

SENATE FINANCE COMMITTEE
MINUTES OF MEETINGS
MARCH 13, 1973

The meeting was called to order at 4:35 p.m. Senator Lamb was in the chair.

PRESENT: Floyd R. Lamb, Chairman
Warren L. Monroe
B. Mahlon Brown
James I. Gibson
William J. Raggio
Clifton Young
Archie Pozzi

Earl Oliver, LCB Fiscal Analyst
Bob Tripp, LCB Deputy Legislative Auditor
Howard Barrett, Budget Director
Cy Ryan, UPI

S.B. 325:

SUMMARY: Makes appropriations to contingency fund created by NRS 353.266 for interim finance committee.

Senator Brown moved they recommend a do pass. Senator Young seconded the motion, and it passed unanimously.

Senator Pozzi came into the meeting at 4:40.

S.B. 390:

SUMMARY: Requires fiscal notes prepared for all bills having a certain fiscal impact.

Currently only administration bills require a fiscal note, and this would require all bills to have them.

Senator Brown moved the committee recommend a do pass. Senator Monroe seconded the motion, and it passed unanimously.

S.B. 382:

SUMMARY: Permits transfer of moneys between accounts by division of state parks.

Mr. Barrett said, "This is one where we allowed the parks division last summer to put their federal money into their construction fund out of their operating fund." Mr. Oliver said, "This is one we are very much opposed to. There was federal money available for this purpose but it wasn't

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requested so now they are asking for a transfer from construction to compensate for these costs when actually they could have asked for federal reimbursement.

Senators Gibson and Raggio entered the meeting at 4:45 p.m.

"We asked the park division why they did this and they said this was because it was so complicated to ask to recover federal money."

Mr. Barrett said, "It was so complicated to get federal money from construction to operating so we allowed them to do this, and it doesn't represent a loss of funds, the federal money will be recovered."

Mr. Oliver said that they didn't get the federal money recovered. Senator Lamb asked that they check it out.

S.B. 381:

SUMMARY: Requires certain money received by state park system to be placed in general fund.

Mr. Barrett said, "We have budgeted most of these receipts from parks into the general fund, but year during an audit it was pointed out that by law these fees should be placed in the parks gift fund. We are simply correcting the law to allow us to do what we have been doing for years."

Senator Gibson moved the committee recommend a do pass. Senator Raggio seconded the motion, and it passed unanimously.

S.B. 380:

SUMMARY: Provides that interest on deposits of money of fund be credited to such fund.

Mr. Oliver stated, "This provides language in statute that would enable those funds (such as the distributive school fund, retirement fund, etc) which derive interest from the funds to allow them to keep the interest so derived in that fund. This would affect only those funds whose statutes presently indicate they can keep the interest on their funds. We are asking for clarification so that where there is a special provision in the laws affecting the funds indicating that interest be kept in the fund, they may do so." (Currently the laws are conflicting.)

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Mr. Barrett said he disagreed because, "Every special fund could receive a portion of the interest. We have many funds, the purchasing revolving fund, the motor pool fund, the Marlette water system fund, etc. I think it would be a bookkeeping nightmare to do this and we would need more employees." Mr. Oliver said, "What Mr. Barrett says is not true because he is saying this involves accounts, not funds. What we are talking about is only any fund which is authorized in law to keep their interest from their fund. I don't think it is any big deal and could be done with existing state employees. There is \$60 million invested in time certificates of deposit and that money belongs to all funds but all interest goes into the general fund. For instance, the legislative retirement fund is an excellent example. The interest from this fund goes into the general fund not to the legislative retirement fund. There has to be some responsible way that they could identify on these funds where interest is required to go back to the fund that owns the money."

Mr. Barrett said, "We have met with the treasurer, controller, and Mr. Oliver, and both the treasurer and controller are in opposition to it. You should list the funds that would be excluded from contributing their interest to the general fund."

Senator Gibson noted that S.B. 412 affects the same thing, so whatever we do will have to be done together.

Mr. Oliver said, "There aren't any disagreements with the principal, but the ground rules need to be worked out. There are 155 funds granted by the legislature and in each there is a section of law stating whether they are entitled to keep their interest."

Senator Monroe said, "Don't you think you will get into a hassle over people trying to get into this? (Trying to keep the interest accrued from their fund.)"

No action was taken.

A.B. 294:

Mr. Barrett said, "This is the amount the controller is asking for to continue operation of his office for the rest of this fiscal year. I don't know whether he runs out of money today or tomorrow." Senator Gibson moved they recommend a do pass on this bill. Senator Young seconded the motion, and it passed unanimously.

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S.B. 383:

SUMMARY: Provides for increased per diem allowance for state employees.

Senator Pozzi said, "When you go out of state to any of these conferences usually they are located in a good hotel and you can pay \$40 a day. Mr. Barrett said, "It would be very hard for us to give you an exact figure on how much this would cost. Most employees when they go out of state have to pay part of their expenses themselves." Senator Gibson said, "This item affects us when we travel between sessions." He noted that at the present time it allows only \$10 for food and \$10 for a room. Mr. Barrett said, "A number of states handle this by paying actual receipts. Prior to 1962 we did that, although from a preaudit standpoint it was a mess."

