

MINUTES JOINT MEETING WAYS AND MEANS/SENATE FINANCE
NEVADA STATE LEGISLATURE - 56th SESSION - MARCH 24, 1971

Chairman Lamb called the meeting to order at 9:45 A. M.

Present: Ways and Means: Howard, Capurro, Hafen, F. Young, Brookman, Mello, Schofield, Swackhamer, Hilbrecht, Lingenfelter. Senate Finance: Lamb, Brown, Gibson, Pozzi, Titlow, Fransway, Gibson.

Absent: R. Young (Excused)

Guests: Earl Oliver, Fiscal Analyst; Howard Barrett, Admin; Bob List, Attorney General; George Miller, Dir. Welfare; George Labadie, John Duarte, Dino Martini, Welfare; Cy Ryan, UPI

Mr. Miller remarked that this was brought about by the suit that was filed on February 7th.

Refer to handouts on Welfare Division hearing officers and operating expenses, ADC \$32, ADC \$35, ADC \$37 and Title XIX ADC.

Hearing Officers - Mr. Duarte stated that additional hearing officers (8) are needed. They have a potential of 11,647 hearings in 71-72 and 13,523 in 72-73. This is projected on every person that will be terminated from rolls. It is estimated that 36.9% in 71-72 and 33.3% in 72-73 will apply for hearings. In addition, we are requesting 3 senior clerk typists to assist in handling the additional load.

Operating Expenses - Mr. Duarte remarked that the appeal and hearing area is a big item. Present cost of a transcript for one hearing is \$135. He testified that if A. B. 760 passes they can pull out approximately \$555,000 as the bill takes the Welfare Board out of the process. He remarked that if the bill did not pass, the Welfare Board would be in session all year long.

Mr. Duarte remarked that A. B. 390 increases the rate of court reporters.

He remarked that over a span of a one year period, there could be a potential of 11,000 of these types of actions taken. OAA and OAB are included in these figures. In answer to Senator Brown's question, Mr. Duarte remarked that approximately 25,000 recipients are in these 3 categories or 45% of hearings. Senator Brown questioned Mr. Duarte if this was typical in other states. Mr. Miller responded citing California. Mr. Miller stated that presently

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there is a backlog of 300 hearings in Las Vegas. Most of these are nuisance hearings.

A federal regulation states that grant will not be reduced until you have had a fair hearing.

Mr. Duarte testified that during the first 7 months of this fiscal year they had 74 actions per month that would have fallen into this category. Request for hearing officers was based on 35% of estimated recipients that will apply for hearings.

Mr. Miller remarked that this was a guess of 35%. He stated that he would be willing to guess again at 18% or even double the estimate. He remarked that he would rather go with four hearing officers and then see where they are. If they get involved in nuisance hearings then they will put a hearing officer in this area.

Building Space Hearing Rooms - A total of 3 hearing rooms are requested. Two hearing rooms in Las Vegas and one in Reno. Mr. Duarte testified that these hearing rooms must be separate and apart from the Welfare building. In addition, additional personnel and equipment are needed for the hearing rooms. Mrs. Brookman suggested the Reno hearing room be in the Mill Street Building.

A. B. 760 - Mr. Hilbrecht stated that a tremendous expense would be involved if these people were dissatisfied with their Welfare Board Hearing and went on to appeal to the District Courts. District courts would have a tremendous load.

ADC at \$37 - Mr. Duarte remarked that this projection was based on a straight line projection for fiscal year 1970 based on a 15 month basis. Recipients would be 20,812 per month in 71-72 and 25,192 in 72-73; yearly recipients would be 249,750 in 71-72 and 302,310 in 72-73. Total cost based on these projections of recipients at \$37.00 per monthly payment would be \$9,240,750 in 71-72 and \$11,185,470 in 72-73. State's share would be \$3,746,250 in 71-72 and \$4,534,650 in 72-73. In addition, they would have to add in addition to State's share \$839,655 in 71-72 and \$1,142,685 in 72-73. Present case load is 16,064 per month.

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ADC at \$35 - Case load (recipients) would be the same as in discussion on ADC at \$37.00. Cost per year total would be \$8,741,250 in 71-72 and \$10,580,850 in 72-73. Cost to State would be \$3,246,750 in 71-72 and \$3,930,030 in 72-73. Additional amount for State would be \$727,701 in 71-72 and \$990,327 in 72-73.

