

SENATE FINANCE COMMITTEE
MINUTES OF MEETINGS
APRIL 11, 1973

The meeting was called to order at 7:30 a.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

Dennis H. Wise, SNEA
Dale V. Lockand, SNEA
Roger Laird, SNEA
Sam Palazzolo, SNEA
Mike Kemp, SNEA
Bob Gagnier, SNEA
Don Leahy, Personnel Division
Jim Wittenberg, Personnel Division
Sister Carole, Franciscan Order
Assemblyman Ashworth

S.B. 353:

SUMMARY: Revises provisions relating to data processing and computer facility.

Earl Oliver stated that they currently use outside data processing and want to use the state computer facility, but the wording in this bill would put them in violation of the law if they continued to use the outside data processing. The committee discussed the fact that if the wording were changed exempting the legislative council bureau then they could not use the state facility. The committee wanted them to be able to use the facility on a voluntary basis but didn't want to force them to do so, and discussed suggested amendments to the language. The committee amended this bill to accomplish this.

Senator Raggio said, "We should say if they (LCB & ESD) aren't in there (in the state facility) in two years they are going to be in there at that time." Senator Monroe said, "You don't have to live with a computer." Senator Raggio replied, "Well, you have to live with the costs." Senator Monroe said, "You don't have to wait three months for your check."

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Senator Gibson moved they recommend do pass as amended.
Senator Pozzi seconded the motion, and it passed unanimously.

S.B. 245:

SUMMARY: Provides for planning and implementation of programs to assure free public education for all handicapped children of this state.

Senator Brown said, "I suggest that we approve the money the governor has allowed, and take care of the talented by allowing them to accept these children into school at the ages of 3, 4, or 5, but that they would be taken care of on the same basis as ordinary children." (He proposed that children of those ages be admitted to school but that no special funding be allotted toward them other than the same funding as usual classes.) Senator Lamb said, "You are not going to spell out these programs?" Senator Brown replied, "No, just put in the money the governor recommends and let them allow 3-5 children into school just like the other kids." Senator Raggio said, "I think there would have to be some delineation of this, some expression of what we want."

Senator Young said, "I think you are going to be asking for trouble in putting anything into writing either in S.B. 245 or the proposal the educators gave us. I think we will be locking ourselves into a program that will grow year by year and be tremendously expensive. I would rather appropriate the money and leave that artificial limitation they have now, and leave this to the discretion of the school districts. I think we would save ourselves a lot of litigation. If you assure all children of everything you will be asking for lawsuits." Senator Brown said, "But you are going to add each year all the talented children under this special program then."

Senator Raggio said, "I don't want to leave the language in, "commensurate with their needs." The problem is if you are going to put in categories even though we give them X amount of money to supply a number of units you are going to lock into this two years. How many more would fit into this category for which we wouldn't have money? The units are arbitrary, I can understand that, but appropriating X number of dollars for this purpose is arbitrary too."

S.B. 619:

SUMMARY: Makes appropriation from general fund to legislative fund.

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Senator Gibson moved they recommend do pass. Senator Brown seconded the motion, and it passed unanimously. Mr. Barrett said the cost would be about \$1.5 million.

A.B. 67:

SUMMARY: Makes general fund appropriation for state fire service training program at University of Nevada, Reno.

Senator Pozzi moved they recommend do pass. He said that they wanted this amount of money shown separately so it would show where that money was going. He said it wasn't included in their budget. Senator Gibson said, "This is just a way to get another \$1.5 million in the budget." Senator Lamb said, "This motion is going to die for lack of a second." Senator Monroe seconded the motion, and it failed with only Senator Monroe and Pozzi voting for it. The bill was killed, because it could not be passed out.

A.B. 799:

SUMMARY: Creates career incentive plan for certain state employees.

Senator Lamb said, "You are putting a man in the position of making recommendations to the employees incentive raises and you give the supervisor a whip." Senator Raggio said, "He has one now if he wants to rate him below standard." The committee discussed the fact that the employee with ten years would perhaps desire to improve his work to qualify for this raise.

Mr. Gagnier said, "We favor A.B. 799 because of the lateness of the session. We had liked the senate bill better, but it is too late to pass that through. Only employees who were rated outstanding is unworkable. We only have 5-10% who get that rating now. In order for someone to get the above standard rating the supervisor has to give a narrative, and consequently very few supervisors ever do it because its too much trouble. If you are doing a standard job you are doing everything the job requires, we feel if he is doing it effectively they should have this increase."