Senator Raggio said, "I think if you have actual necessary expenses you should be reimbursed for them. I would like to see them pay actual expenses, because sometimes you wouldn't need as much as other times, and everybody reports to a boss so let them examine actual expenses." Senator Young said, "I don't think these people are overly endowed with great fiscal responsibility." (Although he was referring to people with expense accounts in general.) Senator Brown said, "I feel this was wrong (the low per diem) because they usually have rooms in nice areas where they hold conventions." Senator Raggio said, "A room in Washington, D.C. would cost at least \$35 and they have only been paying \$25 per day for all expenses. You are asking the state employee to go to the conference and not paying his way." Senator Pozzi noted that when he was required by his firm to attend out of state meetings they paid him \$60 per day and \$25 per day while he was flying from the meeting. Senator Lamb requested that Mr. Barrett let them know what other states are currently doing about per diem.

STATE TREASURER - Page 15:

Senator Young moved they approve the governor's budget. Senator Raggio seconded the motion, and it passed unanimously.

ATTORNEY GENERAL ADMINISTRATIVE FUND - Page 20:

Mr. Barrett noted that last year the University of Nevada Chancellor's Office had two attorneys. One deputy attorney general was paid from the board of regent's discretionary fund, but they say these funds are disappearing, and they can no longer do this. The other deputy attorney general was funded through the fund on page 20 (this fund). However,

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due to an error they were left out of both budgets. The attorney general thought they were listed in the university budget, and the university thought they were in the other budget. Mr. Barrett said they would have to increase the attorney general's budget from \$370,830 in general funds to \$393,357 for an increase of \$22,527* and that same amount (the increase) would have to be subtracted out of agency payments. The position under discussion is "council board of regents" which is the sixth position up from the bottom on page 20. Mr. Barrett noted that the committee had made a cut in the System Administration and Press section of the university's budget (which would include the chancellor's office, board of regents, etc). He said because of this cut and because the attorneys positions were left out of the budget by error they would be unable to keep their two attorneys on. Senator Gibson said, "That's their low priority then. We didn't cut the attorney's positions or tell them where they had to cut. We just cut a certain percentage and left it to them." Senator Lamb said, "If we cut the university's budget and then added two positions in this (the attorney general's budget) then we are just giving back the university what we took away. The attorney general would just funnel this back to the university."

*first year
& \$22,660
the second

Mr. Barrett again reiterated that the university wouldn't have any legal counsel unless they put money back into this budget.

Senator Raggio said, "I don't see where if we cut the budget they would automatically kick out the attorneys. It was not the intention of the committee to cut the deputy attorney generals. We just cut the general fund appropriation." Senator Lamb said, "We took X number of dollars out of their budget, and you would be giving it back to the university if we put more money in this budget." Someone said with all the money they would be receiving they should be able to figure out a way to keep their counsel.

Senator Gibson mentioned that they could say the attorney general could pay for the university attorneys. However, Senator Gibson moved that they approve the governor's recommendation on this budget (with NO mention of the attorney general paying for the university attorneys). Senator Raggio seconded the motion, and it passed with Senators Lamb, Gibson, Brown, and Raggio voting for and Senators Monroe, Pozzi, and Young voting against.

LIEUTENANT GOVERNOR - Page 13:

Mr. Oliver said, "The recommendation now presented is in the second year of the biennium to add \$9,200 into this budget

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to pay the salary and per diem during the 1975 Session of the Legislature. The \$9,200 would not be an increase, but would come out of the legislative fund and would be a decrease in the legislative fund. By putting this in here it would make the costs more visible and would consolidate the expenses into one budget. The lieutenant governor draws \$6,000 in salary, \$2,000 for overtime, and draws \$60 a day for those days he serves as governor when the governor is out of state. In 1971-72 he drew \$11,800 from this budget and was also paid from the legislative fund \$32 a day for 99 days as his salary for the 1971 session, so the total payment for his salary was approximately \$18,500. What we are suggesting is that these be put in one location and in one budget account so that they be visible. Without the per diem the lieutenant governor draws approximately \$14,000 on uneven years and \$16,000 on the even years."

Senator Monroe moved to put the \$9,200 into this budget from the legislative fund. Senator Pozzi seconded the motion, and it passed unanimously. This would bring the budget to \$30,290 in the second year of the biennium.

SPECIAL FUND - Page 23:

Senator Pozzi moved to approve the governor's recommendation. Senator Young seconded the motion. Mr. Barrett said there had been a special fund available to the attorney general since 1961 and it was used for special investigations. He said they had seen every claim that comes through the fund (the budget office), and they spent everything but \$4 last year. The motion passed with everyone voting yes except Senators Lamb and Monroe who voted no.

PRIVATE DETECTIVE FUND - Page 24:

Senator Pozzi moved they approve the governor's recommendation. Senator Gibson seconded the motion, and it passed unanimously.

