

Assembly

MINUTES

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 58th Session

January 23, 1975

The meeting was called to order by Chairman Mello at 8:30 AM in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Dreyer, Mr. Glover, Mr. Howard, Mr. Robinson, Mr. Weise and Mr. Wittenberg.

ALSO PRESENT: John Dolan and Bill Bible

Bill Bible began with the One-Shots and Supplementals as follows:

Purchasing Working Capital Fund. Chairman Mello asked if money was being taken from NRS 33.125 which is the temporary transfer from the General Fund to the Account of Working Capital. Mr. Bible replied that the limitation is \$200,000 and they are drawing on this on a temporary basis.

Purchasing of a Warehouse and adjacent land is a One-Shot, but there would be separate bills on each purchase. This would be a cash purchase and Mr. Bible stated that the owner would probably be settling for this amount of \$140,000 because it would be a cash purchase. Chairman Mello asked Mr. Bible to supply a copy of the appraisal of this purchase.

The Buildings and Grounds Division's appropriation of \$2,500 to repaint the Governor's Mansion was questioned. Chairman Mello stated that in 1973 \$35,891 was appropriated for this purpose which left a balance of \$23,671. He asked where this balance was spent. Mr. Bible anticipated that this was used for interior work. Chairman Mello asked that this be held until it was known for sure.

The Lost City Museum appropriation was explained as replacing the septic system with a sewer pump system.

Economic Development appropriation for advertising was discussed in much detail. Chairman Mello felt that this could be a welfare program for the Motel/Hotel Industry and wondered if the Hotels would keep up their own advertising for the promotion of tourism. Mr. Bible felt that they would. Mr. Dreyer felt that it would be used for the Motion Picture and Television Industries and that if it was used in this manner, it would be good.

The Comprehensive Statewide Planning appropriation would assist local government in planning purposes. Mr. Bible stated this was a One-Shot and they would not be requesting a similar One-Shot next Session.

The Nevada State Library appropriation is for the purchase of three bookmobiles and the books necessary to stock them. Mr. Bible explained that these would then be operated by the local resource centers. Mr. Bremner asked why the cost was so high to equip these bookmobiles and Mr. Bible explained that the cost of books is very expensive and hydrolic lifts are used for stocking these books. Chairman Mello felt that with the gas shortage this would be helpful in providing the books to the people, and not the people to the books. The local library districts would provide the operating costs for the bookmobiles.

Public School Districts Capital Outlay. The appropriations would be distributed on the basis of enrollment.

The Governor has recommended \$20,983 to complete construction on the Lincoln County Hospital located near the Girls School in Caliente. Chairman Mello felt that we would be protecting ourselves as well as the girls in the school.

The Bureau of Services to the Blind would enable expansion of the Business Enterprise Program. Once these businesses become self-sufficient, the money would go back into the fund. Since a recent audit was done on this fund, Mr. Oliver would be asked to testify before the bill is moved.

Mr. Bible explained the Bureau of Alcohol and Drug Abuse appropriation.

The Bicentennial Commission was explained not to be in the budget because it can be taken care of in the One-Shot.

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The Emergency Medical Services would provide training for ambulance drivers, policemen and firemen. John Dolan asked who would do the training. Mr. Bible explained that this would be done on a contract basis. Five state employees were recommended in the operating budget but the bulk of the training would be done on a contract basis. \$21,000 would be used to purchase used ambulances for rural areas as this cannot qualify for Federal dollars.

Aging Services appropriations would provide funds to local non-profit organizations. Mr. Bible stated that the amount appropriated last year was not spent because of the restrictive language. Mrs. Brookman stated that some of the organizations are on-going senior citizens, RSVP, and Meals on Wheels.

Special Silicosis and Disabled Benefits appropriations would provide benefits to the Silicotic whose Industrial Insurance Benefits has lapsed. At present, there are 65 pensioners, 208 permanents, 254 widows, 280 dependent children, and 60 dependent parents.

The \$50 A Month Post Retirement Increase was explained by Mr. Bible. Since this recommendation involves an audit of the Bond Trust Fund, Mr. Oliver will also testify later.

Water Resources appropriations would be for legal resources and consultants. At present, the Attorney General participates in this type of litigation, but the water field requires special expertise.

