

Assembly

1- 0375

GOVERNMENT AFFAIRS COMMITTEE

MINUTES OF THE MEETING

March 11, 1975

MEMBERS PRESENT:

CHAIRMAN DINI
VICE-CHAIRMAN MURPHY
ASSEMBLYMAN CRADDOCK
ASSEMBLYMAN HARMON
ASSEMBLYMAN MAY
ASSEMBLYMAN MOODY
ASSEMBLYMAN SCHOFIELD
ASSEMBLYMAN FORD

MEMBERS EXCUSED:

ASSEMBLYMAN YOUNG

ALSO PRESENT:

Mr. Dale Bohmont, College of Agriculture,
University of Nevada
Mike Mirabelli, State Treasurer
John H. Pursel, Nevada County Extension
(Agriculture)
Edward L. Pine, University of Nevada, Reno
Neil D. Humphrey, University of Nevada System
Charles Donnelly, Community College
Robert E. Bruce, State Controller
Gordon Cronenberger, Human Resources
Bob Gagnier, State of Nevada Employees Association

(The following bills were discussed at this meeting: A resolution authorizing an operational audit of the State Treasurer's Office, A.B. 321, A.B. 322, A.B. 199, A.J.R. 7).

Chairman Dini called the meeting to order at 8:00 A.M. The secretary called the roll.

Mr. Mike Mirabelli testified and asked that the committee pass a resolution authorizing an operational audit of the State Treasurer's Office. Mr. Mirabelli presented a handout to the committee members, a copy of which is attached to the minutes of this meeting and made a part hereof. Mr. Mirabelli stated that the Treasurer's Office needed further personnel. He stated that at the present time he had 5 full time girls and one 1/2 time girl. He stated that he has put in for an additional 1 and 1/2 people.

Mr. Mirabelli then referred to the handout and discussed it for the benefit of the committee members. He stated that he was not sure if his office could keep up with the work. He stated that what concerned him is that the interest rates have dropped tremendously.

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He further stated that the amount of interest will probably drop about 1/3. Mr. Mirabelli stated that there are three ways:

(1) They could hire an outside firm. He stated that this would be costly, but also that it would be a new group coming in and that it would take about two months to get adjusted to the way his office works.

(2) He stated that they could go to a couple of the banks and ask them to assign a few top computer people to make a study for his office. He stated that he wanted to avoid this alternative because it may lead to a political situation.

(3) That the State Auditor could come in and do the operational audit. He stated that this last alternative would be the ideal one. Mr. Mirabelli stated that the State Auditor is more familiar with his office than any one else. He stated that as it is now, the State Auditor cannot do an operational audit. It would take a legislative order to allow them to do the audit.

Mr. Dini asked Mr. Mirabelli if we would have to specify the personnel or procedures or just make it a broad statement.

Mr. Mirabelli stated that a broad statement would be enough and indicated that he had discussed it with Mr. Earl Oliver.

Mr. Dini asked if there were any questions.

Mrs. Ford asked if this would be after the session.

Mr. Mirabelli stated yes and that if he could get 1-1/2 people he could get along and then go before the Board of Examiners and into the Legislative Commission.

Mr. Dini stated that he could go to Interim Finance.

Mr. Mirabelli stated yes.

Mrs. Ford made a motion that they request Mr. Oliver to request the appropriate resolution, which was seconded by Mr. May. All of the committee members were in favor of adopting the resolution and it was unanimously carried.

The first bill to be discussed on the agenda was A.B. 321. Mr. Bob Gagnier testified.

He stated that this bill was presented at his request and it makes extensive changes to the State Personnel System. He stated that all of the changes were combined into one bill.

Mr. Gagnier stated that the first one would amend the section of the law that provides for these people that would be outside the classified service. Mr. Gagnier referred to Page 1, Line 16. He stated that this change was done at the request of some people who were employed there. Mr. Gagnier stated that it does

not affect teaching.

He stated that the second two changes on Lines 28 and 33 were bill drafting changes.

Mr. Gagnier then referred to lines 34 and 35 and stated that the words social or political affiliations, sex and age were added. He stated that there are other bills in the legislature to take care of sex discrimination in private and that this would be necessary for public.

