

SENATE FINANCE COMMITTEE
MINUTES OF MEETINGS
APRIL 9, 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

David Tomlinson, Welfare Division
Marvin Sedway, Chairman, Community College Board
Clark County

S.B. 610:

SUMMARY: Creates an interim committee to study assessment and tax equities and structure of Nevada tax commission.

Senator Brown moved they recommend do pass and mentioned the governor would appoint the members from whatever groups he so decides, and they need not necessarily represent the groups to be studied. Senator Pozzi seconded the motion, and it passed.

yes - 5
absent - Senator Young and Senator Raggio

Senator Young and Senator Raggio were in another committee meeting at this time.

A.B. 38:

SUMMARY: Increases motor vehicle registration fees.

Senator Pozzi moved they recommend do pass. Senator Brown seconded the motion, and it passed.

yes - 5
absent - Senators Young and Raggio

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S.B. 135:

SUMMARY: Declares policy for public employees' retirement system.

Senator Monroe moved to recommend do pass as amended. Senator Pozzi seconded the motion, and it passed.

yes - 5
absent - Senators Raggio and Young

A.B. 308:

SUMMARY: Directs state department of conservation and natural resources to give required assurances concerning Gleason Creek flood control project.

Senator Monroe moved they recommend do pass. Senator Pozzi seconded the motion, and it passed.

yes - 5
absent - Senators Raggio and Young

AJR 26:

SUMMARY: Proposes to amend Nevada constitution to permit payment of legislators for 100 days of session.

Senator Monroe moved to kill this, but it failed for lack of a second. Senator Pozzi moved they recommend do pass. Senator Gibson seconded the motion, and it passed.

yes - 4
no - Senator Monroe
absent - Senators Raggio and Young

S.B. 503:

SUMMARY: Provides assistant superintendent of education in charge of education for Indians.

Senator Monroe suggested that instead of putting this man in as an assistant superintendent they put him in at a lower level. Senator Brown said, "I don't think that would satisfy them (the Indians)." Senator Pozzi said he backed S.B. 509 but not S.B. 503.

Senator Gibson moved they kill S.B. 503. Senator Pozzi seconded the motion, and it passed.

yes - 4
no - Senator Monroe
absent - Senators Raggio and Young

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S.B. 509:

SUMMARY: Creates Nevada Indian advisory committee for Indian education.

Senator Gibson said it was just impractical to have a 22 man committee as suggested in this bill. He suggested restructuring it to five. Senator Brown suggested that the twenty two tribes recommend to the governor whom they want appointed. Senator Lamb said they should amend it so that the governor could appoint five from a list recommended to him by the 22 tribes with not more than one member from any specific tribe. Senator Gibson suggested that the second amendment should be that line 20, section 4, subsection 3, should be changed so the governor could reappoint members if so desired. Senator Lamb and Brown said, "I think that's implied" and the committee agreed.

Senator Monroe suggested in section 6, subsection 2, line 5, which reads, "The expenditures by the committee shall be limited to moneys available from federal appropriations to the Johnson-O'Malley fund, the general fund of the State of Nevada and any other source available," that perhaps the committee would not want general fund moneys available for that and that to leave the language would open the gates for later on. He said they might qualify for other funds other than Johnson-O'Malley funds. Senator Lamb said, "I think they should be entitled to per diem." Senator Brown suggested they just take out the words general fund. Mr. Barrett said they should also take out the words other funds because this could be construed to mean general funds also. Senator Lamb suggested stating, "but not general funds."

Senator Monroe moved to recommend do pass with the following amendments that the tribal councils send recommendations to the governor from which he will pick five members of which no more than one shall be from any single tribe, and that there be a period after Johnson-O'Malley fund on page two, section 6, subsection 2. Senator Gibson seconded the motion, and it passed.

yes - 5
absent - Senators Young and Raggio

S.B. 424:

SUMMARY: Requires welfare division of department of health, welfare and rehabilitation to provide emergency assistance to dependent children in certain cases.

This would cost \$116,000. Mr. Tomlinson said the bill wasn't requested by the welfare division but by the coalition to

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alternatives to welfare. He said this program would provide basically food, clothing, and shelter to children on ADC or other families such as migrant workers, etc., in the event of catastrophic circumstances such as a house burning down. Twenty three states now have this. Senator Lamb asked if he knew of any instances where people have been neglected or could be helped by this bill who haven't been covered before. Mr. Tomlinson said that the counties and private organizations such as churches have taken care of this in the past.