ADC - Title XIX - Original projection was 211,000 people. Additional cost to State would be \$401,235 in 71-72 and \$620,871 in 72-73. Mr. Lingenfelter remarked that ADC at \$35 would be \$2,900,000 above Governor's recommendation. Mr. Lingenfelter corrected himself and stated that it would be \$3,425,128 above.

Mr. Duarte remarked that it is difficult to make any ADC projections due to court decisions and things from the Federal level. A formula is very difficult to arrive at. Assemblyman Swackhamer questioned the 15 months. Mr. Duarte stated this is questionable on this basis but he did not see any trend downward. Originally that is where the 200,000 came in. Mr. Duarte remarked that the 21% figure was based on March 1970 and that the last one was passed through September of 1970.

Mr. Hilbrecht felt that we should have an administrative procedure to limit the appeals; he remarked that this would be a savings instead of an expenditure.

Senator Gibson remarked that if there were 4,300 hearings and only one Welfare Board, they would have to meet every day and this would amount to 10 hearings per day. Mr. Hilbrecht replied that when these appeals went to court, the court would not have to take the same amount of time. He added that the difference is that a Welfare Board is cheaper to run than a court. He also added that if we did not have this elimination of eligible recipients from the rolls then we would not be faced with these additional costs at this time.

Mr. Miller responded to Mr. Hilbrecht's remark by stating that they are harrassed and that these hearings will still end up in court. He remarked that these recipients will not settle for a Welfare Board decision. Mr. Miller emphasized that he did not agree with Mr. Hilbrecht's statement.

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Mr. Duarte did not feel that all cases would be appealed. Mr. Hilbrecht remarked that it would be easier for a judge to review a record and felt that the Committees ought to explore this area.

Mr. Lingenfelter questioned whether the record could be kept with hearing officer and if the case was appealed whether the record could be used in court.

Attorney General Bob List remarked that A.B. 760 as written, a hearing record would be kept.

Senator Pozzi asked Mr. Duarte how much money would be saved by cutting recipient monthly payments back to \$32.00. Mr. Duarte remarked that we would be saving 40% of State dollars - \$409,095 in 71-72 and \$368,865 in 72-73.

Chairman Lamb stated that we will set up another joint meeting and will review these requests.

Being no further business the joint meeting was adjourned at 10:30 A.M.

Chairman Young called the meeting to order at 3:40 P.M.

Present: R. Young, Howard, Capurro, Hafen, Brookman, Mello, Schofield, Swackhamer, Hilbrecht, Lingenfelter

Absent: F. Young (Excused)

Guests: Earl Oliver, Fiscal Analyst; John Dolan, Dept Admin; Norman Glaser, Assemblyman; Paul Garwood; Dr. Jack Todd; Hugh Smith; John Gamble; Roland Dick; Shirlee Wedow; Warren Stanley; Ernie Mitchell; Paul May, Assemblyman.

A. B. 423 - Authorizes board of regents of University of Nevada to establish centers for economic education and makes appropriation.

Mr. Glaser remarked that he was a member of the Committee on Economic Education and remarked that presently we do not teach students about economics on the free enterprise system. A. B. 423 would establish centers at UNR and UNLV where these subjects could be taught. He remarked that the profit motive in our free enterprise system has made our country great today and this subject is overlooked in our universities today. He brought it to the attention of

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Committee members that back in 1923 the Legislature expressed its interest in this area. He urged implementation of these courses in our University system.

Dr. Garwood testified that there is a lack of knowledge among teachers, voters, laborers, etc., in economics. This area has been neglected in the school systems. He stated that this program is an attempt to get economics into grade schools, secondary schools and into universities.

The budget in the University System does not include establishment of economic centers; this proposal has been discussed and approved by the Board of Regents. The University will support the program if it is funded by the legislature. Additional funding for the program is being sought from other sources, i.e. Fleischman, etc.

Dr. Todd remarked that technical economics and education of economics must be combined. One specialist in this area would be needed for UNR and UNLV. These two people would have additional duties i.e., inservice training classes for people already teaching in public schools, workshops, etc.

Mr. Hilbrecht remarked that students are going to get the wrong idea. He expressed his desires to see this program integrated and become part of the entire educational process. Mr. Hilbrecht remarked that we don't want this to become identified as a PR movement.

