

MINUTES - WAYS AND MEANS COMMITTEE
NEVADA STATE LEGISLATURE - 56th SESSION - APRIL 1, 1971

Chairman Young called the meeting to order at 7:30 P.M.

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

Absent: None

Guests: Earl Oliver, Fiscal Analyst; John Dolan, Budget; Mike Medema, Legislative Auditor; Jim Wittenberg, Bob Gagnier, Mrs. MacEacheren

S. B. 72 - Provides increases in salaries for state classified personnel effective January 1, 1971.

Bob Gagnier stated this bill was introduced per the request of the State employees Association. Refer to handout. Classified personnel requesting a 10% salary increase retroactive to Jan. 1, 1971 and in addition a 6% increase in January of 1972 for the cost of living. Senate Finance passed salary increase.

This bill provides for a 22.8% increase and Mr. Gagnier remarked that this would not even enable State employees to keep up with the cost of living increase. Based on the current turnover rate between January 71 and July 73 the State will lose 2,076 employees (this is one half of all State employees). Mr. Gagnier remarked that it is the skilled technical personnel that are leaving, also there is the 10% natural turnover. Mr. Lingenfelter remarked that he had received many calls from people asking how they can get a job with the State. Mr. Gagnier replied that it is mainly unskilled people that are looking for jobs. Mr. Lingenfelter disagreed with this and stated that many people whom he had talked with were skilled personnel. Mr. Gagnier remarked that the key to this is why are these people leaving.

Mr. Gagnier stated that a salary survey performed by the U. S. Dept. of Labor was not valid information. He testified that State employees in Nevada as regards to salaries rank about 13th in the nation. In Las Vegas he remarked that clerk typists are paid \$100 more per month than in any other part of the State. He remarked that this was hard for him to justify to

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State employees. Mr. Gagnier compared salaries of political subdivisions with those of State employees. Refer to handout. He remarked that most political subdivisions have better fringe benefits than the State has. He added that many of our clerical employees are waiting to get jobs with political subdivisions.

Mr. Gagnier reiterated that they wanted to go back to a 10% pay increase for the first year and would accept 5% increase next year.

Mr. Howard stated that if he was going to give a 10% increase that he wouldn't give 10% until July 1, 1971 (5% increase retroactive to January 1, 1971 and 5% in July of 71). Mr. Gagnier stated that this was not in the bill.

Jim Wittenberg stated his interpretation of the bill which was 5% increase effective January 1, 1971 and a potential 5% increase in January of 1972. He remarked that the bill did not provide for an additional 5% increase in July of this year. Discussion on interpretation of Section 1.

Mr. Wittenberg made a few remarks on salary surveys from which they had compared data. He stated that the present 19% turnover rate in the State is better than it has been in the past but it is still not desirable. Job comparability is of prime importance in a job survey, and they placed a great amount of emphasis in this area in their survey. In collecting data they asked all organizations if they anticipated an increase in salaries within the next 6-12 months and this was considered in their survey. He stated that they are trying to bring the State's average rate up to the average employer. He remarked that the employer contribution would raise what the employee is actually getting to 6.3%. He urged that the State rates be competitive. Mr. Wittenberg felt that an annual adjustment of salary would hold the turnover rate down.

Mr. Gagnier remarked that they did not have a longevity program and that this adds a large amount to salary differences.

Mr. Howard remarked that 95% of employees will pick up a merit increase. Mr. Wittenberg remarked that impactions are not normally reached for about 6 years and the employee must be promoted to get a salary adjustment.

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S. B. 49 - Provides free group insurance to public employees
(A. B. 207)

Mr. Wittenberg testified that the Senate had amended their bill into our bill. He remarked that they found this to be the prevailing practice in political subdivisions in the State. This amounts to a 1.3% non taxable salary increase to employees and allows us to keep a good insurance program.

Mr. Mello remarked that a State employee does not have a physical examination, and questioned whether they would have to undergo a physical. Mr. Gagnier responded by saying that this would be up to the committee on group insurance. Mr. Capurro remarked that this insurance was rebid every two years which would make everyone, under bidding of new insurance, eligible to sign up.