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

yes - 4
no - Senator Brown
absent - Senators Raggio and Young

COMMUNITY COLLEGES:

Mr. Marvin Sedway, chairman of the Clark County Community College Board asked them not to fund athletic scholarships for community colleges as any funds coming to community colleges that are not used for capital improvements or educational programs is wasted. He said he supported athletic programs but felt they should be funded by community support and that the colleges need every penny they get for teachers and educational materials. He said he didn't want to preclude athletics but he felt they should be supported entirely from local contributions. He said community colleges were different from universities in that the average age was 27 and classes were being taught in whatever buildings available for this.

S.B. 598:

SUMMARY: Provides career incentive pay for state employees.

Senator Gibson said that employee groups had contacted him and stated that they withdrew their support for this bill in favor of the assembly bill which is the governor's recommendation.

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

yes - 5
absent - Senators Young and Raggio

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S.B. 379:

SUMMARY: Entitles elected state officers to be paid for annual leave on termination of service.

Mr. Barrett said the judiciary committee amended this bill to be retroactive to 1960 rather than 1973 and this would cost about \$25,000. This bill affects John Koontz, former secretary of state, in that he is requesting \$50,000 be paid him for his annual leave. Mr. Barrett said Mr. Koontz had the check but had not cashed it and that Mr. Barrett had sent Mr. McGowan and Mr. Koontz a letter requesting that he give it back. Senator Lamb said it would be opening Pandora's box to pass this bill. Senator Brown said if they passed this the counties would then want it for their elected officials. Cy Ryan mentioned that Senator Raggio had attempted to be paid for his annual leave when he left the district attorney's office in Reno.

Mr. Barrett said that the advocates of this bill felt that not to do this amounted to discrimination against certain class of state employees and was unconstitutional. He said they would be taking this to court. Senator Lamb said, "Well let them argue it out in court. If we pass this we are winning the case for them."

Senator Raggio came into the meeting at 8:20 a.m. Senator Gibson moved to kill this bill. Senator Monroe seconded the motion, and it passed.

yes - 6
absent - Senator Young

A.B. 617:

SUMMARY: Makes appropriation to division of buildings and grounds of the department of administration for repairing boilers in the Nye Building and the Blasdel Building at Carson City.

Senator Gibson left at 8:25 a.m. Senator Pozzi moved they recommend do pass. Senator Monroe seconded the motion, and it passed.

yes - 5
absent - Senators Gibson and Young

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A.B. 709:

SUMMARY: Prohibits augmentation of employees in state agencies above number specified in budget, except with prior approval of legislative commission.

Senator Pozzi moved do pass as he, "didn't want any more Emergency Employment Act personnel in there." There was no second. Mr. Barrett said that when any new moneys came in the budget office would review this or a need for personnel and that these new positions need not be locked in, they would all be reviewed by the legislature at the next session.

Senator Monroe said, "It leaves administrative matters up to the legislature and I think we are getting out of our crib on that. It is up to the governor not us." Senator Monroe moved they kill this bill. Senator Brown seconded the motion. Senator Gibson returned at 8:28 a.m. The bill was killed.

yes - Senators Monroe, Lamb, Brown, Gibson
no - Senators Raggio and Pozzi
absent - Senator Young

A.B. 448:

SUMMARY: Enables state to comply with certain provisions of federal welfare legislation.

Mr. Tomlinson said that this bill is necessary to enable the state to make the transition to the federal government's taking over the old age assistance with the social security program and involves H.R. 1 federal legislation. This bill will transfer programs to the federal government and will allow the state supplementation of our payments to old age assistant recipients and also blind recipients. This bill will accomplish the federal government paying full administrative costs and the state will be held harmless for any further increases in payments above the current state level and if it goes up the federal government will have full responsibility for paying the increase. It will also allow the state to pick up medical costs under certain circumstances. On page 3, subsection 2 or section 4, it spells out in more definite terms that if a person has health insurance the state has a right to collect from the private insurance sources before paying medical costs.

Senator Monroe moved they recommend do pass. Senator Raggio seconded the motion, and it passed with everyone voting for except Senator Young who was absent.

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S.B. 161:

SUMMARY: Creates new administrative head and makes certain other changes in administrative provisions governing public employees' retirement system.

Senator Gibson moved to recommend do pass as amended. Senator Monroe seconded the motion, and it passed.

yes - 6
absent - Senator Young

S.B. 143:

SUMMARY: Makes certain administrative changes in funding of public employees' retirement system.

