000	
	Mackay Mines	3 stories	90,000	No
	Ross Hall	2 stories	70,000	
	Clark	3 stories	100,000	
	Frandsen	3 stories	100,000	
	Manzanita - Juniper	4 stories	120,000	
	White Pine Hall	4 stories	120,000	
	Lincoln Hall	3 stories	100,000	
	Atmospherium - Planetarium	2 stories	70,000	No
			<u>1,080,000</u>	
LAVATORIES:	40 at 2500	Stools, Stalls, Doorways Fixtures, Mirrors, etc.	100,000	
TELEPHONES, CLASS BELLS, -	Lights, Elevator Controls		200,000	
BRAILLE SIGNS, Informational Aids			25,000	
WALKS, RAMPS, CURB CUTS, LIFTS			150,000	
			<u>1,555,000</u>	
	Development 15%		233,250	
			<u>1,788,250</u>	
	Cost Inc. .79 6%		107,295	
			<u>1,895,545</u>	
	Cost Inc. .80 6%		113,733	
			<u>2,009,278</u>	

Exhibit "C"
(Page 2 of 3 Pages)

ROOF REPAIR - UNIVERSITY OF NEVADA·RENO

This project includes the replacement of 5,000 squares of roofing on the University of Nevada·Reno Campus. Buildings in need of roof replacement are: Getchell Library, Scrugham Engineering-Mines, Church Fine Arts, Frandsen Humanities, University Garage, and portions of Ag & Industrial Mechanics, Frandsen Humanities and Mackay Science.

The roofs are in a condition that patching will not be feasible because of the age and type of roof. Replacement is required if we are to protect the interior of the facilities.

*Free'd
26,000 sq ft
20,000 sq ft
20,000 sq ft
Frandsen*

*4 floors - 2,935,000
2 - 1,935,000*

REPLACEMENT OF GOING TO HALF-TIME B* CONTRACT EMPLOYEES
 GOING TO HALF AND THREE-QUARTERS TIME WHILE UNIVERSITY STILL PAYS BENEFITS AS
 IF FULL TIME (ALLOWED AT AGE 60), AND COST OF REPLACEMENT OF THAT EMPLOYEE⁴

Full Time "B" Contract Employee Going to Half Time @ Age 60³

Full Time "B" Contract Going to Three-Quarter Time @ Age 60³

	Base Salary	Retirement	Health Insurance	NIC	E.S.D.	Total Cost		Base Salary	Retirement	Health Insurance	NIC	E.S.D.	Total Cost
Rank IV Step 12.5 (28 yrs.)	27,915.00	2,233.20	507.84	201.96	15.00	30,873.00		27,915.00	2,233.20	507.84	201.96	15.00	30,873.00
Reduce Salary by 1/2	13,957.50	0	0	84.51	7.50	14,049.51	Reduce by 1/4	6,978.75	0	0	25.78	3.75	7,008.28
Cost of Prof. @ 1/2 Salary	13,957.50	2,233.20	507.84	117.45	7.50	16,823.49	Cost @ 3/4	20,936.25	2,233.20	507.84	176.18	11.25	23,864.72
Replacement (Assumed Rank 11 Step 10 Per Budget Office)	9,054.00	724.32	507.84	76.19	7.50	¹ 10,369.85		4,527.00	362.16	253.92	38.09	3.75	² 5,184.92
Net Savings						<u>3,679.66</u>							<u>1,823.36</u>
Rank III Step 11.5 (10 yrs.)	22,224.00	1,777.92	507.84	187.01	15.00	24,711.77		22,224.00	1,777.92	507.84	187.01	15.00	24,711.77
Reduce Salary by 1/2	11,112.00	0	0	93.50	7.50	11,213.00	Reduce by 1/4	5,556.00	0	0	46.75	3.75	5,606.50
Cost of Prof. @ 1/2 Salary	11,112.00	1,777.92	507.84	43.51	7.50	13,498.77	Cost @ 3/4	16,668.00	1,777.92	507.84	140.26	11.25	19,105.27
Replacement (Assumed Rank Step 10 Per Budget Office)	9,054.00	724.32	507.84	76.19	7.50	¹ 10,369.85		4,527.00	362.16	253.92	38.09	3.75	² 5,184.92
Net Savings						<u>843.15</u>							<u>421.56</u>
Rank IV Step 8 (20 yrs.)	25,080.00	2,006.40	507.84	201.96	15.00	27,811.20		25,080.00	2,006.40	507.84	201.96	15.00	27,811.20
Reduce Salary by 1/2	12,540.00	0	0	96.44	7.50	12,643.94	Reduce by 1/4	6,270.00	0	0	43.67	3.75	6,317.42
Cost of Prof. @ 1/2 Salary	12,540.00	2,006.40	507.84	105.52	7.50	15,167.26	Cost @ 3/4	18,810.00	2,006.40	507.84	158.29	11.25	21,493.78
Replacement (Assumed Rank Step 10 Per Budget Office)	9,054.00	724.32	507.84	76.19	7.50	¹ 10,369.85		4,527.00	362.16	253.92	38.09	3.75	² 5,184.92
Net Savings						<u>2,274.09</u>							<u>1,132.50</u>

Exhibit "D" 1030

¹ Replacement instructor assumed to be half time. If the replacement instructor were full time (with half his salary charged elsewhere), then his health insurance cost to this example would be half and there would be an additional savings of \$253.92.

² Replacement instructor assumed to be half time with half of his/her salary charged elsewhere. If he or she were one-quarter time only, there would be no retirement or health insurance costs and there would be an additional savings of \$616.08. If, on the other hand, he or she were full time with three-quarters of their salary charged elsewhere, the health insurance cost would be reduced by one-half and there would be an additional savings of \$126.96.

³ In both examples (full time to half and full time to three-quarters), the breakeven point is approximately \$20,600.00.

⁴ Information furnished by Dan Pease, Controller's Office.