



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

August 15, 2003

MEMORANDUM TO: Nevada File
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SUBJECT: MONITORING #1 - PROGRAM PROGRESS

ATTENDEES (by telephone): Stan Marshall, Program Director, State of Nevada
Linda McLean, Regional State Agreements Officer, RIV

Background

In light of the 2001 IMPEP review results and a significant budgetary crisis in the State, the Department of Human Resources queried the Governor's office whether the State should continue to administer the radioactive materials program or transfer the responsibility back to the NRC. The Department of Administration performed an audit of the program to answer the question. On March 19, 2003, the audit report was presented to the Executive Branch Audit Committee, chaired by the Nevada Governor. The audit concluded that the State should retain the radioactive materials program, evaluate staffing levels and raise licensing fees to cover program costs. Two specific recommendations were made: (1) Raise licensing fees to cover the State's cost and continue administering the program; and (2) Evaluate staffing levels to ensure the Program is operating effectively and complies with State and federal requirements. The Health Division responded to the audit report indicating that proposed regulations to increase fees are expected to be presented for adoption by the Nevada State Board of Health on August 15, 2003. Upon approval by the Board, a request for authorization to use revenue from the increased fees to elevate staffing and other program activities (including training) to appropriate levels.

The Health Division's response also stated that a consultant was hired in October 2002 to provide an objective assessment of program staffing time and effort for the radioactive materials program. That assessment is currently in progress and is expected to be completed by June 30, 2003.

The Nevada legislature, in April 2003, followed the audit recommendations and voted to make the Radiological Health program entirely fee funded in fiscal year 2005 (beginning in July 2004). The Health Division would raise fees in fiscal year 2004 to cover program costs, including an increase in staffing. The Division's intent is to increase the level of staffing to approximately double current levels for the entire radiation protection program, including radioactive materials, x-ray and mammography.

Current Status

Proposed mammography, X-ray and RAM fee increases are expected to be offered for discussion during public workshops with the regulated communities in September 2003.

Presentation for adoption of a portion of the proposed fee increases intended to replace an anticipated elimination of state general fund support next year is planned in October 2003.

A proposal for 6 new staff in the 3 programs is anticipated in November 2003. Approximately 2.5 to 3 FTE may be designated for the RAM program to bring RAM staffing to approximately 6 FTE.

Presentation for adoption of the remaining portion of the proposed fee increases to support new staff is anticipated in December 2003.

Consideration for adjustments to increase existing staff salaries will be dependent on available new fee revenue above new staffing needs.

Nevada Monitoring Conference Call

November 12, 2003

Representing Nevada: Stan Marshall

Representing NRC: Jim Lynch, John Zabko, Aaron McCraw

Purpose: On July 10, 2003, the Management Review Board terminated the heightened oversight program for Nevada and instituted a period of monitoring. This was one of a series of "monitoring" calls to follow the progress the State has made since the last IMPEP review. An agenda for this call was sent to both parties on October 21, 2003.

Discussion:

Staffing

Since the IMPEP review in April 2003, the State filled one staff position, in the Las Vegas office, which contributes approximately 0.85 FTE to the radioactive materials program. This individual, Wayne Yates, formerly with the Arizona Agreement State program, was hired in October 2003. Mr. Yates will soon be performing independent inspections. This hiring raised the program technical FTE level to 3.85.

Larry Franks, Office Manager in the Las Vegas office, announced his intention to retire in March 2004. Mr. Franks contributes approximately 0.35 FTE to the radioactive materials program. His departure would drop the program technical FTE to about 3.5.

Health Division management supports the addition of six staff, divided amongst the radioactive materials, x-ray and mammography programs. Mr. Marshall anticipates that three of those new hires would likely be placed in the radioactive materials program.

Staffing assessments by the State determined that the overall radiation control program staff should be increased by nine or ten technical staff, but with budget constraints, compromised to the six position total. If approved, hiring for the additional positions is projected for the July-October 2004 time period.

Fees

Fee workshops were held with licensees, discussing the need for fee increases. The workshops went well, licensees generally understood the need for additional program revenue.

Mammography and x-ray fees were increased in October 2003. Approval for increase of radioactive materials fees is anticipated. New fees would be in place by approximately March 2004. General funding for the program is due to be eliminated next fiscal year.

Organization

A reorganization is contemplated with the hiring of additional staff in the program. Office supervisor positions would be created for the Carson City and Las Vegas offices. These individuals would report to the program manager, Mr. Marshall.

Training

The training budget is still insufficient. As fees increase, additional money may be available for training. Mr. Marshall is looking into the possibility of hosting, or co-hosting training courses with other States. A course such as "Transportation of Radioactive Materials" could be held in Lake Tahoe, Reno or Las Vegas. Other training options, such as on-the-job and computer-based training are also being explored.

Inspections

Mr. Marshall stated that good progress was being made on performing timely inspections. He will have inspection data available for the next conference call.

Regulations

A regulation package was submitted to STP in November 2003 which brings the State current for required regulations. NRC evaluation of the regulations package will be discussed during the next conference call.

No legislation changes have occurred since the IMPEP review.

Next Conference Call

The next conference call date will be determined by Region IV DNMS management, in coordination with the State. The call is anticipated to be held in January or February 2004.

ADAMS: Yes No Initials: _mlm_____

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