

SENATE FINANCE COMMITTEE
MINUTES OF MEETINGS
APRIL 24, 1973

The meeting was called to order at 9:00 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

Howard Barrett, Budget Director
Cy Ryan, UPI
Robert Archie, Director, Employment Security
Ace Martell, ESD
James Oliver, ESD

A.B. 687:

SUMMARY: Abolishes employment security fund and creates employment security revolving fund.

Mr. Robert Archie, Director of the Employment Security Department said, "The language in this bill is totally wrong. on page two, lines one and two, it says regularly appropriated funds, and if the money were regularly appropriated then that is part of our base budgets, so the language totally negates any useage of the fundsat all because this money is not regularly appropriated money."

Senator Lamb said, "They (the committee) feels the \$200,000 is too much money for a slush fund. How do we correct this problem?"

Mr. Archie said, "We're of the opinion that we need the \$200,000 and the assembly ways and means approved this amount. The problems we have is that the amount in the fund isn't the problem, its just that the people have made allegations that the fund can be improperly utilized by the director. Its a fallacy in terms of how the money is used and how much control the director has over the fund. We go through the same budgetary procedures through Mr. Barrett's office and they pre-audit expenditures. I think if there is any short-coming concerning this fund it is that it is not audited once a year because it is not considered state moneys, but I think if we could leave \$200,000 in the fund and if it were properly audited that should take care of any criticism anyone would have about the utilization of the moneys.

"We are anticipating right now of having a need for that amount of money. We have programs with salary and law changes and building program which will be coming up over the next 34 months. Its a contingency fund. If you only leave \$10,000 or \$20,000 in the fund then at such time as we need additional money the feds won't approve of giving us that amount of money and the money if it were transferred to the trust fund we would never be able to take back out because we would be violating federal law. We would slowly but surely begin to request money from the legislature so that in time these projects would have to be funded out of the general fund.

"The salary and law changes for our employees to provide retroactive salary increases from January 1 through June 30, 1973, will cost \$175,000. The feds have indicated to us that they won't have the money to give to us for this. The alternative to using the P&I Fund is I would have to lay off 50 employees so I can absorb the difference in the cost." Senator Brown asked if the feds wouldn't come back and make up the difference as they had heard testimony to that effect previously. Mr. Archie said, "No, sir, that is not right. If they have money they will give us end of the year money, but if they don't they won't. We are two months from the end of fiscal year 1973 and I still don't have a budget for FY-73."

Senator Monroe said, "Is it true that you spent money to draw up a building plan and had plans prepared for a building out of the fund and then discarded the plan and didn't use it?" Mr. Archie said, "No. We have the plans. The federal government has approved the building project but have indicated to us just recently that they prefer we not move yet with building the project until they get their budget problems straightened out. They have said they will not guarantee payment at this time because the President has indicated he is cutting the budget. Our budget was whacked \$15 million in the last three months. Up until that time we were assured that it would be funded, but now the federal government has said wait until they get some kind of direction in the Department of Labor. They have a new secretary of the Department of Labor and have forced all the regional directors to resign, all the regional manpower administrators to resign, and they are now without guidance in the Department of Labor. They ask that we not go ahead with this until the new directors are appointed.

Senate Finance Committee
April 24, 1973
Page Three

"We are doing exactly as we did 13 years ago when the ESD building was built. We have paid for the preliminary architectural plans, we paid for the legal fees, we will buy the land out of the P&I Fund. Then once its approved by the federal government, and sometimes this takes as long as two years, then they reimburse us and will give us money in our budget on a yearly basis to reimburse us for the money we took out of that fund. This money has not gone down the drain and we will utilize the plans. The building was requested and we have worked with Mr. Hancock and complied with all the planning board recommendations. We do have letters of authority from the federal government."

Mr. Archie also added that, "If the fund were limited to \$10,000 or \$20,000 then we would have no alternative than to come to you for funding, and we are traditionally not a general fund agency, so we would probably meet with a considerable amount of difficulty."

Mr. Ace Martel of ESD said, "We send every year a detailed receipts of disbursements to the legislative council bureau. We welcome an audit, and all the items in this fund must be pre-audited by the department of administration."

Senator Monroe said he felt they weren't so concerned about an audit as the fact that the agency had a \$200,000 slush fund without any legislative control over it. Mr. Martel said, "Our agency is faced with a peculiar situation. We must maintain our own fund and make available our own money for any and all building projects, and we have ten local offices in this state. The federal government will approve our format, but our agency is responsible for making all state funds available for building planning. If we don't have \$100,000 available for a building project we would never start that project because the federal government would never make that money available to us."