Mr. Gagnier then referred to Page 3, Line 27. He referred to a Supreme Court case and stated that the Supreme Court indicated that an agency would not be permitted to contract out those things required by law. Mr. Gagnier stated that if that was the intent of the Supreme Court that they should put it into the law.

Mr. Gagnier stated that the next two changes deal with oral examinations. He referred to the State Personnel Division. He stated that they have encountered difficulty because it is broad. He referred to Line 45, Page 3 and stated that that has been added. This refers to oral examinations being recorded.

Mr. Gagnier stated that this is necessary because if anyone feels that they have been mistreated in an oral examination they have no way of proving that. What this change makes is that these oral examinations be recorded and that the record be kept for 30 days and if no appeal is made, they may be destroyed.

Mr. Gagnier then referred to line 10, page 4.

Mr. Gagnier stated that they felt that this was a long overdue change and referred to the veterans preference change. He stated that the whole section on veterans is vague.

Mr. Dini referred to the need for the deletion on the extension. He asked why bring it into the classified, and wanted to know how many people had requested it.

Mr. Gagnier stated that he did not know.

Mr. Dini asked if Mr. Gagnier would explain the independent contractor part of the revision.

Mr. Gagnier stated that several years ago, the Board of Regents voted to contract out food services. He stated that they had stopped it and that the University had appealed it. The Supreme Court upheld the University. The Supreme Court ruled that they were able to do it because it was a non-essential service. Mr. Gagnier stated that in many states this becomes a method of political patronage.

Mr. Dini asked if Mr. Gagnier did not feel that many times this would be hamstringing the university, and Mr. Dini stated that sometimes people from outside do a better job and it may be more economical.

Mr. Gagnier agreed that it could probably be done cheaper elsewhere, but stated that it does not mean that it will be done better.

Mr. May stated that he had limited the restrictions on a contractor.

Mr. Ganier stated that this applies only to the state government. He stated that 284 is the state merit law. Mr. Gagnier stated that the University has challenged the position of the executive government.

Mr. Dini asked if there were any questions.

Mr. Craddock referred to page 3. He asked Mr. Gagnier if they always had the results of the oral examinations within 30 days. He stated that he felt that the time limit was short.

Mr. Gagnier stated that the normal procedure is that the written part of the examination is given first and then the oral, and that he did not know if 30 days was sufficient.

Mr. Craddock questioned whether this would be enough time for a protest to be filed.

Mr. Gagnier stated that it could very well be too short a time.

Mr. Dini asked if there were any questions.

Mr. Jim Wittenberg of the Personnel Office next testified.

Mr. Wittenberg stated that the first amendment which deals with the agriculture extension he had no objection to and he further stated that they did not initiate it.

Mr. Wittenberg then informed the committee that on Page 2, line 28, they had no objection to that amendment either.

Mr. Wittenberg stated that on page 3, the section referring to independent contractors, creates serious problems. He stated that Mr. Dini's statement on hamstringing would be accurate. Mr. Wittenberg stated that these were short-term kinds of things that required special skills and that they were not career jobs. He further stated that to eliminate that would create some serious problems, and that it was much too restrictive. He stated that some controls may be needed, and the best alternative would be pre-approval.

Mr. Wittenberg then stated that the amendment on Line 46, page 3, with regard to oral examinations, creates a number of problems. The amendment would provide that all competitive examinations shall be written or oral or both. He stated that there were a number of other types of examinations such as typing, shorthand, etc.

Mr. Wittenberg stated that some of the disadvantages from the applicant's point of view would be that of adding another stress. He did state that on the other hand, it would be the only way to determine what questions were asked and in what way. There is no way now that anyone has of proving what happened. It would, however, be a burden to the staff.

Mr. Wittenberg stated that they had some pilot projects. He further stated that their concern is that perhaps a large percentage of applicants will ask for a review.

He stated that the last area that they were concerned with is on page 4, line 10. He stated that they thought that it was undesirable. The supervisor, in almost every case, is on the examining board. The supervisor is one of three oral board members and that they have 1/3 of the judgment. Mr. Wittenberg stated that this is something that they should be involved in, as they are charged with the responsibility of the agency.

Mr. Dini asked if there were any questions.

Mr. Dale Bohmont, Dean of the College of Agriculture testified next.

