

## LABOR AND MANAGEMENT COMMITTEE - 56TH ASSEMBLY SESSION

Minutes of Meeting - March 31, 1971

PRESENT: Chairman, D. Poggione, D. Branch, D. Mello and H. McKissick

ABSENT: R. Capurro, T. Hafen and R. Bryan

## OTHERS

PRESENT: Ted Lawson, Secretary-Treasurer, Southern Nevada Central Labor Council; Mervin Flanders and Bill Villa, Agency for the Blind; Clint Knoll, Reno Employers Council; Lou Paley, Executive Secretary, AFL-CIO; T. Ross and J. Safers Empl. Security Dept and Assemblyman, Norman Ty Hilbrecht.

Meeting was convened by Chairman, Dan Poggione, at 8:15 a.m. in Room 328, for discussion and action on the following bills:

A.B. 618 Clarifies rights of handicapped persons.

A.B. 474 Provides union label need not be affixed to public printing produced in commercial printing shop.

Before testimony was heard on these bills, Norman Ty Hilbrecht asked permission to review proposed legislation, similar to provisions in A.B. 553, for possible committee introduction. This bill is an effort to deal with the problems such as those in Southpoint. In essence the bill provides that all contract involving public lands and utilities etc. entered into within the State of Nevada and having to do with natural resources, should contain a preference clause requiring that in the construction of the particular facility, not less than 80% of labor utilized should be Nevada labor. It also provides a penalty in the event this is violated. The bill also gives authority to the Labor Commissioner to enforce that contract on behalf of the State of Nevada. It would also provide a penalty of \$100 per day.

The Chairman of CRC also suggested that a section be added to cover all situations in which the State of Nevada sells land to someone and also the \$100.00 per day per day be changed to \$100.00 per day per man.

Motion was made by Don Mello, seconded by Dave Branch, for committee introduction. The motion carried.

A.B. 618 Mr. Flanders spoke in favor of this legislation, which was introduced by Mrs. Brookman at the request of a Las Vegas resident who uses a guide dog. Under the bill, provisions of the Unfair Labor Practices Act and Transportation Act would also apply to the Physically and visually handicapped people. Public transportation facilities and hotels and motels do present problems, particularly to persons in wheelchairs and those using guide-dogs. Mr. Flanders also remarked that many employers will not even consider hiring these handicapped people and do not give them an opportunity to prove their worth.

There were no opponents to this bill.

\*A.B. 801 (BDR 28-2114)

A. B. 474 Mr. Poggione referred to the minutes of March 24th, in which testimony offered by Mr. Ashworth was included.

Mr. Knoll spoke in favor of A.B. 474. He felt it was incumbent upon the committee to pass this legislation because of the possibility of being discriminatory if they did not. The bill is in compliance with the right-to-work law of Nevada. He felt non-union shops should be able to bid on State work.

In answer to questioning by Mr. Mello, Mr. Knoll did not know how many non-union shops were in the Reno-Sparks area. Mr. Paley more or less repeated his testimony of the March 24th meeting, against the passage of this bill. He said the union would take their chances in court any day with regard to provisions of the right-to-work law.

Mr. Knoll responded that a lot of former union employees were working now in the non-union shops because the provisions of the union laws were pricing the union shops right out of the market.

No more testimony was offered on the two bills under consideration.

Mr. Poggione brought up the matter of AB 553 on which he has received considerable correspondence, most of which is favorable. Upon recommendation of committee members present, a hearing will be scheduled in the near future for both A.B. 553 and the proposed bill recommended by Mr. Hilbrecht.

A. B. 117 and A.B. 121 Mr. Poggione read the amendments proposed for these two bills.

Motion was made by Mr. McKissick, seconded by Don Mello for an amend and do pass on A.B. 117 and A.B. 121. Motion carried

A. B. 618 Motion was made by Don Mello, seconded by Dave Branch for a "Do Pass" on A.B. 618. Motion carried.

A. B. 474 Motion for indefinite postponement of this bill was made by Mr. Branch and seconded by Mr. Mello. With Mr. Branch and Mr. Mello voting in favor and Mr. Poggione and Mr. McKissick dissenting, action will be deferred until a later meeting.

A. B. 794 Removing certain limitations on silicosis benefits under Occupational Diseases Act.

Short discussion indicated that this bill should receive consideration and a hearing. Attorney John Sanchez and James Slattery will be contacted.

A. B. 353 (First reprint) Prohibits employers from taking employees' tips.

**Assembly**

Page 3 - Labor and Management Committee - March 31, 1971

A.B. 353 (discussion continued)

The first amendment leaves Section 1 (1) as originally written but adds "or who uses the same in the computation of minimum wages required to be paid pursuant to this chapter or chapter 609 of NRS" and refers back to original requirement of posting notice while Section 2 provides penalties.