State Parks appropriations would be used to update the program and get the plan into sufficient shape. Mr. Bible stated that they would like to have special consultants rather than state employees. The recommended number of planners is two.

The construction of the Clark County Halfway House was discussed. Mr. Bible explained that this Halfway House would be between the Spring Mountain Youth Camp and the Nevada Youth Training Center as another place for boys. The state would pay for the construction and the county would pay for the operation. Mr. Bible stated that this would be an alternative in care structure for boys located in a community setting. It would house eight to ten boys at a time with short stay periods.

New Careers Plan program was explained. Contract employees would be used through the Economic Opportunity Board to operate the program. The purpose for this would be because they anticipate only a 12-18 month program. The estimated fringe benefits figure was added in if state employees were hired instead of contract employees. The possibility would be one state employee. A revised budget estimate will be presented for this program.

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Committee on Group Insurance appropriations would provide for independent, outside expertise to evaluate the program.

The Public Service Commission's appropriations were explained.

The State Communications Board appropriations would help complete the statewide microwave system. Chairman Mello felt that this money should also be used to extend the microwave system into the smaller communities.

Payroll/Personnel Data Processing Application and Secretary of State appropriations were explained. Central Data Processing and Department of Administration appropriations were also explained.

The cost only of the Classified Salaries, Unclassified Salaries and University Classified Salaries appropriations were discussed. This recommendation will be discussed in detail later by the State Personnel Division.

Mr. Bible then explained the Board of Examiners appropriations to cover the costs connected with the proposed issuance of \$1.2 million State park bonds.

The tort claim of Charles Knight was explained. Charles Knight was involved in an accident on October 13, 1968 and the Board of Examiners has agreed to a payment of \$15,000. In this settlement, it was agreed that an additional appropriation of \$10,000 be recommended.

The Reserve for Statutory Contingency Fund - The Board of Examiners Emergency Fund and the Interim Finance Committee and State Claims appropriations were

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explained briefly. Chairman Mello questioned that the recommended \$100,000 for the sick-leave buy back was a One-Shot cost. Mr. Bible agreed that this would be a continuing cost but it was impossible to estimate which agencies would incur the costs.

The Highway Department County Cooperative Program appropriations were explained and Mr. Bible stated that this is a One-Shot because it is the type of item that can be continued or discontinued at any time. Chairman Mello disagreed that this was a one-time cost but rather a continuing program.

The Nevada Youth Training Center appropriations would be used for the purpose of meeting their increased operating needs due to increased population and inflation. The population has increased over the estimated growth.

The Children's Home appropriation is recommended for increased medical and food costs due to inflation.

Prison costs which have risen due to inflation and increased population for the fiscal year of 1974-75 were explained. Also, it was recommended that the Prison receive a supplemental appropriation to meet unexpected cost increases in fiscal year 1973-74.

Nevada Mental Health Institute supplemental appropriation is recommended due to an anticipated shortage of revenue from pay patient collections.

Carson City In-Lieu Taxes - An appropriation is recommended for payment of the balance of fiscal year 1974-75 in-lieu tax payment to Carson City.

Office of Extradition Clerk - The Legislature makes annual appropriations for payment of extraditions. The appropriations for 1970-71 and 1971-72 were not sufficient to meet expenses incurred in extradition.

Girls Parole - A supplemental appropriation for fiscal year 1974-75 is recommended to meet costs of rent and communications not anticipated in the legislatively approved fiscal year 1974-75 budget.

Western Nevada Community College - A supplemental appropriation of \$200,000 was recommended for fiscal year 1974-75 to be used to purchase library books. Chairman Mello stated he had received a letter from Neil Humphrey stating that \$160,000 would be sufficient. Mr. Bible explained that the \$200,000 was the amount given by the President of the College. Chairman Mello stated that Mr. Humphrey is the Chancellor and asked Mr. Bible whom he thought the Committee should believe. Mr. Bible answered, "The Chancellor." (letter from Chancellor Humphrey to Howard Barrett attached.)

The Nevada Council on the Arts appropriations were explained.

The Department of the Military supplemental appropriation was explained that the utility costs of the Guard facilities have already exceeded the budgeted level by 20%. Chairman Mello stated that he had received a letter dated December 26, 1974 from the Adjutant General requesting \$16,000 be paid by the State and \$9,000 be paid by Federal Funds. This totals \$25,000. Mr. Bible stated that he would check back and explain the difference. (letter from the Adjutant General attached.)

