

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON HEALTH AND HUMAN SERVICES**

**Seventy-Fourth Session
June 1, 2007**

The Committee on Health and Human Services was called to order by Chair Sheila Leslie at 1:33 p.m., on Friday, June 1, 2007, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Sheila Leslie, Chair
Assemblywoman Susan I. Gerhardt, Vice Chair
Assemblyman Bob L. Beers
Assemblyman Joseph P. (Joe) Hardy
Assemblywoman Ellen Koivisto
Assemblywoman Kathy McClain
Assemblywoman Bonnie Parnell
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Valerie E. Weber
Assemblywoman RoseMary Womack

STAFF MEMBERS PRESENT:

Sarah J. Lutter, Committee Policy Analyst
Bonnie Borda Hoeffcker, Committee Manager
Olivia Lloyd, Committee Assistant

Minutes ID: 1500



OTHERS PRESENT:

Michael Little, Private Citizen, Reno, representing his urban development project

Eric Noack, Chief, Bureau of Waste Management, Nevada Division of Environmental Protection, Department of Conservation and Natural Resources

Leo M. Drozdoff, Administrator, Nevada Division of Environmental Protection, Department of Conservation and Natural Resources

Chair Sheila Leslie:

[Meeting called to order. Roll called.] We will open the hearing on Senate Bill 331 (1st Reprint).

Senate Bill 331 (1st Reprint): Makes various changes concerning the support of research and other activities concerning solid waste. (BDR 40-318)

Michael Little, Private Citizen, Reno, representing his urban development project: Senate Bill 331 (1st Reprint) provides the Nevada System of Higher Education (NSHE) the opportunity to request grant money from the State via the Nevada Division of Environmental Protection (NDEP). This bill does not require any money or appropriate money, it only allows for the NSHE to apply for grants without conflict of interest in the existing statute. There is a presentation on the conversion of municipal solid waste and its applications.

Chair Leslie:

Would you explain what S.B. 331 (R1) does please?

Michael Little:

The project involves converting municipal solid waste into a commodity with value, for example compost or biomass and eliminating the need to bury trash. Biomass is a form of non-human feed stock. This conversion system demonstrates it is possible [gesturing to a model of the conversion project]. There is more research that must be done in developing this emerging technology. This bill allows the NSHE the ability to request grant money specifically for the application of research and development activities concerning solid waste, so NDEP is not restricted from allowing granting as they now are in the existing statutes. The bill does not mandate that NDEP has to grant money to the NSHE. The bill says they have the ability to fund the NSHE if NDEP chooses.

Chair Leslie:

Could the NDEP currently fund the NSHE?

Michael Little:

As I understand it, in the existing law, no. That is why in my handout Tab 1, Section 1, subsection k, the added language is: "Making grants to the Nevada System of Higher Education for the support of research and development concerning the reduction, reclamation and conversion of solid waste." ([Exhibit C](#)).

Chair Leslie:

Please explain your handout to the Committee.

Michael Little:

This is the summarized version of my handout; the Senate received the large handout. [Summarized ([Exhibit C](#)).]

Chair Leslie:

You have put tremendous effort into this and I hope you do not think the Committee is being flippant. This happens to be the busiest time at the Legislature.

Michael Little:

Senator Coffin said to keep it under three minutes.

Chair Leslie:

We have questions from the Committee.

Assemblyman Hardy:

I was impressed with the presentation, especially where you talked about reducing the mass of waste by 70 percent.

Michael Little:

Yes, it is a 70 percent reduction which diverts from the landfills by breaking down the waste in an autoclaving system.

Assemblyman Beers:

After the autoclave process the leftover solids are inert, I believe.

Michael Little:

That is correct.

Assemblyman Beers:

So there is no danger to ecology around them.

Michael Little:

Absolutely correct, the whole objective is to break the waste down. Initially, we would be able to make compost for dairy farmers but if we can get some franchise agreements we could start to utilize that for feed stock.

Assemblyman Beers:

What is the process in creating the ethanol that would be financially feasible with this type of biomass?