Mr. Bohmont stated that he was speaking against any changes in lines 16 and 17. He stated that it was unworkable and unwanted. He stated that there was no way to put federal and state together on the classified system. Mr. Bohmont stated that it was a complex program, and that all 50 states have programs similar to theirs. In all states, the staff is not classified. He stated that they have county offices in 15 offices and that these are supervised by professional staff.

Mr. Bohmont stated that they had called each of the county agencies in charge and asked them if they wanted to be part of it.

Mr. Bohmont stated that in each case, no one did. He stated that they cannot afford to have individual people to do individual jobs. It would be a penalty to the staff and to the state. He stated that they were involved through federal agreement.

Mr. Bohmont further stated that they would not have the flexibility of the staff moving back and forth. He stated that most of the extension staff are recognized by Washington. He stated that if they were classified, it would not be recognized by Washington. He further stated that they have offices in federal buildings. Mr. Bohmont informed the committee that right now the federal retirement system is backed up by the USDA. He stated that if it became classified the state would have to do it.

He stated that there are 25,000 people in America who are not now under a classified system. They are an extension arm of the University.

Mr. Dini asked if there were any questions.

Mr. John H. Pursel of the Nevada County Extension testified next. He stated that he was from Lyon County and that he had taken an annual leave day to be here to testify on this bill. Mr. Pursel was not in favor of this bill.

Mr. Edward Pine, Vice President for Business, University of Nevada next testified. He stated that he was against page 3, referring to independent contractor.

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Mr. Pine stated that if the section passed it would cause many problems to university campuses. He stated that they use skilled personnel for jobs such as washing windows, etc. He stated that they do not have classified workmen so they contract. He stated that this was important to them because there are many areas that they use independent contractors. Mr. Pine stated that they were getting into a position where they were no longer competitive. He stated that the contractor they had selected with regard to the food service is a firm that supplies food to 60 other universities.

Mr. Dini asked if there were any questions.

Mr. Charles Donnelly, President of the University of Nevada System. Mr. Donnelly referred to Line 27 through 33. He stated that they would have the same problems in three community colleges. He stated that it would cause financial hardship to the three community colleges. He stated that it would be especially acute with the bookstore operation; they could not make a go of it. Mr. Donnelly stated that they must be able to contract services out or they would not survive financially. Mr. Donnelly urged that this section not be passed.

Mr. Dini asked if there were any questions.

Mr. Gordon Cronenberg, Department of Human Resources next testified. Mr. Cronenberger referred to the emergency medical services. He stated that if this statute were enacted they would be out of conformance with the law. Mr. Cronenberger then referred to the oral examinations. He stated that it does restrict the type of examinations that they can give. With regard to recording of oral examinations, he stated that he would be concerned about confidentiality. If it were to be used for appeal, it would have merits. He did not agree that interest persons should be able to use the recorded tapes.

Mr. Cronenberger stated that because of the expertise of supervisors it is an extremely valuable tool that is needed because some time the department head is the only qualified head on the state board. Mr. Cronenberger recommended that that section not be approved.

Mr. Dini asked if there were any questions.

Mr. Gagnier stated that on page 3, line 45, he had no objection to striking that line. He stated that it was not necessary.

Mr. Gagnier stated that if someone is coming from out of state to take an examination, they are not an employee.

Mr. Dini stated that it would refer to a supervisor of a current employee.

Mr. Gagnier stated that as far as the first page is concerned, he did make a comment to Mr. Humphrey that if he took a vote and they did not desire this, that he would abide by that.

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Mr. Murphy asked Mr. Gagnier if on page 4 if that would apply to a widower. Mr. Gagnier stated that that definition is nebulous.

The next bill to be discussed on the agenda was A.B. 322.

Mr. Dini stated that this bill would be deferred until Mr. McGowan could be here.

Mr. Gagnier testified with regard to this bill. He stated that they requested this bill to clarify the holding of payroll deductions. He stated that the Attorney General ruled that NRS 607 permits it.

Mr. Dini asked if it was already being done.

Mr. Gagnier stated yes.

Mr. May asked what NRS 607 was. Mr. Gagnier stated it was one of the payroll laws.

Mr. Bob Bruce, General Manager for the State Controller's office testified next.

Mr. Bruce made a suggestion of a one word change.