Mr. Garwood stated that primary and secondary schools are looking for help. Mr. Hilbrecht responded that he would prefer to see a program whereby the school of education gets these people who are experts in this area of economic education and develop the program this way. He did not feel that this proposed "blitz" would get it on.

Dr. Todd stated that it was very important that economic concepts be brought up before the child as he is growing up. Proposed centers are vital to serve our school districts. If we do not have an economic resource within our university system, we will be handicapped.

Mr. Lingenfelter moved Indefinite Postponement on A.B. 423
Mr. Howard Seconded the motion
PASSED UNANIMOUSLY

Chairman Young will write a letter to the Board of Regents expressing Committee support of proposed program but advising them that funding for program would have to come out of University's existing budget.

A.B. 751 - Makes general fund appropriation to Nevada educational communications commission to pay operational costs of statewide public television network.

A.B. 752 - Makes general fund appropriation to Nevada educational communications commission for construction, equipping of television station and acquisition of translators.

Mr. Hugh Smith was present to testify on A. B. 751 and 752.

This system will serve 90% of the general State population and 95% of the schools. Refer to phased development handout on Nevada Public TV network.

HEW advised Educational Communications that they must cut back their application for federal money \$467,500 dollars this year. Educational Communications is breaking down their proposed plan into 3 phases.

Phase I activates station on Slide Mountain. All towns in central Nevada would be served. Translators are needed at Lovelock, Winnemucca, Carlin and Battle Mountain and Elko. In addition, translators are needed at Austin and Eureka. State's cost \$119,662 and \$70,500 operating.

Phase II activates Ely-McGill satellite station. State's share \$57,156 and operating \$22,863.

Phase III - Interconnection of stations so we can have as many as 4 different programs simultaneously; this would provide regional flexibility. State share - \$113,550 and \$82,920 for operating.

Mr. Smith remarked that the two bills separate the capital and operating expenses. HEW will provide 75% of capital costs. State would pay 25%. Presently they have \$12,000 for operating in Phase I, Las Vegas will provide \$24,000 which leaves a balance of approximately \$36,000 to be funded for first year. This will enhance Community college courses as it will bring in more dollars as people can take courses

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at home via T.V.

Mr. Warren stated that he was not prepared for testimony on this today. Mr. Lingenfelter remarked that Mr. Wally Kurz also would like to testify on this. Ernie Newton also requests to be heard on this bill.

HOLD

A.B. 489 - Creates Governor's advisory council on children and youth.

Mrs. Shirlee Wedow was present to testify in favor of this bill. This would enable adults and youths to exchange ideas and understandings; council would provide policy recommendations. Cost would be \$3,000 for the biennium.

Section 4.2 (b) should be amended to read: The state director of Health, Welfare and Rehabilitation.

Council would not consist of less than 15 or more than 21 people, 1/3 of council to be composed of youths between ages of 14 and 21. Council would meet at least 3 times per year.

Mr. Schofield moved a DO PASS as amended
Mr. Hilbrecht Seconded the motion
PASSED UNANIMOUSLY

A. B. 457 - Provides for organization of county courts.

Warren Stanley, Constable of North Las Vegas and Assemblyman Paul May were present to testify in favor of maintaining the constables. They are in favor of having Section 53.2 (b) amended to read: Service of the process shall be made by the constable.

Mr. Lingenfelter stated that he had talked to Assemblyman Fry who stated that he never used constables because they are too expensive and he did not feel that they were necessary any longer. Most attorneys use the sheriff.

HOLD

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A.B. 707 - Authorizes state board for vocational education to expend money from vocational education gift fund.

Mr. Lingenfelter moved DO PASS
Mr. Howard Seconded the motion
PASSED UNANIMOUSLY

A. B. 710 - Increases required contents of school district audit report.

Mr. Howard moved DO PASS
Mr. Lingenfelter Seconded the motion
PASSED UNANIMOUSLY

A.B. 711 - Revises and clarifies fiscal analyst's duties with relation to count of moneys and securities in state treasury.

