

Committee in session at 7:30 a.m. Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Thomas R.C. Wilson
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle

ABSENT:

OTHERS: Ronald W. Sparks, Chief Fiscal Analyst
PRESENT: Eugene Pieretti, Deputy Fiscal Analyst
Howard Barrett, Budget Director

(SEE PAGE 1A, ATTACHED, FOR BALANCE OF OTHERS PRESENT AND TESTIFYING)

S.B. 340 - Authorizes state public defender to collect certain amounts from counties for use of his services. (Attachment B)

Norman Herring, State Public Defender, spoke in favor of this bill (see Attachment C).

Senator Wilson asked if the assessment per county in the bill is based on the last two years. Mr. Herring said they have projected this amount, adding a factor for increase in caseload. He said it is based on the open cases for the last six months of 1978. Mr. Herring described percentages expected for some of the counties.

Senator Wilson asked what is an appropriate ratio of contributions made by the county and made by the State. Mr. Herring said the State expenses alone equal about 21 percent.

Senator Wilson moved "Do Pass" on S.B. 340.

Seconded by Senator Jacobsen.

Motion carried.

Bill Introduction by Senate Finance Committee.

Senator Lamb asked the Committee if they wanted to introduce the bills regarding the water commissioner and supplemental appropriations for the State Board of Pardons Commissions. The Committee agreed to introduce these bills.

S.B. 411 - Includes depreciation of vehicles in cost allocations for state motor pool. (Attachment D)

Senator Gibson moved "Do Pass" on S.B. 411.

Seconded by Senator Jacobsen.

Motion carried.

A.B. 478 - Makes technical corrections to Public Employees Retirement Act. (Attachment E)

Senator Lamb announced they want to amend Section 6, page 3, by deleting line 14 and inserting the word "Board".

Senator Jacobsen moved to amend A.B. 478 by omitting line 14; inserting a period after the word "Board".

Seconded by Senator Wilson.

Motion carried.

(CONTINUED FROM PAGE 1, OTHERS PRESENT AND TESTIFYING)

Norman Y. Herring, State Public Defender
Dr. Ralph DiSibio, Director, Department of Human Resources
Dr. Kenneth Sharigian, Director, Nevada Mental Health Institute, Reno
Dr. Sydney Smith, Mental Health Division
Pat Armstrong, Henderson Mental Health Center
Monsignor E. J. Thompson, Governor's Advisory Board on Mental Health
for Washoe County
Bob Felten, State of Nevada Employee's Association
Reverend Jerome Blankinship, Chairman, Governor's Mental Hygiene and
Mental Retardation Advisory Board
Martha S. Blankinship, representing State Board of Education at the
Governor's Youth Conference
Autumn Keys, Coordinator of Rehabilitation Programs for Community
College of Clark County, member, Regional Board for
Mental Hygiene and Mental Retardation
Harry Clemons, Division of Mental Hygiene and Mental Retardation
Eddie Scott, member, Governor's Advisory Board, Mental Health
and Mental Retardation, Las Vegas
Ida E. Porter, member, Governor's Advisory Board, Mental Health
and Mental Retardation, Washoe County
Eleanor Gottschalk, member, Governor's Advisory Board, Mental
Health and Mental Retardation, Lovelock
April Mayville
Ruth Hamkins, Reno Mental Health Center
Susan M. Haase, Vice Chairman, Governor's Advisory Board on
Mental Health and Mental Retardation
Marcia Stapleton, National Association of Social Workers
Tawnee L. King, Douglas County, Governor's Youth Conference
Roxanne Hastings, Douglas County, Governor's Youth Conference
Shari Arcularius, Douglas County, Governor's Youth Conference
Lisa Werth, Washoe County, Governor's Youth Conference
Anne Phillips, Washoe County, Governor's Youth Conference
Chris Vlamis, Elko County, Governor's Youth Conference
Deanna McDonald, Elko County, Governor's Youth Conference
Jerry Corbitt, Carlin High School
Marioela Romero, Elko High School
Charlene George, Winnemucca High School, Governor's Youth Conference
Tim Lukas, Reno High School, Governor's Youth Conference
John Walker, Governor's Youth Conference
F. W. Senk, Governor's Youth Conference
Gina Buiere, Governor's Youth Conference
Patrica Barrett, Governor's Youth Conference
Karen Barcello, Mineral County High, Governor's Youth Conference
Crista Lenston, Governor's Youth Conference
Heidi Mitchell, Governor's Youth Conference
Cy Ryan, Unite Press
Ed Vogel, Las Vegas Review-Journal
John Rice, Associated Press

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(A.B. 478 - bill action continued)

Senator Jacobsen moved "Amend and Do Pass on A.B. 478."

Seconded by Senator Wilson.

Motion carried.

A.B. 356 - Allows retired public employee to change certain retirement options and designate current spouse as beneficiary. (Attachment F)

Senator Lamb read the amendments.

Senator Gibson moved that the amendments to A.B. 356 be approved.

Seconded by Senator Wilson.

Motion carried.

Senator Gibson moved "Do Pass as Amended" on A.B. 356.

Seconded by Senator Glaser.

Motion carried.

S.B. 304 - Appropriation to Carson Tahoe Hospital to help finance construction of rooms suitable for prisoners. (Attachment G)

Senator Gibson said three counties use this hospital and the State has appropriated \$50,000 to other counties for their hospitals. He suggested that the amount in the bill be changed to \$150,000 and consider it the contribution to those three counties.

Senator Gibson moved to amend S.B. 304 to \$150,000 and "Do Pass".

Seconded by Senator Glaser.

Motion carried.

S.B. 404 - Appropriation for oil portraits of certain acting governors. (Attachment H)

Senator Glaser moved "Do Pass" on S.B. 404.

Seconded by Senator Jacobsen.

Motion carried.

Reorganization of Department of Human Resources and Facilities

Sydney Smith, of the Mental Health Division, testified against Dr. DiSibio's reorganization proposal which would eliminate certain directors of programs. (See written testimony, Attachment I.)

Senator Echols asked how are patients and friends affected by the reorganization. Dr. Smith answered some people will lose jobs, and patients will lose services.

Senator Lamb said he did not think Dr. DiSibio would reduce services. Senator Echols remarked that directors do not now spend any time directly caring for patients.

Monsignor Edward Thompson, of the Washoe Advisory Board, testified against the reorganization of the Department of Human Resources. He said the Board is not in agreement with changes which will reduce patient services. Monsignor Thompson commented that Dr. DiSibio told the Board that the reorganization would reduce services.

