

Assembly

MINUTES

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

February 3, 1975

The Meeting was called to order at 8:00 A.M. by Chairman Mello 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: Bill Bible, John Dolan, Howard Barrett, Mike Mirabelli, Bob Cameron, Robert List, Norrine Barber and James Thompson.

Motion to approve the Minutes of the meetings of January 27 and 28, 1975 was made by Mr. Bremner. Second by Mr. Robinson. Motion passed.

Mr. List stated that recent monies recovered by the Attorney General's office in the past one and a half years is \$1,250,000. He stated that the Attorney General's office is satisfied with the Governor's recommendations of new positions: four deputies, one investigator and two secretaries. He is requesting another deputy for the Department of Motor Vehicles as one man cannot handle the increased workload. This workload involves 92 administrative hearings, mostly revoked licenses; 16 cases in court where action has been taken; 8 cases pending in court; 1 Supreme Court case; 4 pending tort claims. They have had trouble filling this position because of the workload.

Chairman Mello stated that the Senate Finance Committee was pre-mature in going after the hikes in salary as the salaries shown are the top level, not what they would be paid. Mr. List stated that he felt that this was not understood by the Senate Finance Committee. The \$96,600 let in the budget is an anticipated reversion because deputies would start at steps 1, 2, or 3 rather than step 5. There are four grades and five steps. Chairman Mello requested a breakdown of the grades and steps and Mr. List stated that he would supply this information. Mr. List stated that there is a big problem in keeping experienced lawyers on a long term basis rather than recruiting lawyers fresh out of law school.

Chairman Mello then asked Mr. List to explain the One Shot item of \$500,000 for Water Resources. Mr. List stated that \$100,000 would be used for two pending cases - pup fish case in Pahrump and the Salmon River Basin litigation in Elko County. \$200,000 would be used for the Pyramid Lake case and another \$200,000 would be used for expert witnesses and water resource people.

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The contractual services figure is dropped from \$16,000 to \$4,000 as the agency would pick up half of the salary (\$12,000). This \$12,000 would be shifted to salary and out of contractual services. Mr. List explained that the building rent increase is for expanding the Las Vegas office. Chairman Mello asked Mr. Bible why the \$96,600 was left in the budget. Mr. Bible explained that they did not understand that the Deputies would be moved through steps at the time the budget was made. Mr. List stated that in recruiting a deputy with water background, the salary might have to be started at the top. This office cannot anticipate the salary of a new deputy filling a position that someone has left. Chairman Mello stated that if there is a well qualified individual working who leaves, his position should not be filled by someone above him. The Committee needs to know where the dollars are going to be spent. Mr. List stated there would be an orderly progression of salaries every year rather than a large sum in two years.

Mr. Wittenberg questioned why the building rent is going up to \$10,000 the first year and \$57,920 in 1977. Mr. Bible explained that one of the Capital Improvements is the remodeling of the Heroes Memorial Building for the Attorney General and that would require the \$57,920.

Mr. Dreyer questioned the Deputy III at Taxicab who is presently at \$17,000, why the salary is shown at \$26,301. He asked if the deputy would be automatically put at the top level or would the salary go to that. Mr. List stated that the new man that they recruit to replace the deputy who is leaving would probably be paid \$23,700. He also stated that it is done this way at the suggestion of the Personnel Department Budget Office. Chairman Mello stated that the top level is always built into the budget. Mr.

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Weise stated that two-thirds of the employees have only two years experience and that over two-thirds of the positions are Step 3 or 4. He asked what the background of the deputies was. Mr. List stated that they recruited for a new position by sending a circular to 900 members of the State Bar Association and received only four applicants of which none he would have hired. Mr. List stated that after a month or two, the new deputy is started in court and after two years he would be relatively experienced, know the job and the agencies he serves. He stated that they are paid according to their background and experience. Chairman Mello stated that this would all be reviewed again when the list is received from the Attorney General.

Mr. List then explained the Special Fund. This fund is used for prosecuting and defending suits unknown at present. The existing work program is \$30,000 and half way through they are right at \$15,000. The Private Detective was explained as a self-sustaining program under licensing fees. The Extradition Clerk coordinates all inbound and outbound persons being extradited. Persons brought into Nevada or shipped to where they are wanted elsewhere. The Supplemental of \$3,770 is money presently owed to Clark County for an extradition.