Mr. Mello felt that you are going to hurt the "little Guy" by permitting them to take the tips as long as the notice was posted. He said that something should be written into the law which would get to the people who are not covered under the Fair Labor Standards Act. Mr. Paley also believed you should put into the law something that would prohibit employers from taking the tips.

Upon recommendation by Mr. McKissick and Mr. Paley, it was decided to further amend or re-draft the bill along these lines - those establishments covered by the Fair Labor Standards Act could be required to post a notice indicating they were using the tips to compute the minimum wage law requirements and in the smaller establishments, they could, by law, be prohibited from taking these tips.

The committee agreed that this bill should be re-drafted again to try and write in these provisions and cover the larger and smaller business establishments separately.

Meeting adjourned at 9:10 a.m.

31

SUMMARY OF SB 418  
PREPARED BY NEVADA EMPLOYMENT  
SECURITY DEPARTMENT

This bill contains the amendments to the Unemployment Compensation Law required to bring the State law into conformity with the federal statutes (Public Law 91-373) enacted by the Congress in August of 1970.

State law must conform with the federal requirements, or employers in Nevada would have to pay the full 3.2% federal unemployment tax without receiving offset credit up to 2.7 percent of taxable payroll for state unemployment taxes. Also the administrative expenses of the Employment Security Department would no longer be paid by the federal government. This expense money now comes from federal unemployment tax collections.

Major changes are these:

1. Changes Relating to Coverage

- Sec. 7 a. Unemployment compensation coverage is extended to certain non-profit  
8 organizations, and to State hospitals and to State institutions of  
9 higher education. Non-profit organizations must be given the right  
10 to reimburse the State only for actual benefit charges rather than  
11 paying taxes as other employers do. An amendment by the Nevada  
State Senate extends the same reimbursement privilege to subject  
State institutions.
  
- Sec. 22 b. Political subdivisions are given the right to elect coverage for  
Para 4 employees of hospitals and institutions of higher education.
  
- Sec. 6 c. Services performed by certain agent and commission drivers and  
certain traveling and city salesmen are covered.
  
- Sec. 12 d. Certain services performed by United States citizens for American  
Para 3 employers outside the United States are covered.
  
- Sec. 13 e. A definition of agriculture labor is placed in the law, the effect  
being to assure coverage of certain agricultural processing workers  
employed away from the farm.

## 2. Changes Related to Benefits

- Sec. 19  
Para 4
- a. Benefits cannot be paid to an individual in a second benefit year unless he has worked since the beginning of the previous benefit year.
- Sec. 19  
Para 3
- b. Benefits cannot be denied to an individual who is in training approved by the Executive Director.
- Sec. 17 and  
Sec. 19 Para 3
- c. Benefits cannot be denied or reduced solely because an individual files a claim in another state or in Canada.
- Sec. 18  
Para 4
- d. Benefits must be paid to multi-state workers on the basis of wage combining arrangements approved by the Secretary of Labor.
- Sec. 20  
Para 1(c)
- e. After December 31, 1971 the taxable wage base is raised to \$4200 from \$3800.

SB 442 - AMENDMENTS TO NRS 612.445  
DISQUALIFICATION FROM UNEMPLOYMENT COMPENSATION BENEFITS  
BECAUSE OF MISREPRESENTATION  
ANALYSES BY EMPLOYMENT SECURITY DEPARTMENT

Statute in Effect

The present law provides that a person who makes a false statement or fails to disclose a material fact for the purpose of causing any benefit to be paid or increased under this chapter shall be disqualified for a maximum of 53 weeks. The disqualification starts with the week with respect to which the false statement was made.

Change in Statute

The suggested change would require that the disqualification begin with the week in which the department determined that an offense had been committed, rather than beginning with the week with respect to which a false statement had been made. The penalty would run for a maximum of 52 weeks; further, the claimant guilty of the fraud would have to repay the benefits obtained for each week with respect to which a fraud had been committed

Effect of Change

Claimants who claim benefits fraudulently will still be penalized a maximum of 52 weeks and will have to repay the benefits fraudulently obtained. However, the disqualification will no longer be retroactive, which should reduce the amount of benefits overpaid.

Reason for Change

Misrepresentation, particularly failure to report work or earnings, is seldom discovered until many months after the offense is committed. Backdating the disqualification, as is done under the present law, changes a series of payments that were properly made into a series of overpayments, thus inflating the overpayment amounts and creating administrative problems in collections.