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Dr. DiSibio said the clinician administrator in each division will spend 10 percent to 90 percent of his or her time with patients depending on the administrative load in the department; whereas now, directors spend no time with patients. Dr. Bing Oberle said the reorganization, making clinicians into directors is a better business plan. Dr. DiSibio said if too much of the clinicians' time is taken away from serving patients, a new employee, such as a Psychologist III, will be hired.

Monsignor Thompson commented that reorganization of mental health is needed; he requested that time be taken to consider a reorganization.

Senator McCorkle said the reorganization plan proposes a reduction of staff over what is proposed for the next biennium, which is not an effort to maintain the status quo, but reflects a real growth in mental health and mental retardation beyond inflation and population growth. Senator McCorkle said that services would not be reduced; some agencies have requested 20 to 30 percent increases in funding, and may not get that amount, but will receive some increases which will amount to over the amount the reorganization plan would eliminate, which is \$650,000.

Monsignor Thompson remarked that they consider the budget insufficient as it is. He added that his observations are the unanimous feelings of all Board members.

Dr. DiSibio said he told the Board that the plan as is would reduce services, if they were not flexible enough to add clinicians at the lower levels.

Reverend Jerome Blankinship, Chairman, Governor's Mental Health and Mental Hygiene Advisory Board, introduced Susan Haase, Vice Chairman of the Advisory Board. Rev. Blankinship described the functions of the Board. He said they are supporting the organization proposed by the Governor's recommendation in the Executive Budget, and are opposed to the DiSibio Plan.

Reverend Blankinship said they support the Governor's recommendation with the following changes: that funding be for a period of one year only. During this year a restructure committee be established to recommend ways in which the Division can be better organized for effective and efficient service delivery. He said an Ad Hoc Committee could be formed which would include the new Director of Mental Hygiene and Mental Retardation, who at present has not been hired, and should be centrally involved in these decisions. Reverend Blankinship stated the Committee could make a report in one year. He said any reorganization, especially involving long-range planning, needs careful study. He said the DiSibio plan calls for two area coordinators, north and south. Reverend Blankinship said this coordination might be helpful; but in the requested one-year study they would study the feasibility of adding these two positions. He said he believes the DiSibio plan hampers direct personal service, and therefore does not support it.

Senator Lamb asked Reverend Blankinship if he recognizes a need for change. Reverend Blankinship answered yes; but the changes may not only be organizational changes. Organizational changes may be necessary, but this may not yield better services to individuals. He said the number of clients has tripled in the last three years; which has created many problems. Reverend Blankinship said he has in the past been critical of the delivery of services.

Senator Echols related a personal experience he had with the Las Vegas Mental Health Institute staff; a patient's money was missing for awhile; and he, a guardian of a patient, was not notified upon her release, which was dangerous for this patient.

Senator Wilson commented that Reverend Blankinship is asking for dialogue on the differences between the various programs, the effectiveness of services rendered, and how best to meet the needs of the patients.

Reverend Blankinship stated that, regarding the Committee or Board

which would review this matter, clinicians should be on the board. Ms. Haase mentioned that management should also be represented. Ms. Haase added that she does not see that hiring two area coordinators and firing program directors will solve the complaints that are normally registered against the Division. She said she believes that a good administrator, at the Division level, could fire the particular program directors who are not performing.

Senator McCorkle asked if the Division were given the choice between reorganization or a 5 percent cut, which would be preferred. Reverend Blankinship said that neither alternative is palatable. He said they would choose the one which damaged services to the people the least. He said the DiSibio plan seems to reduce some services.

Senator McCorkle remarked that if opponents of the reorganization plan are opposing reduction in funding, perhaps it is not fair to criticize the plan. Reverend Blankinship answered that he is concerned about the amount of service delivered under the Reorganization Plan.

Reverend Blankinship described the organization and functions of the Advisory Board at Senator Lamb's request.

Senator Lamb remarked that this Department, as is, lacks a consolidation of leadership.

Eddie Scott, Governor's Advisory Board, testified against the Reorganization Plan. He stated that, after the Division met with the Ways and Means Committee, the reorganization occurred. He said they were told to make cuts, not to provide better services. He said even if there were no cuts, there would be a reduction in services because of growth of population.

Senator Gibson said there is a fiscal problem which has not been addressed in any testimony. The fiscal problem is that, the agency independent of any legislative action, has broadly expanded programs with federal money. The federal money is backing out, and the State is faced with the obligation to increasingly support these programs with State money, when the State did not have anything to say about the program from the beginning. Senator Gibson said the crunch will be great in the next biennium, and the legislature seriously doubts the ability of the State to pick up all the federal funding. He said the State needs to get this under control now before a real crisis occurs. He said if there are ways to improve programs so they take less dollars, the Committee welcomes suggestions.

Mr. Scott related a personal experience where he tried to admit a child for services, and was told he must wait two months. He said the State exposes itself to litigation for non-delivery of services. Mr. Scott commented that taking out directors' positions, will further reduce services.

Eleanor Gottschalk, member of the Governor's Advisory Board on Mental Hygiene and Mental Retardation, testified against the DiSibio Reorganization Plan. She feels the Plan was organized under duress with not enough background study. Ms. Gottschalk said that Dr. DiSibio told his staff that he was given a limited number of days to develop a plan. She concurred with Reverend Blankinship's testimony. She stated that no staff which are actually involved with delivery of services had any input on this Plan. Ms. Gottschalk said the reorganization is creating a great deal of job insecurity among employees; she felt Personnel should be involved in a reorganization of the Division.

Ms. Autumn Keys, Coordinator of Rehabilitation Programs for the Community College in Clark County, and a member of the Regional Advisory Board on Mental Health and Mental Retardation for Clark County, made certain proposals, if the Reorganization Plan goes into effect. She proposed that Washoe County services and statewide services should be separated. Ms. Keys proposed that agencies serving northern Nevada should not be placed under the direction of an administrator who is responsible for the Nevada Mental Health Institute and Lake's Crossing. Ms. Keys said they feel there will be a conflict

of interests with the Washoe County administrator showing preference to his or her geographical area. She proposed that the Las Vegas Mental Health Center and Childrens' Behavioral Services should be combined into adult and youth service program under the administration of the Clark County Area Coordinator. She said this will result in better management. Further cost savings may be realized associated with the construction of the additional Clark County adolescent facilities. Ms. Keys said these proposals represent a modification of the DiSibio Plan.

Dr. DiSibio present his written testimony (see Attachment J).

Senator Wilson commented that Dr. DiSibio has presented a schedule for implementing the Plan, which does not change the Plan. Dr. DiSibio said that is correct.