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Senator Lamb said, "You guys are nervous about putting this in the hands of the supervisor, what about letting the supervisor just recommend this." Mr. Palazzolo said, "When you try to force a supervisor or employee to obtain an outstanding rating, I think we are asking for a nightmare in bookkeeping, and we would either have all outstanding employees or all the greivances that personnel could handle." Senator Lamb said, "I don't think the committee is adverse to giving incentive pay raises to people who are entitled to it. What we are nervous about is people getting it who are not entitled to it."

Senator Raggio said, "Generally, we feel that the employee who goes along at standard level or below standard level has received his salary and normal pay increases that come about and that is compensation for doing satisfactory work on the theory that whoever is hired should at least be standard. If we are going to have something called incentive pay it is incentive to do something, not just incentive to do your job, it should be incentive to do something above standard. If you are going to have incentive pay then apply that for after ten years, but apply it for each year that the employee receives an above standard rating. If he gets one every year he gets incentive pay, but if he doesn't he won't. Otherwise, you're talking about longevity pay."

Mr. Gagnier said, "We are trying to encourage people to stay who might otherwise leave. The concept embodied in this bill is not original within the State of Nevada. The City of Reno has it, Clark County has the best program in the state, theirs amounts to three times as much as this bill provides for with just standard ratings, the city of Las Vegas has it, North Las Vegas, the City of Henderson, Sparks, and the City of Elko has a form of this type. Clark County and the others call it longevity pay. If you are talking about above standard then you are talking about 5% of the employees."

Senator Monroe said, "This increase in pay in addition to regular merit increases would then be just a gimmick to continue the merit increases."

Mike Kemp, NSEA, Las Vegas, said, "I work at the highway department and will soon have in ten years. Without promotion I don't have anything to look forward to. A promotion for most state employees means a 10% raise, but after that there are no further raises unless I would receive another promotion."

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Mr. Wittenberg said that an above standard rating is much more nebulous or difficult to define than the below standard one because it is easier to define what below standard work consists of. He said they had changed the forms after much study and evaluation from five levels to only three, below, standard, and above standard. He said that 80% of the employees are standard or better.

Senator Pozzi said that if a supervisor has to write a narrative for each above-standard rating and had 400 employees he probably wouldn't sit down and write that for those employees.

Senator Raggio said, "I am alarmed that 20% of employees are operating below standard." Mr. Wittenberg said that 20% weren't at any given time but there would be times over an employee's career when he might drop down and then would come back up. He said employees with ten or more years usually didn't fall below standard.

This bill would cost \$210,000 (see fiscal note attached) and some federal agencies such as employment security and the highway department, etc., would contribute federal funds to this some on a 60/40 split. The highway fund would contribute \$30,000 each year and other funds would provide \$310,050, with state general funds at \$210,000. These funds would provide raises for whatever of the 1,394 employees with ten or more years who might qualify, or all of them if necessary.

Senator Lamb said, "I don't think the \$210,000 will even start it. We are all for incentive pay but we want to pay only people who are entitled to it. If you try to get an employee fired, Mr. Wittenberg will take you to the penitentiary."

The budget division used the highway division as a guide in estimating costs because they have more long term employees than any other department.

Senator Raggio said, "Why don't we just call it longevity pay. I am willing to go along with that but I won't go along with a charade if we are paying incentive pay and calling it that when actually it is longevity pay. I would go along to call it longevity pay."

Later in the meeting Mr. Wittenberg stated they were trying to make it more of a merit reward than longevity pay. Senator Raggio suggested adopting this but they wouldn't get it if they were substandard.

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Later in the meeting Senator Pozzi moved they recommend do pass. Senator Raggio said, "I would like to change the language and call it longevity pay."

Mr. Barrett said they intended to give these raises at the first of June and the end of January.

Senator Pozzi moved to amend the bill to term it longevity pay. Senator Monroe said, "What is the difference if we call it career incentive or longevity. Why should we add this and send it back to the assembly with all this. All we are talking about is semantics." Senator Brown seconded the motion and it passed with only Senator Monroe voting no.

Senator Pozzi then moved they recommend do pass as amended. Senator Raggio seconded the motion, and it passed unanimously.

A.B. 494:

SUMMARY: Creates special legislative interim advisory committee to assist in implementation of state computer facility.