Senator Young said, "That isn't inconsistent with some legislative review is it? If you have a \$200,000 fund at least there ought to be some legislative scrutiny." ESD said they could agree with that. Mr. Martel said, "We wrote a bill*for proposed legislation more than a month ago which said we would be pleased to put a limitation on the fund, that we would put any money in excess of that into the UC trust fund, we would be happy to detail expenditures, and have an annual legislative audit." *These were amendments I believe. Mr. Archie then discussed the amendments which ESD had proposed. See previous attachment to minutes on this bill.

Senate Finance Committee
April 24, 1973
Page Four

Mr. Archie said, "We have a problem now with the office in Reno in that there is not sufficient parking. We will have to go out and buy houses next door which will cost close to \$40,000 to \$50,000 apiece to build parking lots. These are problems I inherited from other administrations. We need additional parking in Las Vegas and the lots are running close to \$60,000 apiece. We are negotiating for land in North Las Vegas because we need an office out there. We have a population of 50,000 people in North Las Vegas who don't get representation. We have offices in the cow counties with less population than North Las Vegas, but they don't have representation here. This will cost a total of approximately \$234,000."

Mr. Archie said, "If you are of the opinion that you would like us to take X number of dollars off the top for the UC Fund we can do that without that and just make that an executive rule of administration. It is within our prerogative to do that if you so desire."

Senator Monroe said, "I move to kill the bill and recommend that they keep it at a level of \$200,000, putting the excess into the UC Fund." Senator Gibson seconded the motion. Senator Raggio said, "I think that one thing that would be desirable would be the provision that the fund should be reported in the executive budget. I think that we should be able to look into the fund." The motion passed unanimously.

LETTERS OF INTENT:

Senator Young read the attached letters of intent, and the committee unanimously approved that they be sent out under Senator Lamb's signatures representative of the committee's decisions in these matters.

With regard to the letter to the Economic Development agency, Senator Brown said, "I disagree. That's where most of the money is in the two larger counties. They have to coordinate their efforts with them and the Chambers of Commerce, Fair and Recreation Boards, etc." Senator Monroe said, "I think the small counties need their efforts. They're not overrun with excessive growth at the moment." Senator Lamb said, "He does get into the bigger counties and forgets the smaller counties, and it isn't because he does it purposely, but there's just not a lot of things he can do out there in the small counties."

Senate Finance Committee
April 24, 1973
Page Five

Senator Brown said, "What I am saying is we should leave this to his judgment." Senator Monroe said, "He's not going to find a lot of things to do out in the small counties. He's still going to have to do a lot of work in the big counties." Senator Lamb said this letter just says he should give the small counties all the consideration he can. Senator Brown said, "But don't you think he will. This man is halfway sharp. I think here you have a new man in here, and it seems to me that he's going to make a better effort than we've had in a long time in this area. I think he can evaluate that himself." Senator Monroe said the letter would just call this to his attention, that's all.

Senator Young said, "I would say where doubt exists, which may be an ambiguous statement, that he should do this. I have difficulty myself justifying funding money into Reno and Las Vegas. Reno has taken 100 years to urbanize what we have and they say in 25 more years there won't be anything left of the Truckee Meadows and that is without any outside stimulus."

Senator Raggio said, "Even if you change the letter the results would be exactly the same. I feel satisfied in sending these letters of intent, but I wonder if the effect won't be the same." Senator Lamb said, "If I were those guys that got these letters I would take them to heart knowing I would appear again in two years."

Everyone approved the letters.

The meeting adjourned at 10:15 a.m.

Respectfully submitted,


Ellen Hocker, Secretary

APPROVED:


Floyd R. Lamb, Chairman

FLOYD R. LAMB
SENATOR
PRESIDENT PRO TEMPORE
CLARK NO. 3
NEVADA NATIONAL BANK BLDG.
4TH AND BRIDGER AVENUE
LAS VEGAS, NEVADA
TELEPHONE 382-4061



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Nevada Legislature

FIFTY-SEVENTH SESSION

April 24, 1973

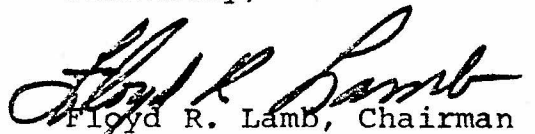
Mr. Robert Archie, Executive Director
Department of Employment Security
500 East Third Street
Carson City, Nevada 89701

Dear Mr. Archie:

This will confirm the expression of the Senate Finance Committee's opinion during consideration of A.B. 687 that monies in excess of \$200,000 in the revolving fund should be transferred to the trust fund.