In paragraph 3 of the new language where it states that the State Controller "shall" should be replaced with the words "The State Controller may".

Mr. Bruce also suggested the following language be added:

"The procedures necessary to accomplish such payroll deductions as specified by the claimant shall be established by the State Controller."

He stated that this would provide uniformity.

Mr. Dini asked if there were any questions.

Mr. Dini asked Mr. Bruce if we put the word may in there if it would open it up to negotiations between him and the state employees.

Mr. Bruce referred to A.B. 251 which provides for central data processing.

Mr. Bruce stated that the existing payroll system is inflexible. He stated that they had one employee association and one credit union.

Mr. Wittenberg stated that with regard to this bill that they did not have a strong position on it. He stated that it could be

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negotiable.

Mr. Dini asked if there were any questions with regard to A.B. 322 or if any one else wished to testify.

The next two bills on the agenda were A.B. 199 and A.J.R. 7.

Mr. Les Koefed, director of the Gaming Industry of Nevada. Mr. Koefed requested that this bill not be passed. (He was referring to A.B. 199). He stated that all of the resolutions stated in the resolution are sentimental.

Mr. Koefed stated that absenteeism since these Monday holidays were enacted have been reduced and that they were flooded with correspondence in favor of the Monday holidays. Mr. Koefed stated that this bill would have a tremendous affect on business. Mr. Koefed strongly urged the committee not to send it to Washington. He stated that Washington was not interested in changing the federal law.

Mr. Koefed stated that congress could not set state holidays. He further stated that the federal employees are thrilled with having long weekends. Mr. Koefed stated that he thought it would make our state look bad.

Mr. May asked what California's attitude was with regard to Veteran's Day.

Mr. Koefed stated that they were still on the Monday Holiday system and he thought that there was a bill in to change it.

Mr. Murphy asked if all of the surrounding states were on the Monday holiday system.

Mr. Koefed stated that it was adopted by the 50 states.

Mr. Dini asked how many states were changed back.

Mr. Koefed stated that he did not know. He stated that he did not think that any really had.

Mr. Dini asked if there were any further questions.

Mr. Bob Cahill stated that they share the views of the Gaming Commission.

Miss Peggy Thompson, State President of the Ladies Auxiliary of the VFW testified next. She stated that their State Commander and other officials were attending a conference and that it was their position that this holiday should be put back to the previous date of November 11th. Miss Thompson stated that only 4 states, including Nevada have not changed back to the original date of the 11th.

Mr. May asked what the states were. Miss Thompson stated that she did not know. She stated that there were just a few that have

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changed back.

Mr. Dini asked if Nevada changed back to the original holiday and the federal government did not if we would be creating a conflict. He stated that we would be having two celebrations annually.

Miss Thompson stated that most of the states will be having it on November 11th and that they are doing it now.

Mr. Dini asked if she felt if the Federal government would change back.

Miss Thompson answered yes.

The committee took a five minute recess.

Mr. Dini called the meeting back to order.

Mr. Virgil Getto testified next. Mr. Getto stated that the reason he had introduced this bill was because he had been contacted by several veterans organizations and that they strongly support this legislation. He stated that he did not know how many states have gone back to celebrating on the original date. He stated that he felt that all of the veterans organizations feel that young people do not know what Veteran's Day is.

Mr. Getto stated that his other reason was because he does not feel that since many of the states have already changed back that it will not have any definite impact. He stated the only people coming to Nevada will be the federal people.

Mr. Getto stated that he felt that congress would change back too.

Mr. Dini asked if there would be some confusion. He asked if we would have a double bank holiday.

Mr. Getto stated that there are some state holidays that the federal government does not accept. It would not be any more confusion.

Mr. Claude Shipley testified next. He stated that Doc Marty was supposed to be the spokesman and that he was in Washington. Mr. Shipley stated that he concurs with Assemblyman Getto. He stated that he would obtain the list of the other 46 states that have already returned the celebration of Veteran's Day back to November 11th. He stated that they felt that this was essential and that there should be some identify.

Mr. Dini then stated that several of the committee members had to depart for a Taxation Committee meeting and that the committee

would not take any action on the bills heard today. /c 0384

There being no further business to come before the meeting,
the meeting adjourned.