Senator Wilson asked Dr. DiSibio what his intent is in going to Interim Finance. Dr. DiSibio said the intent is to say to the legislative bodies that a careful monitoring must take place during implementation of such a program.

Senator Lamb asked Dr. DiSibio if he will come to Interim Finance to approve the Plan, so it can be implemented. Dr. DiSibio said no. Senator Wilson said then it is only to keep the legislature advised.


Senator Wilson asked Dr. DiSibio if the Reorganization Plan was born in reaction to the Ways and Means Committee reaction to his budget. Dr. DiSibio said it evolved through that process, but its genesis occurred when he assumed office. He said when he took over, he asked Dr. Oberle, acting director, to look at the entire structure of the Department. This began in January. He said then they went to Ways and Means Subcommittee meeting where they took a "beating" some of which was valid criticism and some of which was not. He said they came out of this hearing fearing that whole programs might be lost; he asked Dr. Oberle to speed up the process of reviewing the management structure, without affecting programs.

Senator Wilson commented that the bottom line of this action was to effect a \$790,000 savings over the biennium. Dr. DiSibio said this is correct. Senator Wilson said this reduction then acted to placate the reaction of the Ways and Means subcommittee. Dr. DiSibio said this was a result, not a target of their actions.

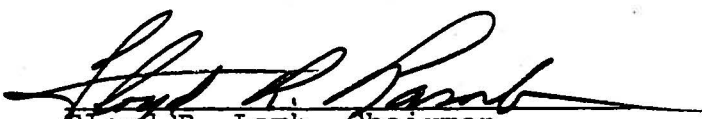
Senator Wilson said it seems that Dr. DiSibio's Plan is a bit precipitous, in view of the fact that it is a paper plan, developed hurriedly to satisfy the Ways and Means Subcommittee, and as such may not address cost-effective but adequate service. He said a question remains about whether this Plan will affect services, whether it is responsive to problems existing in delivering services. Senator Wilson said a strong administrator will affect his Division more than a particular administrative structure. He asked Dr. DiSibio if a strong administrator is more important than the structure, such as the Reorganziation Plan. Dr. DiSibio said no.

Meeting adjourned at 9:30 a.m.

Respectfully submitted,


Carolyn Y. Mann, Secretary

APPROVED:


Floyd R. Lamb, Chairman

ATTACHMENT B

S. B. 340

SENATE BILL NO. 340—COMMITTEE ON FINANCE

MARCH 20, 1979

Referred to Committee on Finance

SUMMARY—Authorizes state public defender to collect certain amounts from counties for use of his services. (BDR S-1644)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT authorizing the state public defender to collect certain amounts from the counties for the use of his services; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

1 SECTION 1. The state public defender may collect not more than
2 the following amounts from the counties for use of his services:

	For the fiscal year ending June 30, 1980	For the fiscal year ending June 30, 1981	
3			
4			
5			
6	CARSON CITY.....	\$60,432.09	\$61,200.15
7	CHURCHILL.....	16,397.51	16,605.91
8	DOUGLAS.....	48,266.88	48,880.30
9	ELKO.....	29,533.95	29,909.29
10	ESMERALDA.....	4,051.02	4,102.50
11	EUREKA.....	2,025.51	2,051.25
12	HUMBOLDT.....	24,306.11	24,615.02
13	LANDER.....	12,153.06	12,307.51
14	LINCOLN.....	7,975.44	8,076.80
15	LYON.....	15,772.64	15,973.08
16	MINERAL.....	13,643.83	13,817.23
17	NYE.....	12,787.10	12,949.50
18	PERSHING.....	15,189.85	15,384.38
19	STOREY.....	1,014.46	1,025.82
20	WHITE PINE.....	10,127.55	10,256.26

MEMORANDUM

TO: Chairman Floyd R. Lamb and Members of the
Senate Finance Committee

FROM: Norman Y. Herring *NH*
Nevada State Public Defender

DATE: April 3, 1979

SUBJECT: Senate Bill 340

ATTACHMENT C

Senate Bill 340 represents the calculations of proportional shares of the budget of the Office of the State Public Defender. The base figure for computation is \$273,677.00, which represents the total amount of county contributions.

Percentages of county shares are based upon a total number of cases handled by the State Public Defender and each county is assessed according to its share of those cases which came from the individual counties (i.e., Carson City had approximately 22.08% of the total cases handled by the State Public Defender; therefore, Carson City's share of the total county contributions was 22.08% of \$273,677.00 = \$60,432.09).

The State, in fiscal year 1980, is budgeted to contribute \$94,728.00 to the Office of the State Public Defender, and a breakdown of those costs are as follows:

- (a) 21% of all operating and equipment costs
 - (1) Out of state travel \$ 210
 - (2) In state travel 3,448
 - (3) Operating expenses 12,989
 - (4) Equipment 105
- (b) All post-conviction costs 20,000
- (c) All supervising legal secretary 11,837
- (d) 1/2 of State Public Defender 17,781
- (e) All Deputy Public Defender - Prisons 28,358

A figure of 21% represents a proportion of those professional personnel who are state funded (1.5) vs. all professional personnel (7).

Chairman Floyd R. Lamb and Members
of the Senate Finance Committee
April 3, 1979
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E X H I B I T C

Contacts have been made with all judicial districts which are served by the State Public Defender and the response is unanimous from them that the costs assessed by Senate Bill 340 are reasonable and representative of the services rendered to the counties. Some Judges have responded to my inquiries by writing to this Committee concerning the services of the State Public Defender, and those letters are on file with this Committee.

NYH/sz

1979-1980 BUDGET

E X H I B I T C

Proposed County Contributions based
upon the Governor's recommendation
of a total County Contribution of
\$273,677.00

	<u>County</u>	<u>Percentage of Total Cases</u>	
1.	CARSON CITY	.2208156	\$ 60,432.09
2.	CHURCHILL	.0599156	16,397.51
3.	DOUGLAS	.1763645	48,266.88
4.	ELKO	.1079154	29,533.95
5.	ESMERALDA	.0148022	4,051.02
6.	EUREKA	.0074011	2,025.51
7.	HUMBOLDT	.0888132	24,306.11
8.	LANDER	.0444066	12,153.06
9.	LINCOLN	.0291418	7,975.44
10.	LYON	.0576323	15,772.64
11.	MINERAL	.0498538	13,643.83
12.	NYE	.0467231	12,787.10
13.	PERSHING	.0555082	15,189.85
14.	STOREY	.0037005	1,014.46
15.	WHITE PINE	<u>.0370055</u>	<u>10,127.55</u>
		.9999994	\$273,677.00