STATEMENT FROM NEVADA EMPLOYMENT SECURITY DEPARTMENT  
ON THE PROVISIONS OF SB-458, INCREASE IN  
WEEKLY BENEFIT AMOUNT FOR UNEMPLOYMENT COMPENSATION

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Mr. Chairman and members of the Labor Management Committee, we thank you for the opportunity of appearing to give information about SB-458, which increases the maximum weekly unemployment compensation benefit amount. The provisions of this bill were developed and agreed upon by the Labor and Management members of the Governor's Labor Management Committee. We endorse the bill both from the standpoint of the principles involved, and from the standpoint of ease of administration. We are submitting this brief summary of the bill that you may use for reference - if you wish.

Summary of Provisions of Bill

There are two main provisions to the bill:

1. It sets the maximum weekly unemployment compensation benefit amount at 50% of the average weekly wage in covered employment, rather than at a fixed dollar amount; and
2. It eliminates payments of increased benefits for dependents.

These changes are effective with respect to individuals that start their unemployment compensation claims effective July 4, 1971 or later.

How Weekly Benefit Amounts are Presently Determined (Sec. 1, Lines 9-15, and Sec. 2, Lines 10-19)

Presently the weekly benefit amount with no dependents is 1/25 (4%) of the wages paid the claimant in the calendar quarter of his base year in which he was paid the most wages. It cannot be less than \$16 nor more than \$47. These amounts may be increased \$5 for each dependent with a maximum increase of \$20 for four dependents. Thus the

How Weekly Benefit Amounts are Presently Determined (Sec. 1, Lines 9-15, and Sec. 2, Lines 10-19) (Contd.)

maximum payable in a week is \$67, paid only to those who qualify for \$47 and have 4 dependents.

How Weekly Benefits are to be Determined Under SB-458 (Sec. 1, Lines 16-25 and Lines 1-7)

Under the provisions of SB-458 the formula for calculating the weekly benefit amounts is not changed. It will still be set at 1/25 of high quarter wages and a minimum weekly benefit amount of \$16. However, the maximum will be 50% of the average weekly wage in covered employment rather than \$47, and there will be no increased weekly payments for dependents. As an example:

	<u>High Quarter Wage</u>	<u>1/25 High Quarter</u>	<u>Weekly Benefit Amount</u>
Present Law .....	\$ 750.....	\$30.....	\$30
New Law .....	750.....	30.....	30
Present Law .....	\$1175.....	\$47.....	\$47
New Law .....	1175.....	47.....	47
Present Law .....	\$1800.....	\$72.....	\$47 With 4 dependents
New Law .....	1800.....	72.....	72
Present Law .....	\$3600.....	\$90.....	\$47
New Law .....	3600.....	90.....	72

Determining the Maximum Weekly Benefit Amount Sec. 1

Under SB-458 the maximum weekly benefit amount may fluctuate from year to year, up or down, with wages. Prior to July 1 of each year the average weekly wage for the prior calendar year will be found; 1/2 of this amount will be the maximum weekly benefit for the year that begins on or about July 1.

Calculating the maximum weekly benefit amount is simple. Total wages reported by employers for the year is divided by the average number of workers employed in the year. The average annual wage thus obtained, is divided by 52 to obtain the average weekly wage, 50% of this amount, rounded to the next highest dollar is the maximum weekly benefit amount



Determining the Maximum  
Weekly Benefit Amount  
Sec. 1. (Contd.)

As an example:

Wages reported for year ending September 30, 1970 amounted to \$1,194,386,394, average number of workers covered under the program for the 12 months was 159,868.

$\$1,194,386,394 \div 159,868 = \$7,471$  average annual wage.

$\$7,471 \div 52 = \$143.67$  average weekly wage.

50% of \$143.67 = \$71.84 = \$72.00 raised to next highest dollar

Need for Change in  
Maximum Weekly Benefit  
Amount

Nevada has lagged behind most other states in the adequacy of weekly benefits. If we look at the maximum basic amount of \$47, Nevada rates 47th when the states are arrayed by the percentage of the maximum benefit amount to the average weekly wage in the state. The payment of augmentation for dependents does not correct the situation. In 1969 there were 16,131 beneficiaries, of these only 5,291 were paid some increase for dependents, and only 1100 received payment for 4 dependents.

(See Charts I and II for Comparison of State Weekly Benefit Amounts and Average Weekly Benefits in 1969)

Effect of the Change  
on Benefit Payments

The setting of the weekly benefit amount at 50% of the average weekly wage will result in a maximum of \$72 or \$73 starting in July of 1971. Nevada will then rank with 14 other states that have established the same flexible maximum.

Effect of the Change  
on Benefit Payments (Contd.)

If the maximum in Nevada becomes \$72, then claimants who work at least 12-1/2 weeks in a calendar quarter and who earn from \$32 to \$144 a week will receive an unemployment benefit of approximately 50% of their average weekly wage. Claimants whose weekly rate of pay exceeds \$144 per week will receive only \$72. It is estimated that about 40% of claimants will qualify for the \$72 weekly maximum and that when the full impact of the change is felt the average check for a week of total unemployment will be about \$56.47 compared with the \$47.35 average check issued in 1970.