Michael Little:

The commodity, which is the bio-feed stock, is an economic spare. Instead of tipping, now you are starting to take a conversion fee. You are actually getting paid. You are not planting anything, not harvesting anything, just receiving a commodity that is ready to be broken down. The corn is already grown and now it is just going to get processed. The problem with corn is it is seasonal. There would be spikes and you would only be able to use it during the season.

Assemblyman Beers:

How many gallons of ethanol do you believe a facility like this [referenced the model of the solid waste management project] could create in a year?

Michael Little:

The model facility could run about 80 million cars on the solid waste from the Las Vegas Valley. If you utilized hybrid vehicles you could totally run the Las Vegas Valley on the ethanol produced from the solid waste. [Read from Tab 3 of the handout ([Exhibit C](#)).]

Chair Leslie:

The summary of the bill says "requiring the Division of Environmental Protection to make grants" that concerns me.

Eric Noack, Chief, Bureau of Waste Management, Nevada Division of Environmental Protection, Department of Conservation and Natural Resources:

Yes, Madame Chair, this bill would require the NDEP to make grants to the NSHE.

Chair Leslie:

So how would this work for NDEP?

Eric Noack:

Currently, NDEP does have funds for grant purposes. The statute says NDEP "may award grants." That is discretionary money leftover after we fund our programs. We are watching that amount and are concerned that it is decreasing. This bill would statutorily add the NSHE to our program and they would be funded ahead of other grants.

Chair Leslie:

How do you feel about that?

Leo M. Drozdoff, Administrator, Nevada Division of Environmental Protection, Department of Conservation and Natural Resources:

We are okay with that. It is an important concept and one that, if it can be done well, is beneficial.

Chair Leslie:

What if we used the word "may"? Can you explain why we need the bill if NDEP has the authority to allocate grant funds to the NSHE?

Leo Drozdoff:

Yes, NDEP can allocate grant funds to the NSHE under existing statute, Section 2.4, "the division may award grants and municipalities, educational institutions." Clearly, moving the suggested language up to Section 2(k) it makes it mandatory.

Chair Leslie:

I do not want to tie the hands of NDEP. How does the Committee feel?

Assemblyman Hardy:

I am concerned with what the State has done up until now with recycling. This project takes a new look at the concept of recycling. It takes all types of trash and generates an income on two different levels. I really like the concept of the research and getting the NSHE involved in this project. I would try to move towards this recycling project and encourage the research, reduction, reclamation, and conversion of solid wastes.

Assemblywoman Koivisto:

How much money is in the solid waste management account and how much of that are you able put into grants?

Eric Noack:

In 2006, \$1.7 million came in to the solid waste management account, .5 percent goes to the Department of Taxation, 25 percent to Washoe County, and 30 percent to Clark County. The remaining 44.5 percent comes into NDEP to manage the program. For 2006, \$785,000 went to NDEP for grants and less than \$200,000 in discretionary monies was left after the granting process. Our goal, with direction from the State Environmental Commission, is to fund 10 to 15 grants and try to spread them across the State in the range of \$10,000 to \$15,000 each. That makes up the discretionary program under the "may award grants" under Section 2.4.

Chair Leslie:

Who would the funds be taken away from?

Eric Noack:

Historically, the funds were put straight into recycling programs in Reno and Las Vegas. During the last legislative session this statute was amended to allow us to issue grants instead of only contracts. We are also able to do grants for solid waste management systems which are what the rural counties need, such as waste bins, but not directly recycling related. We grant funds for the earth day events and Christmas tree recycling.

Chair Leslie:

Those are my constituents. Do those people know that the funding is in jeopardy?

Eric Noack:

I do not know.

Chair Leslie:

Are there any questions from Committee members? The problem I am having, Mr. Little, is if other programs have been relying on this funding and suddenly the funds go to the NSHE for a very good cause, it will not allow other programs to be funded.