Assemblyman Ashworth said he thought there should be an interim study by the legislature to see what we really could lend in assistance to this. He said Mr. McGowan was in favor of this bill.

Senator Raggio said, "When this first came up I raised an eyebrow. I am not saying there may not be a need for this, but I have a serious question about the constitutionality of such a provision. We are the legislature attempting to impose a legislative advisory committee upon an elective officer, and I just can't see how that can be done. I think we can authorize an advisory committee but when you compose it of the legislature I don't think this is constitutional.

Assemblyman Ashworth said, "Constitutionally we have tried to tell him (Mr. McGowan) we want a double entry accounting system and for the last six years we haven't gotten it."

Senator Raggio said, "Constitutionally can we do this to advise every executive officer in the state?" Assemblyman Ashworth said, "We would not be advising him how to operate his office, we are advising him as to the accounting system."

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Senator Raggio said, "If you can do this with the controller you can do it with the governor. We are not going to ask we are going to tell him. I really have very serious problems with this bill and I understand what everyone is trying to do. I know Mr. McGowan wants this but that bill really leaves me cold as a lawyer. I think we are overstepping our power in the state."

Senator Gibson said, "I think one of the problems we have had in this problem is we passed some legislation and said 'we want this done' but then we left it there, and the controller has come back and asked for additional help and we didn't give it to him because we don't know what he was talking about. We should get some legislators acquainted with the problems first hand. We have everyone who is trying to work with the problem at loggersheads. I don't think we would have the temerity to set up an advisory committee for the governor. It is a special situation, too. This is not so much to help the controller do his job but to help the legislature."

Senator Lamb said, "What would be so different from this and the retirement study?" Senator Raggio said, "There is nothing wrong with a study. If you want to allow it the governor should appoint a committee, but to pass a statute that the legislature shall appoint from within itself is not a seperation of power."

Assemblyman Ashworth said, "We have spent hundreds of thousands of dollars and there was no direction given by the legislature. Is it against the constitution to give direction?"

Senator Raggio said, "This goes against the seperation of government. You are I think inviting a court test as to the seperation of government. If you did this within the executive branch you would have the governor appoint a commission."

Assemblyman Ashworth said, "My only purpose was to get the double entry system by getting input from the legislature."

Later in the meeting Senator Monroe moved they recommend do pass on this bill. Senator Raggio then objected, and Senator Lamb said, "If I was the attorney general and the governor appointed a committee/I would go to the supreme court. to study the attorney general

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Senator Gibson said, "Are we just going to keep funneling money in here without looking into it?" Senator Raggio suggested authorizing the governor to set up a committee. Senator Lamb said, "Can one elected officer appoint a committee to study another elected officer?"

Senator Raggio said, "This is the most clear violation of seperation of government I have ever seen."

Senator Young said, "If this is one way of getting this resolved I can go for it."

Senator Gibson seconded the motion, and it passed.

yes - 5
no - Senators Pozzi and Raggio

S.B. 366:

SUMMARY: Provides some cash assistance to all needy children.

Sister Carole testified that "it seems only reasonable that if the welfare department determines a child to be needy that they provide for them. Currently that is not being done. We had many problems in Clark County. There were many children who didn't have enough income to make it. Basically this is a philosophical and moral issue.

Later Mr. Tomlinson testified that this would cost \$2.6 million in state funds per year. This bill would change the budgeting system or the method of computing grants.

Mr. Tomlinson said they are now meeting 55% of their need. He gave the following chart for a family of four.

PRESENT COMPUTATION: (\$324 with \$100 income) S.B. 366 COMPUTATION:

\$324
55% need
<u>178</u> need grant
-100 (income)
<u>78</u> actual grant given

\$324
-100 income
<u>224</u>
55% needs
<u>\$128</u> actual grant to be given

Mr. Tomlinson said, "This bill will give an increase to the 35% of people on welfare who work. None will go to the other 65% who have no income and yet have the greatest need. The other 65% involves 13,000 people."

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Mr. Tomlinson said that there are 168 cases in Las Vegas of welfare recipients who have incomes over \$500 and yet still receive welfare. He said the method of computation for a grant for such a person would be as follows:

\$500	income
- 35	(as required by federal law)
<u>315</u>	
- 75	(required to be deducted for taxes, union dues, etc.)
<u>240</u>	
- 25	(disregarded for meals, transportation, etc.)
<u>215</u>	
-160	(up to \$160 disregarded for child care costs)
<u>55</u>	(They would still receive a \$55 welfare payment)

Sister Carol stated that when the state went to the present method of computing grants they did so in order to give welfare recipients better grants and yet she said many of them with income were reduced or even cut. She said it makes no sense when an income becomes detrimental to receiving welfare.