TABLE "A"

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1980-1981 BUDGET

EXHIBIT C

Proposed County Contributions based
upon the Governor's recommendation of a
total County Contribution of \$277,155.00

	<u>County</u>		
1.	CARSON CITY	.2208156	\$ 61,200.15
2.	CHURCHILL	.0599156	16,605.91
3.	DOUGLAS	.1763645	48,880.30
4.	ELKO	.1079154	29,909.29
5.	ESMERALDA	.0148022	4,102.50
6.	EUREKA	.0074011	2,051.25
7.	HUMBOLDT	.0888132	24,615.02
8.	LANDER	.0444066	12,307.51
9.	LINCOLN	.0291418	8,076.80
10.	LYON	.0576323	15,973.08
11.	MINERAL	.0498538	13,817.23
12.	NYE	.0467231	12,949.50
13.	PERSHING	.0555082	15,384.38
14.	STOREY	.0037005	1,025.82
15.	WHITE PINE	<u>.0370055</u>	<u>10,256.26</u>
		.9999994	\$277,155.00

TABLE "B"

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ATTACHMENT D

S. B. 411

SENATE BILL NO. 411—COMMITTEE ON FINANCE

APRIL 2, 1979

Referred to Committee on Finance

SUMMARY—Includes depreciation of vehicles in cost allocations for state motor pool and makes appropriation. (BDR 27-2082)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *Italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the state motor pool; revising the allocation of costs to include depreciation of vehicles; making an appropriation; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 - SECTION 1. NRS 336.110 is hereby amended to read as follows:
2 336.110 1. The motor pool fund is hereby created as an intra-
3 governmental service fund in the amount of \$9,500. No money in the
4 fund may revert to the state general fund at any time. Money from the
5 motor pool fund must be paid out on claims as other claims against
6 the state are paid. The claims must be made in accordance with budget
7 and quarterly work allotments and subject to preaudit examination and
8 approval.
9 2. All operating, maintenance [.] and repair [and replacement]
10 cost for vehicles assigned to the state motor pool must be paid from the
11 motor pool fund [.] and the accounting for depreciation must be accom-
12 plished in that fund.
13 3. All agencies using vehicles of the state motor pool shall pay a
14 fee for the use and proportionate share of operational cost in an amount
15 determined by the executive officer. The formula for spreading costs of
16 operation may be adjusted from time to time as may be necessary to
17 replace worn vehicles, pay vehicle costs, defray the costs of motor pool
18 operation, and preserve the fund as nearly as practicable at the level of
19 \$9,500.
20 4. All fees, including amounts on account of depreciation accrued,
21 costs and other money received by the state motor pool, including all
22 proceeds from the sale of vehicles, must be deposited with the state
23 treasurer for credit to the fund.

ATTACHMENT E

A. B. 478

ASSEMBLY BILL NO. 478—COMMITTEE ON GOVERNMENT
AFFAIRS

FEBRUARY 28, 1979

Referred to Committee on Government Affairs

SUMMARY—Makes technical corrections to Public Employees' Retirement Act.
(BDR 23-241)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the public employees' retirement system; making technical corrections; providing a salary for the interim retirement committee; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 286.031 is hereby amended to read as follows:
2 286.031 "Disability retirement allowance" means monthly payments
3 from the public employees' retirement fund *or the police and firemen's*
4 *retirement fund* paid to disabled [members.] *retired employees.*
5 SEC. 2. NRS 286.065 is hereby amended to read as follows:
6 286.065 "Post-retirement increase" means the monthly cost-of-living
7 increase added to the monthly payments of:
8 1. Persons receiving disability retirement allowances or service
9 retirement allowances;
10 2. Beneficiaries of deceased members receiving allowances; and
11 3. Persons receiving monthly [survivor benefit allowances,] *benefits*
12 *for survivors,*
13 pursuant to the terms of this chapter.
14 SEC. 3. NRS 286.070 is hereby amended to read as follows:
15 286.070 1. "Public employer" means the state, one of its agencies
16 or one of its political subdivisions, the system, irrigation districts created
17 under the laws of the State of Nevada, [the Las Vegas Valley Water
18 District, created pursuant to chapter 167, Statutes of Nevada 1947, as
19 amended,] a nonprofit corporation to which a public hospital has been
20 conveyed or leased pursuant to NRS 450.500, the Nevada interscholastic
21 activities association and a council of governments created pursuant to
22 the laws of the State of Nevada.
23 2. State agencies are those agencies subject to state control and

1 supervision, including those whose employees are governed by chapter
2 284 of NRS, unless specifically exempted therefrom, and those which
3 deposit funds with the state treasurer.

4 SEC. 4. NRS 286.080 is hereby amended to read as follows:
5 286.080 "Service retirement allowance" means monthly payments
6 from the public employees' retirement fund or the police and firemen's
7 retirement fund paid to a [retiree] retired employee for the remainder
8 of his life.

9 SEC. 5. NRS 286.113 is hereby amended to read as follows:
10 286.113 1. There is hereby created an interim retirement committee
11 of the legislature composed of:

12 (a) Three members of the senate, one of whom is the chairman of
13 the committee on finance during the preceding session and two of whom
14 shall be appointed by the majority leader of the senate.

15 (b) Three members of the assembly, one of whom is the chairman of
16 the committee on ways and means and two of whom shall be appointed
17 by the speaker.

18 2. The immediate past chairman of the committee on ways and
19 means shall be the chairman of the interim retirement committee for
20 the period ending with the convening of the 60th session of the legisla-
21 ture. The immediate past chairman of the committee on finance shall be
22 the chairman of the interim retirement committee during the next legis-
23 lative interim, and the chairmanship shall continue to alternate between
24 the houses of the legislature according to this pattern.

25 3. The interim retirement committee exists only when the legislature
26 is not in regular or special session. During those times, it shall meet at
27 the call of the chairman to review the operation of the system and to
28 make recommendations to the board, the legislative commission and
29 the legislature.

30 4. The director of the legislative counsel bureau shall provide a
31 secretary for the interim retirement committee. *Each member of the*
32 *committee is entitled to a salary of \$40 for each day or part of a day*
33 *during which he attends a committee meeting or is otherwise engaged*
34 *in the work of the committee.* Per diem allowances, salary and travel
35 expenses of members of the committee shall be paid from the legisla-
36 tive fund.

37 SEC. 6. NRS 286.220 is hereby amended to read as follows:
38 286.220 1. The board shall establish a fund known as the public
39 employees' retirement fund.