Cost of Increasing Weekly  
Benefit Amount

Since only those claimants who establish benefit years after July 4, 1971 may qualify for the new weekly benefit amounts, the full fiscal impact of the change will not be felt until about July of 1972. If unemployment continues throughout 1971 at the rate experienced in 1970 it is estimated that an additional cost of about \$1,105,000 will be experienced in 1971. Over a complete year the cost would be about \$2,210,000. If unemployment declines the costs could be much less.

(See Chart III, Schedule II for additional costs at various benefit amounts)

Condition of Nevada  
Unemployment Trust Fund

All unemployment compensation payments are made from the Nevada Unemployment Trust Fund. The adequacy of the fund is tested as of November 30 each year. On November 30, 1970 the balance in the fund was \$39,801,846. The department had estimated that as of November 30, 1971 the fund would be about \$9.5 million above the required solvency level; this was based on a conservative estimate of income of \$13.8 million, and 12 months of benefit payments at \$14 million. If a total of \$16 million were expended in the 12 months ending November 30, 1971, the fund would still be about \$7.5 million above the solvency level.

(See Chart #IV for estimate of Trust Fund at November 30, 1971)

Increase in Benefit  
Cost Rate

Each year the Executive Director sets a rate schedule to yield the required income for the coming year. For 1970 and 1971 the schedule was set to yield an overall tax rate of 1.57 percent of taxable wages. In 1969 the schedule was set to yield about 1.86 of taxable wages. Department statisticians estimate that under current high conditions of unemployment the benefit cost rate would increase only by about .0022 or  $\frac{22}{100}$  of 1 percent, because of the increased maximum weekly benefit amount.

The condition of the fund should be carefully examined at the testing date November 30, 1971. If needed a small adjustment in the rate schedule could be made to pick up the increased costs in 1972.





Mike O'Callaghan  
GOVERNOR

STATE OF NEVADA  
DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION  
SERVICES TO THE BLIND DIVISION  
311 NORTH CURRY STREET, ROOM 113  
CARSON CITY, NEVADA 89701

Roger S. Townsend  
KARL P. HARRIS  
DEPARTMENT DIRECTOR  
MERVIN J. FLANDER  
DIVISION SUPERVISOR

January 26, 1971

Miss Cherie Gurschke  
1719 Valley Drive  
Las Vegas, Nevada 89108

CS  
CS  
CS  
J. Alan

Dear Miss Gurschke:

Enclosed are copies of present state laws relating to the subject of our recent discussions. In addition, a copy of proposed amendments is enclosed. In this preliminary draft, the material inside the brackets is present language to be deleted and the material which is italicized is language to be added. Your attention is directed to the provisions of NRS 202.500, NRS 574.050 and NRS 574.100 dealing with vicious dogs and the care of animals. These laws are applicable alike to guide dogs and other animals without distinction. Under existing law, an individual would have an opportunity to defend any charge of viciousness before the vicious character of the animal has been established. Thus, there would appear to be no need to adopt special privilege legislation directing attention to the guide dog as a separate breed or circumstance. The same is true of the care and treatment of animals. Anyone who abuses an animal would come within the purview of the appropriate statute whether or not the animal is a guide dog. These statutes seem to be wholesome and to cover the situation without alteration. Your attention is also called to your concern that proprietors of public accommodations should have the right to recover damages in those instances where the blind, as well as others, cause damage in hotel rooms and the like. The rights of proprietors are quite adequately covered in existing law without the need of calling attention to the visually handicapped as a special group.

Proposed amendments to NRS 704.143 and NRS 704.145 and to NRS 651.050 and NRS 651.075 would sufficiently broaden and safeguard the physically handicapped as well as the visually handicapped against arbitrary action of proprietors of public

Miss Cherie Gurschke

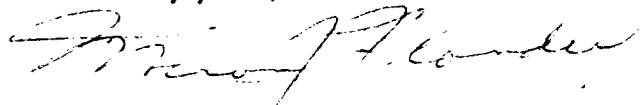
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January 26, 1971

accommodations. The definition of public accommodations is proposed to be amended so as to make the definition broad enough to cover virtually every type of situation. The proposed amendments to NRS 613.330 would provide the safeguards in which you are interested against unfair employment practices.

In my judgment, this is a rather comprehensive solution to the many faceted problems which you expressed to me. I trust that you will find these satisfactory and that you will communicate with me at your earliest opportunity.

Sincerely yours,



Mervin J. Flander, Supervisor

MJF:sg

cc: James T. Havel, Deputy Director  
Legislative Counsel Bureau

Enclosures