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

yes - 6
absent - Senator Young

A.B. 799:

SUMMARY: Creates career incentive plan for certain state employees.

This also refers to page 555 of the budget. Senator Pozzi said everyone is standard or better in their performance ratings. Mr. Barrett said, "It is not the employees right to this incentive and this is not just a longevity raise." Senator Raggio said, "Doesn't it make sense to have it more than standard on page 1, line 5, why don't we write in good or excellent." Senator Brown agreed. Senator Pozzi said, "If I am working for you and you like me, I am not going to be downgraded." Mr. Barrett said, "The real bad employees are weeded out during the probationary period." Senator Monroe said that some employees weren't worth much and were kept on and that we should buy this bill for the buy who's doing a good job. Mr. Barrett said, "This is intended to take care of long time employees who have been around for a long time and no longer receive merit increases." The committee decided to defer action on this until they can see a performance rating form.

S.B. 97:

SUMMARY: Provides flexibility in amount of money which may be paid to prisoner upon release from state prison.

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The senate finance committee had not approved \$100 to be paid to a prisoner if needed when he was released from prison. They approved only \$50. However, the ways and means and senate institutions committee had approved the \$100.

Senator Raggio supported giving them the \$100 and said the warden doesn't have to give them this amount as some inmates have funds from handicraft sales and other sources. Also the warden could give them an amount less than \$100 according to what he thinks is reasonable. He said when he was district attorney every time the parole board met and released inmates the burglary rate in Reno went up. He said it doesn't do much good to send them out on the streets without enough money. Senator Lamb disagreed and felt \$50 was enough and felt regardless of the cost of this bill whether it was relatively inexpensive or not that he didn't agree with giving them money upon release. This bill would cost \$6,250 for the biennium. Senator Lamb appointed Senators Gibson, Monroe and Pozzi to meet with the other ~~senate~~ ^{committee} committee to arrive at a decision on this.

DAIRY COMMISSION - Page 422:

Senator Raggio called the administrator of this commission and asked him why he felt he needed the travel funds and the private attorney. The administrator stated that the travel was increased because they had been attending meetings in order to attract two large milk producing organizations in the country to hold their conventions here. One of these corporations are going to meet here and they hope to get the other one here in 1976-77. Senator Lamb said, "We have another economic development program here."

Senator Raggio said as far as the need for private legal council the administrator said their attorney is familiar with the technology and he wouldn't like to train a new one. He said they had met four times last year but would probably be meeting ten times this next year. The administrator said the attorney general could probably handle their legal work but they would need an attorney who was familiar with the technology, and Senator Raggio said the attorney general felt he could handle their work.

The committee noted that the Dairy Commission's attorney was paid \$750 a month, or \$9,000 a year for the two meetings. They commented that this was a very lucrative retainer. Senator Lamb said the dairy industry was very static now, more than he had ever known it to be. Mr. Barrett also replied to a question that the Dairy Commission seldom ever has any problems.

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Senator Raggio suggested cutting the \$9,000 to \$3,000 to provide the attorney general to handle the legal services. Senator Brown said, "I think you are going back to the same thing that unless you have a study why single out just the dairy commission for cuts without cutting the other commissions?" Senator Young said, "I think it would be a good thing for an interim study. It might be a little late to study this at this late date, but it should be done." Senator Lamb suggested that he submit this to be studied as well as the problem with highway patrol vehicles (having one car for each officer rather than cars for each shift).

Senator Gibson moved they approve this budget as amended with regard to travel (\$500 for out of state travel and \$8,000 for in state travel) but that they leave contractual services as the governor recommends. Senator Raggio seconded the motion, and it passed unanimously. Senator Young had arrived during the discussion on the dairy commission at 9:05 a.m.

DISTRICT JUDGES - Page 113:

This also relates to S.B. 371 and S.B. 406. Senator Gibson handed out the attached information and stated that according to these figures judges salaries have been above the cost of living increases for the period from 1959. He also stated that the constitution states that judges salaries cannot be reduced or raised during a judge's present term of office, so he felt it would violate the constitution to give them annual cost of living raises, etc. Senator Raggio had felt they should at least receive a base of \$32,500 and receive a cost of living factor. He said, "It is asking a lot for an attorney to give up a private practice if he has any abilities at all."

Senator Gibson discussed a bill his committee was drafting to govern elected county officials salaries in which they would have a base salary but would be eligible for longevity raises at the beginning of their terms if re-elected. This would be constitutional and would still provide judges with automatic raises at specified times. Senator Gibson was advised to draft similar legislation for district judges.