40 2. It is hereby declared to be the policy of the legislature that the
41 public employees' retirement fund is a trust fund established to afford a
42 degree of security to long-time public employees of the state and its
43 political subdivisions. The moneys in the fund shall not be used or
44 appropriated for any purpose incompatible with the public employees'
45 retirement system policy, as expressed in NRS 286.015. The fund shall
46 be invested and administered to assure the highest return consistent with
47 safety in accordance with accepted investment practices.

48 3. Moneys in the public employees' retirement fund shall be
49 expended by the board for the purpose of paying:
50 (a) Service retirement allowances;

1 (b) Disability retirement allowances;
2 (c) Post-retirement allowances;
3 (d) [Survivor benefits;] *Benefits for survivors;*
4 (e) Authorized refunds to members and their beneficiaries; [and]
5 (f) Amounts equivalent to disability retirement allowances to be
6 used by employers for rehabilitation [purposes,] ; and
7 (g) Allowances to beneficiaries,
8 and for the payment of expenses authorized by law to be paid from such
9 retirement fund.

10 4. Contributions from members and from participating public
11 employers to the public employees' retirement fund shall be deposited in
12 a bank of reputable standing in the State of Nevada. Such deposits shall
13 be secured [by a depository bond.] *in a manner satisfactory to the*
14 *board and consistent with safety.*

15 5. All checks drawn upon the public employees' retirement fund
16 shall be signed by two persons designated by the board. [Such persons
17 shall furnish a bond in an amount determined by the board.]

18 SEC. 7. NRS 286.225 is hereby amended to read as follows:
19 286.225 1. The board shall establish a separate retirement fund
20 known as the police and firemen's retirement fund.

21 2. All refunds, disability retirement [, survivor benefits,] allow-
22 ances, benefits for survivors, and service retirement [benefits] allowances
23 paid to police officers and firemen and their beneficiaries shall be paid
24 from the police and firemen's retirement fund.

25 3. All contributions paid by and for police officers and firemen shall
26 be credited to the police and firemen's retirement fund.

27 4. The police and firemen's retirement fund shall be administered
28 by the board and is subject to all restrictions and regulations applicable
29 to the board.

30 5. Any post-retirement increase appropriated by the legislature in
31 accordance with this chapter, shall be paid to eligible retired police
32 officers and firemen and their beneficiaries from any such appropriation.

33 6. Investment return on moneys in the police and firemen's retire-
34 ment fund shall be deposited in that fund at the end of each fiscal year
35 based on annual average yield of the system.

36 7. The board shall transfer appropriate employee and employer
37 contributions made by and for members who transfer to and from the
38 public employee's retirement fund and the police and firemen's retire-
39 ment fund.

40 SEC. 8. NRS 286.300 is hereby amended to read as follows:
41 286.300 1. Any member of the system may purchase all previous

42 creditable service performed with his present employing agency if such
43 service was performed prior to the enrollment of his agency in the
44 system, even if the service is still creditable in some other system where
45 it cannot be canceled. The public employer must certify the inclusive
46 dates of employment and number of hours regularly worked by the
47 member to validate the service. The member must pay the system's
48 actuary for a computation of costs and pay the full cost as determined
49 by the actuary.

50 2. Any member who has 5 years of contributing creditable service

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1 may purchase up to 5 years of out-of-state service performed with any
 2 federal, state, county or municipal public system if that service is no
 3 longer creditable in the other system. To validate such service, the mem-
 4 ber must obtain a certification of the inclusive dates of previous service
 5 performed with the other public system, together with certification from
 6 that system that this credit is no longer creditable in the other system
 7 and that the other system agrees to notify the Nevada system if this
 8 service ever becomes reestablished by the member. The member must
 9 pay the system's actuary for the computation and pay the full actuarial
 10 costs as determined by the actuary.

11 3. Any member who has at least 5 years of contributing creditable
 12 service may purchase up to 5 years of military service regardless of when
 13 served if such service is no longer credited in the military retirement
 14 system. To validate military service, the member must provide certifica-
 15 tion of the inclusive dates of active military service performed, pay the
 16 system's actuary for the computation and pay the full actuarial cost as
 17 determined by the actuary.

18 4. Any contributing member may purchase previous service per-
 19 formed for any public employer, including service as an elected officer or
 20 a person appointed to an elective office for an unexpired term. The
 21 public employer must certify the inclusive dates of employment and
 22 number of hours regularly worked by the member to validate such
 23 service. The member must pay the system's actuary for a computation
 24 of cost and pay the full cost as determined by the actuary.

25 5. A member who provides proper documentation and establishes
 26 the right to purchase any of the service listed in this section may defer
 27 payment until actual retirement. Under this subsection, the purchase
 28 of service shall be based on the normal employee and employer contribu-
 29 tion rates which are in effect at the time of the member's retirement times
 30 his final average salary and without interest. Service purchased under
 31 this subsection shall not be credited until retirement, nor shall it be
 32 considered as validated service to provide eligibility for vesting, [sur-
 33 vivor benefits] *benefits for survivors* or disability retirement. This serv-
 34 ice can be used for regular retirement eligibility.

35 6. The employing agency may pay the employer share of the cost
 36 to validate service under this section, but is not required to do so. No
 37 credit, however, shall be validated unless both the employer and
 38 employee contributions have been paid.

39 7. The member or public employer, or both, purchasing credit under
 40 this section shall pay the full current administrative fees for each month
 41 of service purchased.

42 SEC. 9. NRS 286.430 is hereby amended to read as follows:

43 286.430 1. A member may withdraw the employee contributions
 44 credited to his individual account if:

- 45 (a) He has terminated service for which contribution is required; or
- 46 (b) He is employed in a position for which contribution is prohibited.

47 2. The system shall not refund these contributions until it has
 48 received:

- 49 (a) A properly completed application for refund;
- 50 (b) A notice of termination from the member's public employer or a

1 certification by the public employer that the member is employed in a
 2 position for which contribution is prohibited;

3 (c) Except as otherwise provided in subsection 3, all contributions
 4 withheld from such member's compensation.

5 3. A refund of a member's contributions may be made [prior to]
 6 before receipt by the system of all contributions withheld from a mem-
 7 ber's compensation if the member's public employer certifies to the
 8 amount of contributions withheld but not yet remitted to the system and
 9 to such public employer's responsibility for such remittance.

10 4. Refunds, pursuant to this section, shall be made by check mailed
 11 to the address specified by a member in his application for refund.