Michael Little:

If you check the recycling section of my handout you will see after 15 years we have not made much progress on recycling. This program will assist with refocusing on solving the problems of solid waste and not subsidizing programs that have been going on for the last five or ten years. I am not opposed to that

but if you are going to give 15 or 20 grants away a year, we should at least be able to find some money for grant research and development. If people have been receiving grants for eight years and there has not been any performance in terms of increasing the productivity then I really

Chair Leslie:

I think it is a stretch to say there has not been an increase in productivity. Those programs get bigger and better every year. Maybe you meant to say that they are not able to be self-sustaining, so they should free up those funds for other things.

Michael Little:

Correct.

Chair Leslie:

What was the appropriation in the original S.B. 331?

Michael Little:

It was \$8.3 million.

Chair Leslie:

That amount was removed from the bill in the Senate.

Michael Little:

That was for an alternative geothermal facility at the Redfield Campus, to run the seven buildings there. That would have saved the State about \$500,000 a year and eliminated the need for a non-renewable energy source utilizing geothermal energy. The other part was a small laboratory that would facilitate the sciences necessary for the support of research and development concerning the reduction, reclamation, and conversion of solid waste. There was no money available for those programs.

Chair Leslie:

I will entertain a motion, but I will be voting against this bill because I cannot take money away from good programs and force NDEP to give it to the NSHE for research and development. I think we do need research and development, but I would rather see that come in with additional funds rather than robbing programs that exist.

Michael Little:

Would you consider seeing the PowerPoint prior to voting? It may influence you.

Chair Leslie:

I do not think it will, however if other members of the Committee would like to vote in favor of the bill, that is fine. I will entertain a motion.

Assemblywoman Gerhardt:

Would you consider postponing the vote until after the PowerPoint is presented?

Chair Leslie:

Yes.

Michael Little:

I would appreciate that very much.

Assemblywoman Gerhardt:

I would be interested in taking a look at the PowerPoint presentation and Ms. Pierce seemed to think it was informative.

[PowerPoint video presentation was shown on conversion of municipal solid waste.]

Chair Leslie:

Are there any questions from the Committee?

Assemblywoman Gerhardt:

I was interested in seeing that presentation. We are looking at funding research and development and it looks like it is already in practice somewhere.

Michael Little:

No, actually what we have done is convert solid waste in a small two-ton autoclave into a biomass. We took the biomass to the University of Washington to make paper because they are the only university system west of the Mississippi River capable of that type of conversion. There are no university systems actively working on breaking down municipal solid waste. We would be the first university system in the country, if not the world, to actually start applying this process. The upside to this bill is when we talk about granting funds, it is subject to State approval, but the State is not required to fund NSHE. We are going to be digging up landfills someday and we have the finest mining college in the world. We should be able to apply, at least through grants, for graduate students and Ph.D.s to start developing the technologies for the future to clean up our environment, and that means digging up our landfills that are emitting greenhouse gasses and methane. They are 23 times

more dangerous than the existing carbon dioxide emissions. We have leachate problems in water and we do not line our landfills. There are a lot of things we have to do to clean up the environment, but we must take a step forward. Collectively, we are not moving forward.

I am only asking that the State be allowed to grant money to NSHE so it can set the standard and be a leader, so we can take pride in something we do. We need to publish and print, and we need projects that we can get grants for. We need to empower our educational system to move forward on this. What we are going to benefit from is the enzymatic digestion. These are things our system should have the opportunity to move forward on and do. In denying them funding we are denying ourselves, our children, our future children, and our State the ability to set the standard in the environment and not be the follower. I am not a resident of another county from California, I am a Nevadan and I take pride in that. I am not going to continue to live in another states shadow.

Assemblywoman Parnell:

I think this is a wonderful project and it is high time Nevada be known for something like this project rather than what it is known for. With sensitivity to the Chair's concern, if Section 2(k) was amended to say, "Making grants for the support of research and development concerning the reduction, reclamation and conversion of solid waste." That certainly leaves the door open to make grants to the NSHE, which I completely support, and not be limiting to others.

Chair Leslie:

I think that is a good amendment. My concern is more with this bill prioritizing grant monies utilized for research and development over the other environmental programs. Those representative are not here to testify and may not know of this proposed change. I would have supported new monies for environmental programs but taking money from existing programs is something I cannot support. I am also concerned that NDEP can already choose to fund research and development in the existing statute.