Senator Raggio moved they adopt this similar legislation for district judges and supreme court judges and give them a \$30,000 base salary. Senator Brown seconded the motion, and it passed unanimously. This action approved this budget and Mr. Barrett was told to make the adjustments as necessary for this budget.

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S.B. 406:

SUMMARY: Increases salary of district judges.

Senator Young moved they kill this bill. Senator Pozzi seconded the motion, and it passed unanimously.

S.B. 371:

SUMMARY: Provides reimbursement of district judges for participation in statewide association of district judges.

Senator Raggio said this would cost \$4,600 for the biennium. Senator Raggio moved they recommend do pass. Senator Young seconded the motion, and it failed.

yes - Senators Brown, Young, Raggio
no - Senators Monroe, Lamb, Gibson, Pozzi

S.B. 352:

SUMMARY: Increases benefits for widows of supreme court justices and judges of district courts.

Senator Young asked about if they would receive these funds even after remarriage. The committee discussed this aspect. Senator Gibson said if a judge retired after twelve years he would get half his salary which would be \$12,000 or \$15,000 after January 1, 1974.

Senator Young moved they set the money at \$500 per month, strike out the new language and leave the law the way it is and strike out the word providing and put upon attaining the age of. The committee decided that they should vote to see whether they wanted the age set at 60 or 65. Senator Monroe moved they set the age at 60. Senator Raggio seconded the motion, and it lost.

yes - Senators Raggio, Monroe, Brown

Senator Raggio indicated they should have the language, "upon attaining the age of 65 they shall be entitled to receive," because otherwise the individual may have to be 65 at the time of her spouse's death to qualify for the money. Mr. Barrett said the judges would never interpret the law that way.

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S.B. 348:

SUMMARY: Liberalizes pension provisions for supreme court justices and district court judges.

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

DISTRICT JUDGES SALARIES & WIDOWS PENSIONS - Page 114:

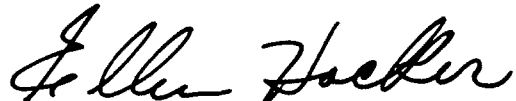
Senator Pozzi moved to approve the budget as amended. Senator Gibson seconded the motion, and it passed.

yes - 5

no - Senator Young and Raggio

The meeting adjourned at 9:50 a.m.

Respectfully submitted,


Ellen Hocker, Secretary

APPROVED:


Floyd R. Lamb, Chairman

COST OF LIVING INCREASES: 1959-1972

<u>Year</u>	<u>Percent Increase</u>	<u>Equivalent of \$15,000 Salary in 1959</u>	<u>Equivalent of \$18,000 Salary in 1959</u>
1959	0	\$15,000	\$18,000
1960	1.6	15,240	18,288
1961	1.1	15,407	18,489
1962	1.2	15,591	18,710
1963	1.2	15,778	18,934
1964	1.3	15,983	19,180
1965	1.7	16,254	19,506
1966	2.9	16,725	20,071
1967	2.8*	17,193	20,632
1968	4.2	17,915	21,498
1969	5.4	18,882	22,658
1970	5.9	19,996	23,994
1971	4.3	20,855	25,025
1972	3.3	21,543	25,850

* According to Bureau of Labor Statistics, U.S. Department of Labor, this figure was incorrectly quoted in the Statistical Abstract of the United States, 1970, and should read 2.9. However, the 2.8 figure is used to maintain consistency of source.

SOURCES:

The figures for percent increase are taken from the Statistical Abstract of the United States, 1970, p. 229, through 1969. Comparable figures for 1970 through 1972 were obtained from the Bureau of Labor Statistics, U.S. Department of Labor, via telephone, April 3, 1973.

JTH/Research Division
April 3, 1973

JUDICIAL SALARIES, STATE OF ILLINOIS

SALARY
(THOUSANDS)

35
30
25
20
15
10
5

3-285-1

- SALARIES OF SUPREME COURT JUSTICES (INCLUDING EX OFFICIO)
- SALARIES OF DISTRICT JUDGES
- COST OF LIVING (1959 = \$15,000)
- COST OF LIVING (1959 = \$18,000)

ALL DATES ARE EFFECTIVE DATES, RATHER THAN DATES OF LEGISLATIVE ENACTMENT.

J. HAVEL
LEG. COUNSEL BUREAU
MAY, 1971.