12 5. All membership rights and active service credit in the system,
 13 including service for which the public employer paid the employee
 14 contributions, are canceled upon [receipt of an application for refund
 15 at the retirement system office.] *the withdrawal of contributions from a*
 16 *member's account.*

17 SEC. 10. NRS 286.541 is hereby amended to read as follows:

18 286.541 1. Applications for service retirement allowances or *disa-*
 19 *bility retirement allowances* must be submitted to the offices of the system
 20 on forms approved by the executive officer. The form shall not be
 21 deemed filed unless it contains the member's selection of the retirement
 22 plan contained in NRS 286.551 or one of the optional plans provided in
 23 NRS 286.590.

24 2. [For purposes of this chapter, retirement becomes effective on:

25 (a) The day immediately following the applicant's last day of employ-
 26 ment; or

27 (b) The day the application is filed with the system,
 28 whichever is later.] *Retirement becomes effective on whichever of the*
 29 *following days is the later:*

30 (a) *The day immediately following the applicant's last day of employ-*
 31 *ment;*

32 (b) *The day the completed application form is filed with the system;*

33 (c) *The day immediately following the applicant's last day of creditable*
 34 *service; or*

35 (d) *The effective date of retirement specified on the application form.*

36 SEC. 11. NRS 286.575 is hereby amended to read as follows:

37 286.575 1. A post-retirement allowance shall be paid from the
 38 public employees' retirement fund or the police and firemen's retirement
 39 fund to each member receiving a disability allowance or service retire-
 40 ment allowance from that fund under the provisions of this chapter in
 41 the amount and manner provided and from time to time adjusted by
 42 law. Each member whose allowance was increased after his retirement
 43 by payments for years of service in excess of 20 years is entitled to
 44 receive an increase based upon his adjusted allowance.

45 2. Post-retirement allowances shall be considered a part of a retired
 46 employee's monthly benefit and included in the [benefit paid to a sur-
 47 vivor] *allowance paid to a beneficiary* under one of the optional plans
 48 provided in NRS 286.590.

49 SEC. 12. NRS 286.665 is hereby amended to read as follows:

50 286.665 1. Any contributions remaining in a member's, retired

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1 employee's or beneficiary's individual account shall be transferred to
2 the public employee's retirement fund or the police and firemen's retire-
3 ment fund upon the death of the member, retired [person] employee or
4 beneficiary if there is no heir, devisee or legatee capable of receiving the
5 money.

6 2. If, within 6 years after any transfer under subsection 1, any per-
7 son appears and claims any money which was transferred to a retirement
8 fund, the claimant may file a petition in the district court for Carson City
9 stating the nature of his claim, with an appropriate prayer for the relief
10 demanded. A copy of the petition shall be served upon the attorney
11 general before or at the time of filing it. Within 20 days after service,
12 the attorney general shall appear in the proceeding and respond to the
13 petition. If, after examining all the facts, the attorney general is con-
14 vinced that the [state] system has no legal defense against the petition,
15 he may, with the consent of the court, confess judgment on behalf of the
16 [state.] system.

17 3. If judgment is not confessed, the petition shall be considered at
18 issue on the 20th day after its filing, and may be heard by the court on
19 that day, or at such future day as the court may order. Upon the hear-
20 ing, the court shall examine into the claim and hear the allegations and
21 proofs. If the court finds that the claimant is entitled to any money
22 transferred under subsection 1 to a retirement fund, it shall order the
23 public employees' retirement board to pay such money forthwith to the
24 claimant, but without interest or cost to the board.

25 4. All persons, except minors and persons of unsound mind, who
26 fail to appear and file their petitions within the time limited in subsection
27 2 are forever barred. Minors and persons of unsound mind may appear
28 and file their petitions at any time within 5 years after their respective
29 disabilities are removed.

30 SEC. 13. NRS 286.676 is hereby amended to read as follows:

31 286.676 1. Except as limited by subsection 2, the spouse of a
32 deceased member [who was fully eligible to retire but had not retired]
33 whose allowance was fully vested, is entitled to receive a monthly allow-
34 ance equivalent to that provided by Option 3 in NRS 286.590. For pur-
35 poses of applying the provisions of Option 3, the deceased member shall
36 be deemed to have retired on the date of his death immediately after
37 having named the spouse as beneficiary under Option 3. This benefit must
38 be computed without any reduction for age for the deceased member.
39 The benefits provided by this subsection shall be paid to the spouse for
40 the remainder of such spouse's life. The spouse is entitled to receive the
41 benefits provided by this section or by NRS 286.674, whichever provides
42 the greater benefit.

43 2. The benefit payable to the spouse of a member who died before
44 May 19, 1975, is limited to a spouse who received at least 50 percent
45 of his support from the member during the 6 months immediately
46 preceding the member's death and to the amounts provided in this sub-
47 section. If, at the time of his death, such a member had 15 or more
48 years of service, his spouse, upon attaining the age of 60 years, may
49 receive the sum of \$100 per month or 50 percent of the average salary
50 received by the deceased member for the 3 consecutive highest salaried

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1 years of his last 10 years of service, whichever is less. If, at the time of
2 his death, a member had 20 or more years of service and did not elect
3 an optional retirement plan as offered in this chapter, his spouse, upon
4 attaining the age of 60 years, may receive \$125 per month or 50 percent
5 of the average salary received by such member for the 3 consecutive
6 highest salaried years of his last 10 years of service, whichever is less.
7 Payments, or the right to receive payments, shall cease upon the death or
8 remarriage of the spouse. Benefits under this section shall not be renew-
9 able following termination.

10 SEC. 14. NRS 286.6793 is hereby amended to read as follows:

11 286.6793 All retirement [or survivor benefits] allowances or bene-
12 fits for survivors offered pursuant to this chapter become vested on the
13 date that the employee completes 10 years of creditable service or
14 becomes entitled to begin receiving such benefits or on the date of his
15 death, whichever event occurs first. Unless otherwise specifically pro-
16 vided by the amendatory act, any change in the provisions of this chapter
17 is retroactive for all service of any member prior to the date of vesting,
18 but no such change may impair any vested allowance or benefit.

19 SEC. 15. NRS 218.2392 is hereby amended to read as follows:

20 218.2392 1. The provisions of NRS 286.671 to [286.6792,] 286.-
21 6791, inclusive, except NRS 286.6775, relating to [survivor] benefits
22 for survivors under the public employees' retirement system, are appli-
23 cable to a legislator's dependents, and such [survivor] benefits for sur-
24 vivors shall be paid by the board following the death of a legislator to
25 the persons entitled thereto from the legislators' retirement fund.

26 2. It is declared that of the contributions required by subsections 1
27 and 2 of NRS 218.2387 one-half of 1 percent shall be regarded as costs
28 incurred in [survivor] benefits [.] for survivors.