INSURANCE PREMIUM FUND - Page 39:

Mr. Barrett said, "Because of several tort claims I am sure that they are going to come in and ask to increase the premiums, but we aren't asking for this increase. We have \$20,000 liability policy which only costs \$37,000 this year. If the premiums do go up we would have to assess agencies a higher amount of money." Senator Young moved they approve this budget. Senator Brown second the motion, and it passed unanimously.

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TAX COMMISSION - Page 90:

Senator Gibson moved they approve the governor's recommendation. Senator Young seconded the motion, and it passed unanimously.

PUBLIC DEFENDER - Page 104:

Senator Raggio noted they were asking for additional money because they were going to have to handle misdemeanors. He said, "I believe the actual contracts and funds are sufficient now without the additional money for the misdemeanors. They would have to take all misdemeanors in cases where people are indigent. Why is general fund money necessary for this."

Senator Gibson said, "I move we cut back the general fund appropriation to \$40,000 each year. That was the amount of money we started into the program with. When we were sold this program we were told this was the amount of money necessary to get it going." Senator Brown said, "We figured it would be a little cheaper in the long run."

Senator Raggio pointed out that one of the reasons for the program was that the smaller counties didn't have attorneys to handle criminal defenses because they had few attorneys and they had conflicts of interest, etc.

Senator Gibson said, "We agreed to go in and let them get started. The misdemeanors aren't state offenses, why not let the counties handle those." Senator Pozzi noted that if they left the general fund at \$40,000 they started out with this would reduce their general funds by \$24,000. Mr. Barrett noted that this might jeopardize their LEAA matching funds.

Senator Young said, "If you are going to put this on the counties you are going to have a practical problem. I don't see why we should say just because your an attorney you should have to provide free legal counsel to people." (Cutting this budget would cut funds available to contractors.) Senator Monroe said, "If you put the burden of this on the counties you won't see anybody going to jail anymore."

Senator Brown seconded the motion and it passed with Senators Lamb, Brown, Gibson, Pozzi, and Raggio voting yes and Senators Monroe and Young voting no.

COURT ADMINISTRATOR - Page 111:

Senator Pozzi moved to abolish this budget. Senator Monroe seconded the motion.

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Senator Young said, "I think you need a court administrator almost more now than if the state had passed the constitutional amendment. You know we have problems. How can you say we need to build a bigger prison and then do away with the court administrator and reduce the public defender's budget? It seems to me that we aren't giving enough attention to the other end of this, keeping people out of prison."

Senator Gibson said, "When we were sold this last session, you said let's put a man in here and see what he can do. He did nothing." Senator Raggio said, "I think this is worth continuation because Grant Davis won't be here anymore. There were other accomplishments other than statistical development. For instance, their training program for judges I understand was well done and received well, and is pretty damn necessary. We shouldn't abolish this job because we haven't been able to somehow provide some muscle."

Senator Lamb said, "How can you get some young attorney (and no experienced attorney with a large established practice would take the job) to go up against these judges? Someday they are going to go into practice and will be facing these people (the judges)." Senator Raggio said, "I think the court administrator will get muscle. I think its inherent within the administrative power of the supreme court." Senator Lamb said, "What happens if this man has this job for a few years and goes out and faces these judges later?"

Senator Young said, "You are criticizing the man (Grant Davis) instead of the position. I would rather spend money for a court administrator than raising the budget of economic development." Senator Gibson said, "Where in the lower courts have you seen the influence of this money in the past two years? There has been no improvement. They've figured out how to work a four day week." Senator Young said, "He is trying to set up voluntary compliance with the court administrator program." Senator Gibson said, "I think if the chief justices were to crack the whip over the district judges and lower court judges I would be willing to fund this." Senator Raggio said, "I am sure that they can get the lower courts to adhere to this."

Senator Monroe said, "I think Grant Davis got out because he realized he didn't have authority to do the job. He told me he just saw the handwriting on the wall and he figured he didn't have a job he could do."

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Senator Raggio said, "I would question the increases in salary for the court administrator because we are going to get a new man and he wouldn't need the increases, but I think we should pass this with that decrease (in salary raises).

The committee voted to abolish this budget with Senators Lamb, Brown, Gibson, Monroe, and Pozzi voting yes and Senators Raggio and Young voting no.

NEVADA HERITAGE ASSOCIATION - Page 169:

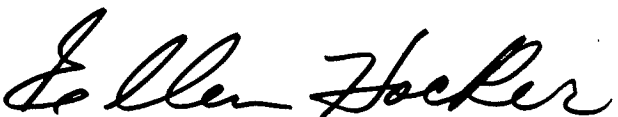
Senator Gibson moved to approve the governor's recommendation of \$1. Senator Brown seconded the motion, and it passed with only Senators Raggio and Young voting no.

NEVADA HISTORICAL SOCIETY - Page 170:

Mr. Barrett noted that reorganization (the Swackhammer committee suggestions) would start to merge these three boards (with the museums) but that there would be no effect on the budgets. Senator Monroe moved they approve the governor's recommendation. Senator Brown seconded the motion, and it passed unanimously.

The meeting adjourned at 6:05 p.m.

Respectfully submitted,


Ellen Hocker, Secretary

APPROVED:


Floyd R. Lamb, Chairman