It was also the consensus of the committee that in order for the legislature to exercise proper budgetary control that hereafter there should be included in the executive budget anticipated expenditures from the fund.

Sincerely,


Floyd R. Lamb, Chairman
Senate Finance Committee

FRL:ehc

FLOYD R. LAMB
SENATOR
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April 24, 1973

Attorney General Robert List
Office of the Attorney General
Supreme Court Building
Carson City, Nevada 89701

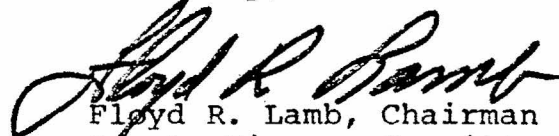
Dear Mr. List:

During the consideration of the executive budget this year the Finance Committee became somewhat concerned about the number of attorneys furnishing legal services by way of contract to executive agencies.

We realize there may be reason for this being done in particular cases. However, it seemed to the Committee that an effort should be made to consolidate the furnishing of these services in your office and that a substantial saving of money might be effected by requiring the agencies now having contractual legal services to secure this assistance from the Office of the Attorney General. However, time limitations in this session precluded us from going into this problem in depth.

Since this problem will be faced again in the 1975 Session of the Legislature it would be appreciated if the Office of the Attorney General would submit to the Senate Finance Committee in the next session any recommendations it might have with respect to this problem.

Sincerely,


Floyd R. Lamb, Chairman
Senate Finance Committee

FRL:ehc

FLOYD R. LAMB
SENATOR
PRESIDENT PRO TEMPORE
CLARK No. 3

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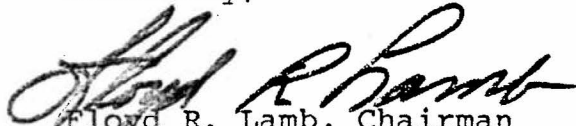
Mr. Bruce Arkell
State Planning Coordinator
Room 57
State Capitol Building
Carson City, Nevada 89701

Dear Mr. Arkell:

During consideration of the executive budget this year, it appeared that a large number of agencies and divisions have planners of one type or another and that in certain cases there appears to be duplication. It is our understanding that to a large extent the duties of your job will be to coordinate planning and eliminate positions which may be overlapping and unnecessary.

It is hoped that in the next session of the Nevada legislature your office will be prepared to report on this problem to the Senate Finance Committee and make recommendations to eliminate unnecessary expense.

Sincerely,


Floyd R. Lamb, Chairman
Senate Finance Committee

FRL:ehc

FLOYD R. LAMB
SENATOR
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FIFTY-SEVENTH SESSION

April 24, 1973

Mr. Dan Quinan
State Fire Marshall
Room 1
813 North Plaza
Carson City, Nevada 89701

Dear Mr. Quinan:

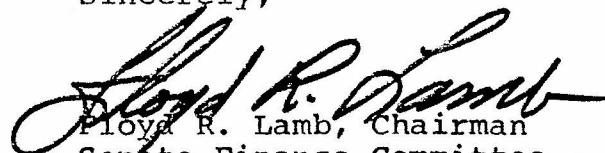
As you will recall from the discussion when you appeared before the Senate Finance Committee there was some concern about the expansion of activities of the State Fire Marshall in the Counties of Clark and Washoe.

The Committee in reviewing the 1972-73 work program of \$86,944 was concerned with the amount recommended for 1973-74 of \$181,580 and \$178,703 for the following year.

It is the Committee's feeling that in a number of the areas where program expansion was contemplated that the State Fire Marshall would be duplicating services which can be rendered and should be rendered by local fire fighting departments.

We recognize that in the less populated counties there may still be a lack of capability to furnish some of the services your office can provide, but we urge you to avoid duplication of local efforts in developing your work program.

Sincerely,


Floyd R. Lamb, Chairman
Senate Finance Committee

FRL:ehc

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FIFTY-SEVENTH SESSION

April 24, 1973

Mr. Elmo J. Dericco, Director
Department of Conservation and
Natural Resources
Nye Building
Carson City, Nevada 89701

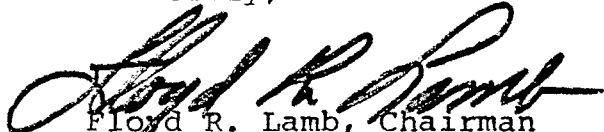
Dear Mr. Dericco:

As you will recall there was some concern when you appeared before the Senate Finance Committee about what might be unwarranted subsidies in the windbreak tree program. Testimony indicated a phenomenal growth in the program from 76,000 trees in 1969 to 190,000 in 1971.