29 SEC. 16. NRS 286.570 and 286.6792 are hereby repealed.

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E X H I B I T E

ATTACHMENT F

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 356

ASSEMBLY BILL NO. 356—ASSEMBLYMAN DINI

FEBRUARY 7, 1979

Referred to Committee on Government Affairs

SUMMARY—Allows retired public employee to change certain retirement options and designate current spouse as beneficiary. (BDR 23-1080)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to public employees' retirement: allowing retired employee to change certain retirement options and designate his current spouse as his beneficiary; allowing a retired employee to revert from a selected option to the unmodified allowance; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 286.590 is hereby amended to read as follows:
2 286.590 1. The alternatives to an unmodified service retirement
3 allowance are as follows:
4 (a) Option 2 consists of a reduced service retirement allowance pay-
5 able during the retired employee's life, with the provision that, *except as*
6 *provided in subsection 5*, it [shall] continue after his death for the life
7 of the beneficiary whom he nominates by written designation duly
8 acknowledged and filed with the board at the time of retirement should
9 the beneficiary survive him.
10 (b) Option 3 consists of a reduced service retirement allowance pay-
11 able during the retired employee's life, with the provision that it con-
12 tinue after his death at one-half the rate paid to him and, *except as*
13 *provided in subsection 5*, be paid for the life of the beneficiary whom he
14 nominates by written designation duly acknowledged and filed with the
15 board at the time of retirement should the beneficiary survive him.
16 (c) Option 4 consists of a reduced service retirement allowance pay-
17 able during the retired employee's life, with the provision that, *except as*
18 *provided in subsection 5*, it [shall] continue after his death for the life
19 of his beneficiary, whom he nominates by written designation duly
20 acknowledged and filed with the board at the time of the election, should
21 his beneficiary survive him, but no payment [shall] *may* be made to the

1 surviving beneficiary [prior to] before the attainment by the surviving
2 beneficiary of age 60. If a beneficiary designated under this option dies
3 after the date of the retired employee's death but before attaining age 60,
4 the contributions of the retired employee which have not been returned to
5 him or his beneficiary [shall] must be paid to the estate of the deceased
6 beneficiary.

7 (d) Option 5 consists of a reduced service retirement allowance pay-
8 able during the retired employee's life, with the provision that it [shall]
9 continue after his death at one-half the rate paid to him and, except as
10 provided in subsection 5, be paid for the life of his beneficiary whom
11 he nominates by written designation duly acknowledged and filed with
12 the board at the time of the election, should his beneficiary survive him,
13 but no payments [shall] may be made to the surviving beneficiary [prior
14 to] before the attainment by the surviving beneficiary of age 60. If a
15 beneficiary designated hereunder dies after the date of the retired employ-
16 ee's death but before attaining age 60, the contributions of the retired
17 employee which have not been returned to him or his beneficiary [shall]
18 must be paid to the estate of the deceased beneficiary.

19 2. If a member enters retirement status under one of the optional
20 plans described in this section and the duly designated beneficiary pre-
21 deceases the retired employee, the retired employee's monthly service
22 retirement allowance [shall] must be automatically adjusted to the
23 unmodified service retirement allowance provided in NRS 286.551. Upon
24 receipt of the beneficiary's death certificate, the service retirement allow-
25 ance [shall] must be adjusted beginning on the first of the month
26 immediately following the death of the beneficiary.

27 3. [A] Except as provided in subsection 5, a retired employee may
28 not change the selected option or designated beneficiary after the effec-
29 tive date of retirement.

30 4. A retired employee who selects an unmodified service retirement
31 allowance may relinquish his right to that allowance and apply for a
32 refund of his remaining contributions at any time. A retired employee
33 who selects one of options 2 to 5, inclusive, may relinquish his right
34 and the right of the beneficiary under that option, and apply for a refund
35 of his remaining contributions at any time. If the designated beneficiary
36 is the spouse of the retired employee, or if the right of the beneficiary is
37 the subject of a court order, the retired employee shall provide an
38 acknowledged release by the beneficiary of any claim against the system
39 or the employee's contributions when applying for a refund.

40 5. A retired employee receiving the unmodified service retirement
41 allowance may change his selected option and designate his current
42 spouse as the beneficiary. The retired employee shall make this election
43 by written designation, duly acknowledged and filed with the board and
44 shall receive a reduced service retirement allowance actuarially based on
45 his current allowance and his life expectancy and the life expectancy of
46 the beneficiary. The total amount, exclusive of post-retirement allow-
47 ances, paid to the retired employee and the named beneficiary pursuant
48 to this subsection must not exceed the amount, exclusive of post-retire-
49 ment allowances, which would have been paid to the retired employee

1 if he had continued the unmodified service retirement allowance until his
2 death.

3 6. A retired employee may cancel his selected option and designa-
4 tion of beneficiary and revert to the unmodified service retirement
5 allowance. He shall make this election by written designation, duly
6 acknowledged and filed with the board. The election to cancel a selected
7 option and revert to the unmodified allowance does not abrogate any
8 obligation of the retired employee respecting community property.

9 SEC. 2. This act shall become effective upon passage and approval.

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ATTACHMENT G

S. B. 304

SENATE BILL NO. 304—SENATOR JACOBSEN

MARCH 6, 1979

Referred to Committee on Finance

SUMMARY—Makes appropriation to Carson-Tahoe Hospital to help finance construction of rooms suitable for hospitalization of prisoners. (BDR S-1267)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an appropriation from the state general fund for the use of the Carson-Tahoe Hospital to help finance the construction of rooms suitable for the hospitalization of prisoners; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. There is hereby appropriated from the state general fund
2 for the use of the Carson-Tahoe Hospital in Carson City, Nevada, the
3 sum of \$155,000 to help finance the construction of rooms suitable for
4 the hospitalization of prisoners.
5 SEC. 2. After June 30, 1981, the unencumbered balance of the
6 appropriation made in section 1 of this act may not be encumbered and
7 must revert to the state general fund.
8 SEC. 3. This act shall become effective upon passage and approval.