Respectfully submitted,

Barbara Gomez
Barbara Gomez,
Committee Secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS
TUESDAY
Date MARCH 11, 1975 Time 8:00 A.M. Room 214

0374

Bills or Resolutions to be considered	Subject	Counsel requested*
A.B. 321	Makes various changes in state personnel system. Notify: Mr. Wittenberg, Personnel Director Mr. Bob Gagnier	
	* * * * *	
A.B. 322	Requires state controller to make certain payroll deductions for state officers and employees. Notify: Mr. McGowan Mr. Bob Gagnier	
	* * * * *	
A.B. 199	Returns celebration of Veterans' Day to November 11. Notify: Assemblyman Getto Assemblyman Jacobson Mr. Kofoed, Nevada Gaming Industry Association Mr. Cahill, Nevada Gaming Industry Association	
	* * * * *	
A.J.R. 7	Memorializes Congress to provide that Veterans' Day be celebrated on November 11. Notify: Assemblyman Getto Assemblyman Jacobson Mr. Kofoed, Nevada Gaming Industry Association Mr. Cahill, Nevada Gaming Industry Association	

*Please do not ask for counsel unless necessary.

(1)

STATE OF NEVADA
STATE TREASURER'S BANK ACCOUNT
INTEREST EARNINGS & RATE ANALYSIS

<u>FISCAL YEAR</u>	<u>INTEREST EARNINGS RECEIVED</u>	<u>DAILY AVERAGE AMOUNT INVESTED</u>	<u>PERCENT RECEIVED ON AVERAGE AMOUNT INVESTED</u>
1959-60	279,300	Not Available	Not Available
1960-61	278,175	" "	" "
1961-62	270,750	" "	" "
1962-63	270,800	" "	" "
1963-64	242,721	" "	" "
1964-65	346,081	19,362,933	1.79
1965-66	618,240	22,507,748	2.75
1966-67	893,630	23,521,492	3.80
1967-68	909,162	23,071,501	3.94
1968-69	1,178,325	29,966,534	3.93
1969-70	1,766,285	43,237,599	4.09
1970-71	3,109,030	56,775,959	5.48
1971-72	2,627,664	52,974,945	4.92
1972-73	2,693,779	64,477,554	4.18
1973-74 (1)	7,446,209	90,989,393	8.18
1974-75 Est. (2)	9,258,024	112,365,881	8.24
<u>(1) Recap of 73-74</u>			
TCD'S	4,795,485	63,510,832	7.55
Other	2,650,724	27,478,561	9.65
<u>(2) Recap of 74-75</u>			
TCD'S	5,818,261	72,705,388	8.00
Other	3,439,762	39,660,493	8.67

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STATE OF NEVADA
 STATE TREASURER'S BANK ACCOUNT
 CASH TRANSACTIONS (RECEIPTS & DISBURSEMENTS)
 Fiscal Years 62-63 Thru 74-75 At 1-31-75

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<u>FISCAL YEAR</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>TOTAL TRANSACTIONS</u>
1962-63	\$ 149,973,964	\$ 149,540,307	\$ 299,514,271
1963-64	186,894,447	186,463,123	373,357,570
1964-65	188,162,103	185,770,701	373,932,804
1965-66	197,366,376	192,666,332	390,032,708
1966-67	212,498,548	207,279,645	419,778,193
1967-68	225,135,026	228,036,812	453,171,838
1968-69	255,407,207	246,397,094	501,804,301
1969-70	310,517,437	296,392,167	606,909,604
1970-71	337,580,091	331,000,011	668,580,102
1971-72	394,553,175	391,757,564	786,310,739
1972-73	450,933,594	429,630,139	880,563,733
1973-74	479,296,584	448,282,701	927,579,285
1974-75 (Estimate)	<u>625,482,037</u>	<u>616,388,713</u>	<u>1,241,870,750</u>
Latest 12 Months	\$ 578,453,098	\$ 544,865,542	\$1,123,318,640
74-75 Thru Jan.	363,558,511	352,318,104	715,876,615
75-76 Projected	650,501,318	665,699,810	1,316,201,128
74-75 Investment Transactions Thru January	658,848,150	670,970,000	1,329,818,150

Committee notes 3/11/75

BOR 30 1124

Berarducci

Gregory

Hunkley

Jim Schofield

Jan Brady