Michael Little:

I do not believe you are taking away monies from other programs, you are prioritizing programs and it is the prerogative of the State to fund programs which are successful.

Chair Leslie:

I agree, I think that is a choice we would be making if we passed this bill. I do not want to prioritize this project over the existing programs because I think they have been doing a good job.

Michael Little:

The State is the one that makes the determination of which beneficiary recipient would be best served and we, as taxpayers, move forward and put the mechanisms in place so the people within our institution can then take the leadership role and do that. All I am asking is that the NSHE have fair footing to be allocated grant monies.

Chair Leslie:

This bill prioritizes research and development over the other programs and I personally am not willing to do that. The other Committee members may be willing to do it.

Assemblywoman Pierce:

I know there are good recycling programs and I am supportive of them, but I think it is important for us to be forward looking since we are the landfill for California. Every year more and more garbage from California is going to come here and I think if anyone should be on the cutting edge of the garbage business it needs to be the state of Nevada.

Assemblywoman McClain:

I agree with what everyone is saying but as far as this particular bill I do not understand why the NSHE cannot be allocated grant monies under Section 2, subsections 3 and 4. I do not see that the change in language is needed in Section 1(3).

Michael Little:

It was my understanding from the Legal Division that the recycling funds were only allowed to be appropriated for certain items, and research and development were not to be included in that area. I understood that we needed to insert language that specifically allowed the State to recognize grant requests from NSHE and then be able to legally grant those requests. Those requests are at the discretion of the requestor and dependent on the State recognizing value in them. It is not just getting the NSHE money. I do not work for them, but I believe we need to empower our universities to do things about real world problems and solve them. We need to move forward in Nevada, and one of our biggest resources is municipal solid waste trash. We have an opportunity to

take the lead so the world can recognize us and say we are doing something. By converting trash we are going to provide the nation alternative options through technology and our universities, so other states will not have to bring trash to Nevada; they can convert it at the point of origin.

Assemblywoman Gerhardt:

Would you prefer to see the money allocated to the current programs or to this new conversion project?

Leo Drozdoff:

Through a change in statute last session NDEP was able to allocate grants so we have a limited track record with the programs that currently receive funding. I agree with Ms. Leslie that the current programs work well and I also agree with Mr. Little that this is an exciting opportunity. We can be judicious in how the grant funds are utilized. It is clear that adding subsection (k) to Section 2 would prioritize the grant funds as Ms. Leslie discussed earlier.

Assemblywoman Gerhardt:

The question I have for you is, would you be willing to sacrifice any of the other programs? You would know better than we would.

Leo Drozdoff:

We are giving out 10 to 15 grants at approximately \$10,000 to \$15,000 each and theoretically one of those grants would probably go away for this purpose. That is a fair statement.

Chair Leslie:

If you did that would there be enough money to really make a difference? This bill had an original appropriation of \$8 million which sounds like that would make a difference, but would \$100,000 or so make a difference?

Michael Little:

First, the \$8.3 million was to build a facility. The bottom line of that original bill was for research and development. We are looking at the ability to give grant money to the NSHE and have the college that will have the greatest impact utilize those funds for students and Ph.D.s to obtain matching funds outside of the State. Then we would have direction, at least feedback and positive steps in the reduction of municipal solid waste. We would also be training the next group of minds to start thinking about renewable energies and what we should do. An amount of \$15,000 to \$20,000 a year is a lot of money for graduate students to apply to research and development.

Chair Leslie:

Would the NSHE take their typical 26 percent off of the top?

Michael Little:

That is an understatement because those numbers can go up to 69 percent for research and development. It is currently 69 percent here, but 15 percent in Pakistan and India. We are going to lose research and development in engineering to foreign countries. That is the next big move. If we do not start reinvesting in this country, research and development will be done elsewhere and we will be importing more engineers and Ph.D.s.

Assemblywoman Weber:

This project sounds responsible for the future of this State. What change in bill language is necessary to move this bill forward? Has there been an interim study to look at the many recycling projects, landfill issues, and concerns of the State?