ATTACHMENT H

S. B. 404

SENATE BILL NO. 404—SENATOR LAMB

MARCH 30, 1979

Referred to Committee on Finance

SUMMARY—Makes appropriation for oil portraits of certain acting governors. (BDR S-1674)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT providing for oil portraits of Denver S. Dickerson, Frank Bell and Morley Griswold, who became acting governors of Nevada by virtue of their office as lieutenant governor; creating a fund; making an appropriation; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. There is hereby created a fund to be known as the fund
2 for oil portraits of certain acting governors.
- 3 SEC. 2. There is hereby appropriated from the state general fund to
4 the fund for oil portraits of certain acting governors the sum of \$15,000.
- 5 SEC. 3. The legislative commission may enter into a contract with
6 an artist to procure portraits of Denver S. Dickerson, Frank Bell and
7 Morley Griswold. The portraits must be painted in oil colors and
8 appropriately framed. The painting and framing must be done in the
9 same manner, and style and size as the other portraits of former gov-
10 ernors of the State of Nevada displayed in the Capitol corridor. The
11 contract price for each portrait must not exceed \$5,000 and must
12 include the cost of the portrait and the frame.
- 13 SEC. 4. Upon delivery of the approved framed portraits to the
14 secretary of state and their acceptance by the legislative commission,
15 the state controller shall draw his warrant in an amount equal to the
16 contract prices and the state treasurer shall pay the warrant from the
17 fund created by section 1 of this act. *Any balance remaining in that*
18 *fund must immediately revert to the state general fund.*

Dr. Smith

ATTACHMENT I

April 2, 1979

Dear Sir:

Since the Administration will do nothing about Mr. DiSibio's Mental Health reorganization plan, it is up to the Legislature to act responsibly. Testimony before the Ways and Means Committee on March 29, 1979 clearly shows the following:

1. Mr. DiSibio's credentials and experience are not appropriate to be reorganizing our Mental Health System.
2. The reorganization plan does not have any scientific basis, and does not meet with current National Standards on Mental Health Care or the practice of Psychology or Psychiatry (testimony by Dr. Terry Knapp, University of Nevada, Las Vegas, Department of Psychology)
3. DiSibio's plan does not have the endorsement of the Washoe County or Clark County Advisory Boards.
4. The inevitable result would be reduced services to the clients, who are citizens of Nevada.

Mr. DiSibio has certainly challenged the intelligence of your Legislators by coming forth with such a simplistic proposal.

You, as responsible legislators, are bound to duty to the citizens of Nevada to act rationally. It certainly seems irrational to even consider a plan without any scientific evidence or expert testimony or meaningful studies to back it up.

As a citizen of Nevada I am charging all of you to tell Mr. ElSibio to go back to the drawing boards to get his act together. Study each of the ten Mental Health Agencies individually, according to good sound scientific criteria. Take the advice of experts in the field, the Advisory Boards, and recognized texts on the subject; then come forward to the next Legislature with something meaningful.

Sincerely,



Sydney M. Smith, D.D.S.

ATTACHMENT I

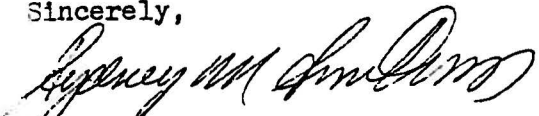
April 4, 1979

Dear Sir:

The point of the whole Mental Health problem is as follows:

1. If you want to save money simply tell each of the ten agencies how much money you want to save and have them reduce their budgets by that amount.
(ie. 5, 10, 15, or 20 % equals 1 million to 5 million saved)
2. Then if you want to reorganize get a thorough comprehensive study on reorganization.

Sincerely,



Sydney M. Smith, D.D.S.



ROBERT LIST
GOVERNOR
RALPH R. DISIBIO, Ed.D.
DIRECTOR

STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES
CAPITOL COMPLEX
ROOM 600, KINKEAD BUILDING
505 E. KING STREET
CARSON CITY, NEVADA 89710
TELEPHONE (702) 885-4730
April 6, 1979

DEPARTMENTAL
DIVISIONS
AGING SERVICES
HEALTH
MENTAL HYGIENE-
MENTAL RETARDATION
REHABILITATION
WELFARE
YOUTH SERVICES AGENCY

MEMO #78

ATTACHMENT J

TO: SENATE FINANCE COMMITTEE
ASSEMBLY WAYS & MEANS

FROM: RALPH R. DISIBIO, Ed.D. *RRD*

SUBJECT: TESTIMONY

Attached is my official testimony to the Senate Finance Committee on Friday, April 6, 1979.

Although this modification is not acceptable to the advisory councils, I feel it addresses any problem with regard to loss of services to the clients and speaks directly to the need of more effective management in government.

R.R.D.

RRD/lis

Attachment

TESTIMONY

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Several points must be made with regard to this proposal:

Philosophy:

Much allusion has been made with respect to the plan and its relationship to the philosophy of mental health treatment in our State -- the Governor and I do not subscribe to the archaic model of warehousing of patients. The trend in our state toward human, innovative community oriented treatment is strongly supported and encouraged.

This philosophy does not preclude the proper placement at a middle management level of a qualified psychiatrist. Indeed, it should be construed to fully round out the proper administration structure. In no way does the plan stray from the philosophical direction to which our State is committed.

In developing the proposal, several factors came into play:

- A. What we have in terms of structure is uncontrollable;
- B. We had a need to establish credibility with the legislature which states that we are able to manage that which we have and that which we are seeking;
- C. The need to have area coordination is critical;
- D. The global mandate to effect change which will result in cost efficiency and management effectiveness,

Those factors still exist while we speak.

With respect to input and debate:

Since a presentation to the joint money committees more than 60 hours of discussion and debate has occurred concerning the viability of this proposal. These discussions occurred with each of four advisory boards, legislative committees, individual sub-committees and individual legislators.

The formal resolution from the boards indicates several items:

- A. There is a need for reorganization;
- B. There is a need for area coordinators;
- C. This plan was developed in haste;
- D. They prefer a one-year delay for the purpose of study.

As a consequence of the hours of hearings and meetings, I propose we modify the plan as follows:

- A. Modify the original plan to implement it over the two years of the biennium as opposed to completely on July 1, 1979. Simply put, the revision requires the implementation of the program in two distinct phases. Phase 1 to be implemented July 1 of 1979; Phase 2 to be implemented July 1 of 1980. Therefore, by July of 1980, the entire program will be operational.
- B. Request legislative intent to adjust clinical personnel during the biennium as the need arises. This will assure the flexibility of the program and guarantee there will be no loss of service to

clients.

- C. Retain the right of the new division administrator and any study committees to appear within one year to the Interim Finance Committee to effect any changes in the plan that may be deemed necessary.

Budgetary details, which would make this proposal operational, will be presented to each money committee through their Fiscal Analyst as soon as practicable. These details will include specifically which positions will be eliminated and/or established during each of the two phases of this revision.

In the final analysis, the result will be the potential savings of \$790,000 over the biennium, with a flexibility allowing for adjustments to insure direct service to our clients.