There was also some indication that the subsidies even extended to non-residents of the State of Nevada. We recognize the conservation importance of the program in a state such as ours, but trust that you will give consideration to controlling or reducing what may be unjustified subsidies to those who are not residents of the state and who may be essentially urban purchasers.

The Committee does not feel that the tree program should be a profit making activity. However, it believes there should be some relationship between the costs of the program (exclusive of capital investments) and the charges made.

Sincerely,


Floyd R. Lamb, Chairman
Senate Finance Committee

FRL:ehc

cc: Mr. George Zappettini
State Forester

FLOYD R. LAMB
SENATOR
PRESIDENT PRO TEMPORE
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FIFTY-SEVENTH SESSION

April 24, 1973

Mr. Howard R. Hill, Director
Department of Motor Vehicles
555 Wright Way
Carson City, Nevada 89701

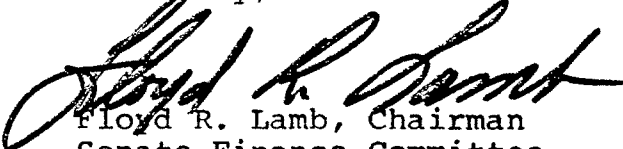
Dear Mr. Hill:

During the Senate Finance Committee's deliberations with respect to increasing the number of highway patrol vehicles there was some concern expressed about the policy of providing one automobile for every member of the Highway Patrol. It was hoped during the session that information might be developed which would lead to a policy of more efficient usage of automobiles and perhaps the elimination of the need expressed in the present policy.

It would be appreciated if during the biennium before the next legislative session your department could give some thought to a program which would provide for a more efficient use of cars.

While we recognize that your patrolmen cover vast distances and traverse more miles than other police officials we felt it might be possible to devise some system to reduce the number of vehicles required.

Sincerely,


Floyd R. Lamb, Chairman
Senate Finance Committee

FRL:ehc

cc: Col. James L. Lambert, Supervisor
Highway Patrol Division

FLOYD R. LAMB
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FIFTY-SEVENTH SESSION

April 24, 1973

Mr. Robert Goodman, Director
Department of Economic Development
State Capitol Building
Carson City, Nevada 89701

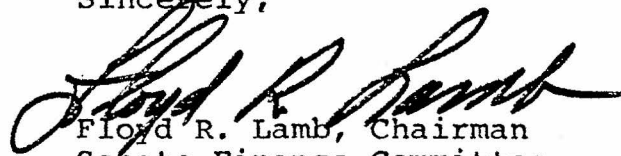
Dear Mr. Goodman:

During the consideration of the budget for the Department of Economic Development there was some concern expressed about monies expended by your department which may be duplicative of the advertising efforts of Nevada's tourist industry.

The consensus of the Finance Committee is that your office is providing an important and desirable service in developing and strengthening the economy of our state.

However, in view of the rapid growth in the two large counties it was the feeling of the committee that where doubt exists the greatest benefit for Nevada would be gained by maximizing efforts in the smaller counties where additional assistance is most needed.

Sincerely,


Floyd R. Lamb, Chairman
Senate Finance Committee

FRL:ehc

DONALD R. MELLO
ASSEMBLYMAN
LEGISLATIVE DISTRICT No. 30
2590 OPPIO
SPARKS, NEVADA 89431



COMMITTEES
CHAIRMAN
WAYS AND MEANS
VICE-CHAIRMAN
LEGISLATIVE FUNCTIONS
MEMBER
LEGISLATIVE COMMISSION
INTERIM FINANCE COMMITTEE

Nevada Legislature

FIFTY-SEVENTH SESSION

April 17, 1973

Howard E. Barrett
Director of Administration
Department of Administration
Blasdel Building, Room 205
Carson City, Nevada


Dear Gene:

This letter is to convey the intent of the Ways & Means and Senate Finance Committees to supplement the Personnel Division's budget if formalized collective bargaining is enacted into law.

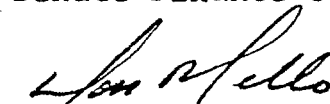
We understand that sufficient monies remain in the various agency budgets to increase personnel assessments to the extent of \$30,000 per year to provide staff and necessary support for the Personnel Division to implement formalized collective bargaining.

It is the intent of the Committees to allow the Personnel Division to augment their budget by \$30,000 per year (as outlined in Mr. Wittenberg's letter of April 17, 1973 - attached) if formalized collective bargaining including advisory arbitration becomes law.

Sincerely,



FLOYD LAMB, Chairman
Senate Finance Committee



DON MELLO, Chairman
Ways & Means Committee

FL:DM:dr
Attachment

4-190