The Old Age Assistance supplemental appropriation is recommended to be made to the Welfare Division so that maximum monthly benefits to the elderly needy may continue at \$185 for an individual and \$298.26 for a couple and so that, effective January 1, 1975, eligible persons in Adult Group Care facilities may receive \$25 per month personal needs allowance and \$260 per month for payment to the facility in which they reside.

The meeting adjourned at 10:30 A.M.

September 30, 1974

Mr. Howard E. Barrett, Director
Department of Administration
Blasdel Building
Carson City, Nevada 89701

Dear Gene:

The Board of Regents, at its September, 1974 meeting, approved a request for a supplementary appropriation for 1974-75, of \$160,000 for library books at Western Nevada Community College.

The WNCC enrollment for 1973-74 was projected at 800 FTE and the budget was based on that projection. The actual enrollment was 1,452 FTE, causing severe budget problems. The need for extra revenues was resolved by an allocation of \$113,457 from the Board of Regents Special Projects Fund and reallocation of \$100,000 of money originally programmed for library book acquisition. As you will recall, this solution was discussed with you at the time.

The projected enrollment for 1974-75 was 1,100 FTE; however, based on the 1973-74 experience, this has been revised to 1,825 FTE for work program purposes. The preliminary enrollment data appears to substantiate the revised projection. To assist in the adjustment necessitated by the unanticipated enrollment increase, \$60,000 has again been taken from the book acquisition budget and allocated to salaries and operating expenses.

I have asked the Legislative Counsel Bureau to draft a bill for the appropriation, and I wanted to inform you of the request so that you may consider it in your planning. I would hope, of course, that the Governor would include this in his list of requested supplemental appropriations.

Cordially,

Neil D. Humphrey
Chancellor

NDH:ja

cc: Mr. John Dolan

STATE OF NEVADA MILITARY DEPARTMENT
OFFICE OF THE ADJUTANT GENERAL

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MIKE O'CALLAGHAN
Governor

FLOYD L. EDGALL
The Adjutant General

TO: Howard E. Barrett, Administrator, Budget Division
FROM: Adjutant General
DATE: December 26, 1974
SUBJECT: Budget Increase For Fiscal Year 1974-75

The Department of Military submits an emergency request for funds for Fiscal Year 1974-1975. These funds are required to pay for increase utilities costs. Authorization is requested for an additional \$25,000 to be funded as follows:

Utilities Increase

Item	Total	Federal	State
Air Service Contract	+\$12,000	+\$9,000	+\$ 3,000
100% State Facilities	+\$13,000	0	+\$ 13,000
TOTAL	+\$25,000	+\$9,000	+\$ 16,000

A comparison of the proposed increased budget with our current utilities budget and with the actual expenditures in FY 74 and FY 73 is as follows:

Item	Proposed Budget	Current Budget	FY 74	FY 73
Air Service Contract	77,000	65,000	65,338	48,715
Army Service Contract	29,000	29,000	21,360	15,259
100% State Facilities	44,000	31,000	39,443	33,144
TOTAL	150,000	125,000	126,139	97,117

This increase in our utilities budget is, of course, necessitated by the unprecedented increases in the cost of all utilities items to include water, sewage, electricity, fuel oil, natural gas and garbage collection. For example, at the Air National Guard Facility in Reno between July 1973 and present the cost of electricity has been raised three times for a total increase of 30% and the cost of fuel oil has been raised eight times for a total of over 150%.

Our current utilities budget has already been increased from the legislative appropriation of \$105,000 to \$125,000 by reducing our budget for maintenance. It is not feasible to reduce the maintenance budget by another \$25,000 to absorb the increased cost of utilities.

With the current maintenance budget much necessary maintenance must be deferred to a later date. As you know, deferred maintenance leads to increased future maintenance costs and, in some cases, to increases in interim utilities costs.

We have studied this problem quite thoroughly. We have explored various possibilities to make up shortages in utilities by cutting other items. We have found from this study that we are short in other items and will have trouble "holding the line" on them much less be able to reduce them. Everything has been effected by inflation.

It should be noted that this request is based on the winter weather being the same this year as it was last year and on our continuance of a stringent energy conservation program.

FLOYD L. EDSALL
Major General
The Adjutant General