Chair Leslie:

I do not know of any interim study. Ms. Koivisto has been here longer than I have.

Assemblywoman Koivisto:

No.

Assemblywoman Weber:

Since this project is entrepreneurial, research and development oriented, and gives certain projects to students, I think it is indicative of the direction we need to go in.

Assemblywoman Parnell:

I support this bill and we need to start thinking big. This project is much more important than continuing to do small projects. I support the bill as written.

Assemblyman Hardy:

I suggest that instead of saying "making grants to the Nevada System of Higher Education", say "encourage the Nevada System of Higher Education to research and develop the reduction, reclamation and conversion of solid waste and allow the use of funds that might be accepted from the public and/or private sources."

Chair Leslie:

It is a little late for amending but reaction from the Committee?

Assemblywoman Gerhardt:

I like that idea and you will end up with more money and be able to accept contributions.

Michael Little:

I believe that the State and I are on the same page. It is a question of enabling them at a level they feel comfortable. We need to move forward in different areas of recycling. I do not believe all those grants that were funded over the past couple years have been going to the same entities over and over again. I think the State has been prioritizing them and trying to find programs that are improving. That is the intent. This will allow NDEP to look at the research portion of grant allocations.

Chair Leslie:

My argument is NDEP currently has the ability to do that and I do not like telling NDEP what they can and cannot do.

Leo Drozdoff:

One minor technical correction that needs to be made as described to us by the Legislative Counsel Bureau (LCB), Legal Division, was an error in striking lines 28 and 29 in Section 1 of the bill. My suggestion is to add lines 28 and 29 back into the bill.

Chair Leslie:

Amend it back to the original language.

Leo Drozdoff:

Add "and the purposes"

Michael Little:

I appreciate all of the time and consideration this Committee has given me and I think this is very important. I would ask the Committee to move this bill to the Floor for a vote, as it is important to me.

Chair Leslie:

Mr. Beers, is that amendment all right with you?

Assemblyman Beers:

Either one works.

Chair Leslie:

It has to be both of the changes to the bill. Mr. Drozdoff is suggesting that in Section 1 subsection 3, lines 28 through 30, we put back the original language and add the word "and" after the strikeout. Is that acceptable to you?

Assemblyman Beers:

Yes.

Assemblywoman Weber:

Yes. Was the additional proposed language taken out in the Senate?

Michael Little:

Everything was taken out in the Senate.

Chair Leslie:

That happened in S.B. 331 (R1), not in the original bill. So yes, the Senate did take it out. Are you all right with the second on the motion, Ms. Weber?

Assemblywoman Weber:

Yes.

Chair Leslie:

Are there any other comments from Committee members?

Assemblywoman Pierce:

To clarify, this amendment will put lines 28 through 30 back in to the bill. What else will the amendment do?

Chair Leslie:

Yes, and adds the word "and" after the strikeout.

Assemblywoman Pierce:

What else does the amendment do?

Assemblyman Hardy:

I would let LCB figure out the best place to put this language. I would add to Section 2k:

Encourage the Nevada System of Higher Education research and develop the reduction, reclamation and conversion of solid waste and allow the use of funds that may be accepted from private and/or public sources.

Chair Leslie:

I can actually support that. Ms. Pierce is that clear?

Assemblywoman Pierce:

Yes.

ASSEMBLYMAN BEERS MOVED TO AMEND AND DO PASS AS
AMENDED SENATE BILL 331 (1ST REPRINT).

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Leslie:

There is no other business before the Committee. We are adjourned.
[2:24 p.m.]

RESPECTFULLY SUBMITTED:

Bonnie Borda Hoffecker
Committee Manager

APPROVED BY:

Assemblywoman Sheila Leslie, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Health and Human Services

Date: June 1, 2007

Time of Meeting: 1:30 p.m.

Bill	Exhibit	Witness / Agency	Description
	A	*****	AGENDA
	B	*****	ATTENDANCE ROSTER
S.B. 331 (R1)	C	Michael Little, Private Citizen, Reno, representing his urban development project	NEVADA Senate Bill 331, Alternative Energy Environment Education