Mr. Howard Barrett then explained the functions of the Budget Division:
1. Appropriations of the budget, 2. What is done with the budget after the changes are made, and 3. Audit all monies paid out. He explained the first item of Financing is for regular appropriations. The \$15,000 Highway appropriation is not asked for next year. The Division Reimbursement is the amount of money the budget charges Personnel for the services of the Director of Administration. No new positions are being recommended. **Mr. Barrett explained the Special Studies are studies that cannot be defined at present. The need for someone in a special field might be necessary at a later time.**

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The Insurance Premium Revolving Fund is money from agency payments. Insurance payments that cannot be charged to any particular agency, such as capitol building space, portraits insured, etc., are paid out of the general fund. They are recommending two new positions: Risk Manager and Secretary. The duties of the Risk Manager would be to bill the agencies, pay insurance, see that the appraisal evaluations are reasonable, checking payments on vehicle insurance and checking on accidents. The Risk Manager would also take care of a new program from deferred compensation which is going to be proposed. This would be a way of deferring some income by not paying taxes on it at this point, but paying taxes on it when an employee retires. There would be no cost for this proposal only the position of Risk Manager. He would also handle the unemployment insurance which is being proposed. The Employment Security Department would bill the fund and this man would make the payments to ESD. The Contractural Services is to provide a consultant on the Group Insurance Committee. The Supplemental is to provide this service now and the contractural services is for the next biennium if there is need to continue. John Dolan explained that several agencies have conducted studies and the actuarial studies that go into all these insurance policies is a very technical, complicated figure. It is necessary that they use the right assumptions and calculations and see that they are correct. Mr. Barrett stated that it is not good to have the expert on the side of the business. We need one on our side. It is also necessary to know if the buildings are insured at the proper value and to make sure all buildings are insured. At present, there is no central location that keeps track of all state buildings, cars, etc. to be sure that they are insured and at the proper value.

Mr. Dreyer stated that if an insurance company wants the business, they will go out to every place of property and appraise each one. Mr. Barrett stated that the insurance company has not performed this duty and that is why there is a need for the consultant.

Mr. Barrett then explained the Clear Creek Youth Center. This center is used by school related and church related groups both adult and children. Girl Scouts, Boy Scouts, and anyone else interested may use this facility. This is supported by General Fund money and rental income from forestry and parks. The only charges made are for damages. The appropriation of \$5,000 is for improvements and repairs. This facility can be used by anyone from all over the state and is open year-round.

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Mr. Barrett asked the Legislature not to act on the \$100,000 CETA equipment appropriation but defer it until later to see what happens federally. There are enough CETA positions, and if the money was available, these people could be used to help with landscaping, clean-up and even demotion of old buildings provided they had the equipment. The federal money can be used only for salaries, and this appropriation is for equipment.

State Treasurer, Mike Mirabelli, then explained his budget. Money in the checking account would just lie there before and is now available for investment. He stated that to help with the increase of investments, one and a half positions are needed. Presently, there is one girl who only works part-time. With the increase in travel requests, approximately 25 -100 per day, he feels it is necessary to make her position a full-time one. Also, Legislative Auditors require better control of the vault. He is recommending an addition of one person who would do this and also handle money that comes in and goes out. Mr. Bible stated that their office feels that this person can handle the vault and the other half-day of work and it is not necessary to add the one-half position.

Bob Cameron then explained the State Board of Finance. This Board develops cash flow studies and cash flow analysis. Money is now deposited in the State Treasury rather than the clearing account which provides a direct flow. Mr. Cameron stated that there is an 18.1% increase recommended by the Governor and the biggest part of this is in salaries. Mr. Robinson questioned the duty (#3) "Places State Property Insurance" and asked if this duty is to supervise the Risk Manager. Mr. Bible stated that this will be removed from the duties of the Financial Secretary.

Chairman Mello then asked for the approval of the Ways and Means Committee to introduce BDR 23-670 "Repeals Provision Requiring Legislative Auditor to Make Periodic Examinations of Certain Public Employees Retirement Records. Motion was made by Mr. Weise, Seconded by Mr. Bremner. Approved unanimously.

The meeting adjourned at 10:15 AM.