

Joint Meeting  
SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
JANUARY 22, 1973

The meeting was called to order at 9:10 a.m.

Senator Lamb was in the chair.

PRESENT: Senate Finance Committee -  
Floyd R. Lamb, Chairman  
Warren L. Monroe  
William Raggio  
Archie Pozzi

Assembly Ways and Means Committee -  
Don Mello, Chairman  
Jack Schofield  
Darrell Dreyer  
Rawson Prince  
Bob Robinson  
Randy Capurro  
Bode Howard  
Hal Smith

Others -  
Howard Barrett, Director, Department of Administration  
Earl Oliver, Legislative Fiscal Analyst  
Bob Tripp, Deputy Legislative Auditor  
John Dolan, Chief Deputy Fiscal Analyst  
Ron Sparks, Legislative Fiscal Analyst  
Bill Bible, Chief Assistant Fiscal Analyst  
Cy Ryan, UPI  
Bryn Armstrong, Las Vegas Sun  
Brendan Riley, AP

Tim Hafen had an excused absence because he was in Washington, D.C.

Mr. Barrett discussed the projections of general fund cash balances. He stated that the economy is expected to stay the same during the first year of the biennium but will slow down gradually during the second year of the biennium.

He went on to explain that the \$13,453,603 reserve was established for three reasons. (1) The Zubrow report recommended a reserve of 10%, and this figure is nearer to 10% than the budgetary reserves have been in the past. (2) A reserve is necessary when budgeting projected revenues to make allowances if the projected revenues don't come in. (3) The Budget Division is getting daily information that some of the federal funds are not going to be available in the future.

Senator Monroe asked what assurance we have about revenue sharing. Mr. Barrett said that funds have been appropriated for revenue sharing for three years and that by law it should continue for five years, but the program has not been established beyond that time and there is no assurance of its further continuance. However,

once the federal government gets into a program they have difficulty backing out of it. Mr. Barrett also mentioned that because of revenue sharing federal funds are being pulled out of other areas.

Senator Lamb stated that the 2% increase in retirement contributions is built into the budget already and is general fund money. He said in the past it has always been through employee/employer contributions.

Mr. Barrett said that presently employee/employer each put in 6% of the salary to the retirement system and in the budget this year the amount that shows for retirement is 6% which the agency will put into the retirement system. In the next biennium the budget is based upon the agency putting in 8% and maintaining the employees contribution at 6%. The state also built 2% into the school fund for the school systems to pay into the retirement systems the additional 2%. He went on to say that this increase won't all come from the general fund; if the agency is supported by federal funds this 2% will come from federal funds. "We're advising a 5% increase in salary for state employees now. If we increase their contribution to the retirement system and take away 2% they will only receive a 3% increase, but it isn't even that because they will have to pay taxes on the 2%.

Pages A-1 through A-18 of the budget were discussed with emphasis given to the rebate of property taxes for the elderly, supplementals, and land registration and sales representative fees.

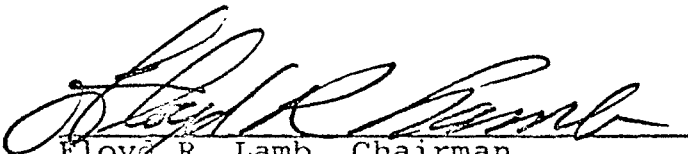
Mahlon Brown arrived at 9:45. The meeting was adjourned at 10:10 a.m.

Respectfully submitted,




Secretary - Senate Finance Committee

APPROVED:



Floy R. Lamb, Chairman  
Senate Finance Committee



Don Mello, Chairman  
Assembly Ways and Means Committee