

Assembly

WAYS AND MEANS COMMITTEE

Meeting was called to order by Chairman Norman D. Glaser at 11:24 A.M. January 23, 1967 in Room No. 50, Senate Chambers.

Present: Ashworth, Bowler, Glaser, Harris, Howard, Jacobsen, Mello, Tyson, Young

Chairman Glaser briefly discussed three bills on the University of Nevada Building Program and said they would be considered jointly with the Senate Finance Committee at 11:30. Newell Hancock of the State Planning Board also present.

Joint Meeting

Joint Meeting with Senate Finance Committee called to order at 11:32 A.M. with Senator Lamb presiding. Also present: Senators Fransway, Bailey, Brown, Gibson, Pozzi, Fisher, Titlow; Bob Bruce and Don Terrell of Fiscal Analyst's Office; members of the press; Neil Humphrey, Vice-president of Finance, University of Nevada and Russ McDonald to explain bills.

Purpose of joint meeting - discussion of

- 1. State General Obligation Bonds
- 2. Title 1 (undergraduate facilities), Higher Education Facilities Act of 1963.
- 3. Title III (Loans @ 3%)

Mr. Humphrey explained the University's situation. He said if the three-package bill, a university securities bill containing general provisions for meeting revenue bond requirements but not giving board of regents power to issue any bonds per se, a triggering bill giving the university power to issue \$1,600,000 in revenue bonds as basis for application for the federal loan and a bill authorizing \$950,000.00 to pay for building completion and furnishings with funds from student fees to pay off costs, was not passed by January 28, the University would stand to lose \$1.3 million. He said \$2,000,000 had been set aside by the Federal Government with a first deadline for November, 1966 but the university did not have the authority to pledge money to get a loan. Time was extended until January 28, 1967, but available money was reduced to \$1.3 million. Mr. Humphrey said the university could obtain the loan at 3% if the Jan. 28 deadline is met, otherwise will have to stand in line with other states. If the deadline is met, the entire building program will be speeded up by a year he said. He discussed the use of \$42.00 per semester student fees to pay off revenue bonds for the physical sciences building complex.

Senator Lamb asked Russ to explain the bills. He recommended introduction of the University Securities Bill, saying it does not authorize issuance of other revenue bonds, is incorporation of so-called "boiler-plate" of others. He said the three bills go together and said he saw nothing wrong with substitution of cash for bonds. Senator Gibson asked if funding this way would jeopardize any other project and Mr. Humphrey said not. Discussion of priority. Mr. McDonald said he had spoken to the Governor, who had indicated he would sign the bills if they came to him. Mr. Young asked if revenue bonds were, or would be, obligation of University, not state. Mr. McDonald said the

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Legislature must authorize issuance of Revenue Certificates. Discussion of what would happen in event of default. Mr. Gibson asked the Committees to keep in mind that if they authorize this project they are sanctioning this approach to financing, which has not been done before. Urgency of situation discussed, Mr. Humphrey saying project was above any other in mind of those at University.

Mr. Humphrey left at 11:50.

Senator Lamb said they could maybe put out the one bill, come back and meet on others in the afternoon.

Meeting adjourned at 11:55 A.M.

Meeting called to order by Chairman Norman Glaser at 1:00 P.M. in Ways and Means Committee Room, Jan. 23, 1967.

Present: Harris, Mello, Bowler, Young, Tyson, Howard, Glaser, Ashworth, Glaser

Absent: None

Mr. Bob Bruce also present.

Chairman Glaser discussed the program for the week. Discussion of University Securities Bill and other two, special bill for the General Obligation Bonds of \$944,000 and one other bill allowing University to set up \$42.00 per student, special revenue bill. Mr. Young said he would like to look at the last two further, later on, wanted to know if they have to be passed now. Consensus of opinion they all have to be passed by Friday. Mr. Bruce said fee is already in existence - one bill is to eliminate boiler plate, others must be passed. Discussion of whether University has cash, can they build any building they want to without approval. Can they dispose of any money any way they see fit? Would Legislature be giving up control of this building function? Could there be a limit put on the student fee?

Senator Lamb came in to report that the Senate Committee had decided to introduce the whole package - that no joint meeting would be necessary this afternoon - said there would be probably only one dissenting vote in his committee. He left at 1:20.

Chairman Glaser said the committee would still have to make a recommendation and set policy of funding this way - discussion of student fee - committee especially concerned about control of accumulating money. Mr. Bowler said maybe a fee ceiling of \$100.00 a year should be set, is \$84.00 now for the two semesters. Chairman Glaser said he would like Bode and Mr. Bruce to look into the cash matter. Mr. Bruce said the approach of allowing the fee to build buildings was new. Discussion maintenance of building, cost.

Mr. Jacobsen left at 1:32.

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Neil Humphrey came in at 1:35. He explained how money, \$58,000.00, had been loaned from one fund to another for the dormitory at NSU and said the money will be put back.

Mr. Newton of the Taxpayers Association came in at 1:40.

Further discussion of how university could use money accumulated. Mr. Humphrey said money would be used to purchase land and retire revenue bonds. Bonds would have to be authorized by the legislature. He said money can be invested in Treasury Bonds - over all surplus operating capital..he says they make about \$160,000 a year. Interest is returned to fund. He said the part of the money budgeted by the Legislature they account to the Legislature for, the rest to the Board of Regents.

Chairman Glaser asked if the University would mind if the Legislature nailed it down to where it would have to have authority from the Legislature. Mr. Humphrey said, tie it down but they would hope that some room would be left for land acquisition.

Discussion of loaning money from one fund to another.

Meeting adjourned at 1:58 P.M.

Norman D. Glaser, Chairman

Agnes M. Nelson, Committee Stenographer