Mr. Lingenfelter moved DO PASS
Mr. Mello Seconded the motion
PASSED UNANIMOUSLY

A. B. 722 - Repeals law requiring superintendent of banks to occupy offices of state board of finance.

Mr. Lingenfelter moved DO PASS
Mr. Mello Seconded the motion
PASSED UNANIMOUSLY

A. B. 755 - Authorizes Public Employee's Retirement Board to invest moneys in its funds in time certificates of deposit.

Mr. Lingenfelter moved DO PASS as amended (amend out savings and loan).
Mr. Howard Seconded the motion
PASSED UNANIMOUSLY

A. B. 777 - Redesignates state general obligation bond commission fund as state general obligation bond commission account.

Mr. Lingenfelter moved DO PASS
Mr. Mello Seconded the motion
PASSED UNANIMOUSLY

A. B. 778 - Repeals licensing provisions pertaining to farm labor contractors and transfers funds.

Mr. Lingenfelter moved DO PASS
Mr. Howard Seconded the motion
PASSED UNANIMOUSLY

A. B. 779 - Requires state controller to make distributions from local school support tax fund.

Mr. Lingenfelter moved DO PASS
Mr. Schofield Seconded the motion
PASSED UNANIMOUSLY

A. B. 781 - Requires state department of agriculture to maintain records concerning special taxes.

Mr. Lingenfelter moved DO PASS
Mr. Howard Seconded the motion
PASSED UNANIMOUSLY

A. B. 757 - Increases salary and provides additional per diem expense for State Welfare Board.

Mr. Lingenfelter moved INDEFINITE POSTPONEMENT
Mr. Mello Seconded the motion
PASSED UNANIMOUSLY

A. B. 754 - Prohibits overtime pay, compensatory time for department division heads in state unclassified service.

Mr. Lingenfelter moved DO PASS
Mr. Howard Seconded the motion
PASSED UNANIMOUSLY

A. B. 769 - Authorizes state general obligation bond commission to issue securities for designated facilities and provides for their acquisition; makes appropriation to state general obligation bond commission fund.

Mr. Hilbrecht moved DO PASS
Mrs. Brookman Seconded the motion
PASSED

Nays: Mr. Swackhamer

A. B. 203 - Establishes probation subsidy program for youthful offenders

(A. B. 533 has money for A. B. 203)

Mrs. Brookman moved DO PASS
Mr. Schofield Seconded the motion
PASSED UNANIMOUSLY

A. B. 533 - Permits commission on crime, delinquency and corrections to administer changes in law enforcement programs.

HOLD

A. B. 260 - Makes appropriation to department of administration to conduct in-depth study of current status of Nevada public school system.

Mr. Swackhamer remarked that this study would be conducted by Dr. Davis from University of Nevada.

Mr. Hilbrecht moved DO PASS
Mrs. Brookman Seconded the motion
PASSED UNANIMOUSLY

A. B. 321 - Makes appropriation to legislative commission to re view state's tax structure.

Discussion on tax studies. Governor is in favor of tax study. Study would determine in what areas revenue is needed and where revenue could be raised. Mr. Hilbrecht felt that through a study State would save money in the long run and in addition have fairer taxes.

Mr. Lingenfelter agreed with the concept but was in disagreement with the bill. He felt that we should have a subcommittee in the legislature take care of this.

Mr. Hilbrecht remarked that many studies die because they are not properly funded.

Mr. Hilbrecht moved that the Chairman of Ways and Means appoint a subcommittee to come up with amendments to this bill.

Mr. Lingenfelter Seconded the motion
PASSED UNANIMOUSLY

Joint Meeting of the Assembly Committee on Ways and Means
Senate Committee on Finance

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Brief discussion on welfare.

Being no further business the meeting was adjourned at
6:00 P.M.

WAYS AND MEANS COMMITTEE-NEVADA STATE LEGISLATURE-56th SESSION

AGENDA - MARCH 24, 1971 - WEDNESDAYAFTERNOON/CLOSING BUDGETS

2:00

WAYS AND MEANS-NEVADA STATE LEGISLATURE-56th SESSION

AGENDA - MARCH 25, 1971 - THURSDAYMORNING/ BILL HEARING

11:00 A. B. 506 - Makes general fund appropriation to
state soil committee for watershed
planning

AFTERNOON

2:00 Unclassified Salaries; Supreme Court

Closing Budgets

Welfare ADC, Title XIX, Requests for additional
hearing officers and support funds

5:00 Joint meeting with Senate Finance - closing
budgets, unclassified salaries and Welfare