Mr. Capurro asked Mr. Gagnier if 17.18 was a firm figure for the first year. Mr. Gagnier replied that it was. In answer to Mr. Capurro's question if the amount in the second year was guaranteed, Mr. Gagnier replied that it was not.

Mr. Capurro remarked that it was very seldom that a group would have 100% participation.

Mr. F. Young moved DO PASS on S. B. 49
Mr. Hilbrecht Seconded the motion
PASSED UNANIMOUSLY

S. B. 24 - Provides for payment of certain moving expenses
of State employees

Mr. F. Young moved DO PASS
Mr. Hilbrecht Seconded the motion
PASSED UNANIMOUSLY

S. B. 304 - Increases transportation allowance for public
employees.

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

A. B. 283 - Authorizes time and one-half for overtime for
State employees.

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

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S. B. 72 - Provides increases in salaries for state classified personnel effective January 1, 1971, makes appropriations.

Mr. Oliver remarked that there has to be a bill to provide the money for the current year and if the date is January 1, perhaps it should be clearly outlined as to who is to be paid.

Mr. Dolan remarked that the Attorney General gave verbal opinion and stated that terminated employees are excluded from retroactive pay.

Mr. Hilbrecht suggested calling this a bonus instead of making this retroactive pay.

Mr. F. Young asked the Committee their feelings regarding pay increases starting in January versus June. He stated that he did not like to build pay increases in on Jan. 1, but would rather see pay raises come at the first part of the fiscal year. He didn't favor starting a pattern of retroactive pay increases. Mr. F. Young suggested approving a 6% increase retroactive to January 1, and 4% increase effective July 1 instead of January 1 because the bigger amount must last for an 18 month period.

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

A. B. 636 - Authorizes Nevada Heritage Association to borrow money to purchase V & T rolling stock.

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

Mr. Lingenfelter moved the following amendment: Title of V & T belongs to State of Nevada until the loan is paid off.
Mr. Capurro Seconded the motion
PASSED UNANIMOUSLY

DISTRIBUTIVE SCHOOL FUND

Mr. Lingenfelter, Chairman of the Subcommittee on Education, made a report as to the Subcommittee's recommendations concerning the Distributive School Fund Formula. The total basic support figure for 1971 -72 is \$671. This provides for an increase in transportation from 60 to 70%. The total basic support figure for 1972-73 is \$678 with an increase in transportation to 75%.

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Mr. Lingenfelter discussed the triggering device in the formula. If there is a 1½% increase in taxable sales in the first part of the biennium (over the Governor's budget), the basic support per pupil would be triggered to \$681 and it will go to a maximum of \$685 if taxable sales increased 2.5%. Interim Finance Committee must approve the triggering device. The Interim Finance will meet after the first of January and will review the triggering device.

Mr. Lingenfelter stated that approximately \$48,000,000 State dollars is involved. Money is out of S. B. 77 (lower ADA).

Mr. Hilbrecht moved to adopt the proposed Distributive School Fund Formula

Mr. F. Young Seconded the motion
PASSED UNANIMOUSLY

A.C.R. 45 - Authorizes acquisition of certain lands and facilities by Nevada State park system. (Replaces ACR 38).

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

A. B. 680 - Authorizes Welfare Division to grant financial assistance to certain adoptive homes.

Chairman Young remarked that he had a recommendation to put a maximum of \$10,000 into this.

Mr. Capurro moved the following amendment: maximum of \$10,000 and DO PASS
Mr. Mello Seconded the motion
PASSED UNANIMOUSLY

A. B. 506 - Makes general fund appropriation to state soil committees for watershed planning

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

A. B. 485 - Makes conditional general fund appropriation to Nye County School District; provides for repayment by school district under certain conditions.

Mr. Hafen gave testimony on this bill. A. B. 485 provides for

a \$500,000 loan to Nye County. Mr. Hafen remarked that Nye County has filed a tax suit and if they win the suit, this money will be paid back to the State.