Senator Lamb said, "I was raised in a family of 11 with no father, and we got \$46 per month."

S.B. 425:

SUMMARY: Allows certain additional individuals to qualify for state aid to medically indigent.

Sister Carole said, "There are a number of people who are not eligible to receive welfare and yet the state could provide medical costs for. As it is now the counties provide 100% of these costs with local funds. This could be provided for by the state and then we could qualify to receive federal money also. There are low economic people who are just below the welfare payment level and this would provide them with care. What would you do if you were working at a low economic level and your son broke his leg? The counties would save 70% of their medical costs if this were passed, and if it was run through the state you would get federal matching dollars."

Mr. Tomlinson said the annual costs would be \$2,537,000. Senator Brown's son, Mr. Brown, said, "The states around us have a lot of programs that we don't have and yet Mr. Tomlinson arrived at this figure through comparing the figures of surrounding states. We only have four programs under title 19. Washoe and Clark Counties are currently spending \$2-1/2 million for this right now."

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Mr. Tomlinson said, "This will not relieve the counties of their medical payments. For instance a couple of 40 years of age with no children and no income would not qualify. Once we get into these programs we would have to have federal guidelines not county regulations which would be more expensive."

S.B. 437:

SUMMARY: Enlarges eligibility for aid to dependent children.

Senator Gibson moved to kill this bill as we can't afford it. Senator Lamb said, "I want to ask you health and welfare committee people why do you pass bills like this?" Senator Pozzi said, "They want to put the monkey on our back." Senator Raggio said, "There are merit to each of these proposals, but we don't have the money." Senator Pozzi seconded the motion, and it passed unanimously.

S.B. 366:

SUMMARY: Provides some cash assistant to all needy children.

Senator Monroe moved to kill this bill. Senator Pozzi seconded the motion, and it passed unanimously.

S.B. 425:

SUMMARY: Allows certain additional individuals to qualify for state aid to medically indigent.

Senator Gibson moved to kill this bill. Senator Pozzi seconded the motion, and it passed unanimously.

Senator Lamb said he would be cutting off hearings Friday.

S.B. 590:

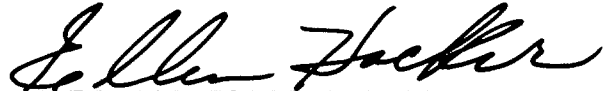
This bill concerns moving the alcoholism and blind divisions to the rehabilitation division. Senator Gibson said the testimony his committee heard was that the alcoholism division objects because they want to report to the governor as well as their advisory commission reporting to the governor. Others felt it would be beneficial to have alcoholism division more visible to the public if it were in the rehabilitation division and also they

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could take advantage of rehabilitation services and
counselling if they were consolidated.

The meeting adjourned at 10:00 a.m.

Respectfully submitted,


Ellen Hocker, Secretary

APPROVED:


Floyd R. Lamb, Chairman

FISCAL NOTE

AMENDMENTS:
Assembly: First Reading _____
 Second Reading _____
 Third Reading _____
Senate: First Reading _____
 Second Reading _____
 Third Reading _____

Date transmitted March 12, 1973

Agency submitting Dept. of Administration Date prepared March 12, 1973

Summary	Fiscal Year 1972-73	Fiscal Year 1973-74	Fiscal Year 1974-75	Continuing
General Fund		\$210,000	\$220,500	
Highway Fund		30,000	31,500	
Other		310,050	328,303	
Total		\$550,050	\$580,303	

These appropriations are Approved included in Executive Budget

EXPLANATION (use continuation sheets if required):

Type of Employment	Estimated Number of Employees	Longevity Pay Schedule	1973-74 Longevity Pay
Less than 10	5,606	0	\$ 0
10	301	250	75,250
11	198	300	59,400
12	104	350	36,400
13	112	400	44,800
14	106	450	47,700
15 or more	573	500	286,500
Total	7,000		\$550,050

Increased by 5.5% for 1974-75

Signature [Signature]
Title Director of Administration

Approved by Department of Administration Yes
Comments by Department of Administration:

Signature [Signature]
Date March 12, 1973 Title Director of Administration

Findings of Fiscal Analyst:

Signature _____
Date _____ Title _____