Mr. Hafen stated that they have the first five grades down there now and the rest of the grades are being transported 60 miles one way to a school in Shoshone, Calif.

Nye County bonding commission turned down bond proposal for construction of new school because they maintained that there was not space for this in the county's ad valorem budget. Originally Nye County's proposal for construction of school was 1.4 million dollars. Mr. Hafen stated that they have received two estimates from Speed Space and Design Facilities for construction of a modular type of facility for approximately \$800,000.

Mr. Hafen presented Committee members with enrollment projections. He stated that Nye County is experiencing an 18% increase per year in enrollment. Growth is coming from Las Vegas and people from Southern California are moving in.

Mr. Hilbrecht inquired about the possibility of an emergency loan for this construction. He remarked that he disliked setting a precedent for other school capital improvements.

Mr. Hafen felt that there would be a trend for State participation. There is 4 million dollars for capital improvements for one shot type of projects. Transportation costs per pupil to Shoshone is approximately \$88. \$1,089 is paid to California per student. Mr. Hafen remarked that he was not saying that this would offset the cost of having a high school because you would have to build it and maintain it.

He said that Nye County is being hurt because they are in the midst of building a hospital. Present population in county is 5,900.

Discussion on the 4 million dollars to be appropriated for one shot items which will be distributed among the 17 counties according to their ADA. Nye County's share of this will be \$40,000 - \$50,000. Mr. Hilbrecht suggested deducting this from the \$500,000 appropriation request from the State for the construction.

Mr. Lingenfelter stated that he was willing to try to take the needed money out of the \$4,000,000.

Mr. Lingenfelter moved that we take this money out of the \$4,000,000 and DO PASS bill as amended
Mr. Mello Seconded the motion
PASSED UNANIMOUSLY

A. B. 490 - Authorizes issuance of University of Nevada System revenue bonds and makes general fund a-propriations for construction of certain facilities at campuses of University of Nevada, Reno and Las Vegas.

Mr. Capurro moved INDEFINITE POSTPONEMENT
Mr. F. Young moved that the Committee defer action
HOLD

A. B. 281 - Empowers State department of agriculture to regulate use of pesticides.

Mr. Lingenfelter stated that \$15,000 in this budget is well spent. Mr. F. Young concurred.

Mr. Howard moved DO PASS with \$15,000
Mr. Lingenfelter Seconded the motion
PASSED UNANIMOUSLY

A. B. 91 - Requires payment to public employees for accumulated sick leave upon retirement or death.

Mr. Howard moved INDEFINITE POSTPONEMENT
Mr. Lingenfelter Seconded the motion
PASSED

Nays: Brookman, Hilbrecht, Mello, Schofield

A. B. 591 - Provides for granting of educational leave stipends to state employees.

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

Nays: Brookman, Capurro

Note: Mrs. Brookman will object on the floor.

A. B. 365 - Requires public fallout shelters in public buildings
HOLD

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S. B. 70 - Increases amount to be paid prisoners on release from State prison

Mr. F. Young moved DO PASS
Mr. Capurro Seconded the motion
PASSED UNANIMOUSLY

A. B. 463 - Increases annual salaries and compensation of certain elected state officers effective on various dates.

Chairman Young remarked that his opposition to this is that he did not believe we should set their salaries until 1975.

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

A. B. 229 - Increases compensation of justices of supreme court, district judges.

HOLD

A. B. 228 - Authorizes counties to compensate district judges for services as ex officio circuit judges.

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

A. B. 75 - Authorizes increased pension for judges retiring after 16 years of service

Mr. F. Young moved DO PASS
Mr. Hilbrecht Seconded the motion
PASSED UNANIMOUSLY

A. B. 154 - Revises provisions pertaining to supreme court officers, employees and fees.

Mr. Hilbrecht will get the amendment
HOLD

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

HOLD

Being no further business, the meeting was adjourned at 11:00 P.M.