

## Assembly

## MINUTES

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

March 26, 1975

The meeting was called to order by Chairman Mello at 8:00 A.M. in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Mrs. Brookman, Mr. Dreyer, Mr. Glover, Mr. Howard, Mr. Robinson, Mr. Weise, Mr. Wittenberg, and Mr. Bremner arrived at 8:30 A.M.

ALSO PRESENT: John Dolan, Bill Bible, Jim Deskin, Peggy Glover, Mike Mizell, Gene Olson, Terry Sullivan, Gordon Harding, Art Crosby, and Larry McCracken.

Motion was made by Mr. Wittenberg to approve the minutes of March 19, 20, and 21, 1975. Seconded by Mrs. Brookman. Motion passed.

Chairman Mello suggested that the committee pass AB 232 in order for it to be amended and sent back to this committee. Mr. Dreyer made a motion to do so. Mr. Howard seconded. Motion passed.

Jim Deskin explained the Athletic Commission and stated that they have three inspectors and one part-time secretary. They have the sole discretion, management, control and jurisdiction of boxing contests, sparing and wrestling.

The host expenses provide food for a joint meeting with California as when the meeting is held in California, they host the luncheon or dinner.

The Contractual Services are for inspectors. \$200 is paid one inspector, \$100 is paid another inspector, and the part-time secretary receives \$200 per month. They are involved with approximately 125 boxing and wrestling matches per year and hope to add another inspector.

Mr. Wittenberg questioned the \$76,000 that keeps turning over every year into each year's budget. Mr. Bible stated that this is self-supporting activity generated and is kept in case there is a fluctuation of fees. **This is not General Fund money and cannot revert to the General Fund.**

The Out of State travel is used for conventions that all Commission members attend. Chairman Mello asked if they needed the \$10,000 they are requesting for each year of the biennium as their work program is only \$2785. Mr. Deskin stated that he did not need \$10,000 each year, but it depends on how many promotions they have and they never know. They had 12 promotions last year. But, Mr. Deskin stated that he did not feel they could operate with only \$3500 per year. Mr. Wittenberg stated that if they did not have enough in the Out-of-State travel they could get it from the \$76,000. Mr. Bible stated the budget could be augmented, but if it is Legislative intent to limit activity, then the activity will be limited. Mr. Bible stated that this is a separate fund in the State Treasury, and interest earned on this money does go to the General Fund.

Mike Mizell stated that the carpeting appropriation SB 285 would carpet approximately 4134 yards in the Nye Building and 534 in the Blasdel Building. Also, in answer to Mrs. Brookman regarding a donation basket at the Lost City Museum, he stated he called the Museum and was told there was none.

Mrs. Peggy Glover explained the Motor Pool and stated that this division is in charge of most of the cars at various state agencies. They have offices in Las Vegas, Carson City, and Reno and revenue is derived from rates charged agencies for the use of these cars. Two positions have been eliminated in this budget: the Chauffer positions and a half-time student.

The Contractural Services cover maintenance contracts on cooling units and maintenance for motor pool facilities. Increases are due to inflation and increased costs in petroleum products.

Chairman Mello stated that in California the decals are being put on either the bumper or on the back window rather than the side of the car.

Page 2

and felt it was possibly due to resale value. Mr. Gene Olson stated that this has been mentioned, but they have a supply of decals left over at 50¢ per decal and did not want to waste them. He stated that the type of vehicles they have now would not have a higher resale value without the decal as they do with the decal and stated that the condition of the car doesn't matter. But in the future, they will have the compact cars, and it would be beneficial to the resale value if the decals were not placed on the side.

Mr. Weise asked what the condition the cars were in that state employees would rather use their own cars. Mr. Mizell stated that the cars are not in that bad of shape and it is easier and more economical to operate a motor pool than to pay all employees for using their own cars. Mr. Olson stated that most of the complaints come from the cars not having radios and stated that all of the Las Vegas cars do have air-conditioning. The Reno Motor Pool services 30-50 cars per day, the Carson City office may service more than this amount and the Las Vegas office services more for sure. Mr. Dreyer felt that if the cars are kept in good shape it shouldn't matter how old the car is, it should be in good running condition. Mr. Olson replied that these cars are driven by many different types of drivers who put more wear and tear on the car by the way they drive it and also there are no garages for the cars and the heat, especially in Las Vegas, deteriorates the interior of a car fast.

Terry Sullivan explained the Purchasing Administration. He stated that they are responsible for all material equipment and supplies provided to state agencies. The budget has increased because business has increased. They are asking for four New Positions. These people would be buyers to help handle the requisitions that come in and they are always behind. They furnish entire buildings and also furnish specialized equipment. Two of these positions would be Specification writers who would do the same job as the buyer but on a lesser scale. They would also like an accountant to do accounting type of work in the operation and would also be partial support for the buyers. They anticipate more business over the next two years.

The largest item in the budget is the tele-processing system.

The Out-of-State travel is to provide attendance at the National Conference and other necessary trips to the warehouse in Las Vegas and other areas.

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**The Dues and Registration is for the National Association.**

Chairman Mello stated that there is a One-Shot for \$165,000 for a warehouse, on page A20, AB 211 which has been passed.

Also, a One-Shot for \$300,000 on page A20, SB 76. Mr. Sullivan stated that presently they have \$700,000 in the revolving fund which is used to pay vendors and purchase stock. They do not have enough to pay the vendors and would like to put more stock in the warehouse. He stated that they keep a real close inventory and weed out what isn't moving fast.

The Other Contractual Services is for the leasing of the data processing equipment. They want to automate what they are presently doing, such as purchase orders that are produced. They are asking for in-punch type of machines that will be put into the computer and by-passing the key-punch. This will not eliminate work, but will provide information that they need. The savings is realized in the Key-Punch operators.

The Public Relations is used to advertise bids in newspapers.

The Commodity Food Program was explained by Mr. Sullivan. The food is donated by the Federal Government to the State to be distributed to schools, welfare people, and Indian Reservations. The schools are charged \$1 per case. They are asking for \$18,700 in 1975-76 and \$9,350 in 1976-77 to service the Indian Reservations in the remote areas.

The Surplus Administration was explained as the same type of program, except certain surplus equipment is donated to the state by the Federal Government and distributed to the schools etc., at an assessed charge of 10%.

Gordon Harding explained the Central Data Processing budget. Chairman

Page 3

Mello stated that there is a One-Shot of \$120,000 on page A23 which is AB 251 and this has passed. There is also a One-Shot of \$50,000 on page A24, SB 176.

This division provides data processing services to state agencies. There will be a reduction of three key-punch operators because of the Purchasing Administration's automation. They charge the state agencies a proportionate share of the computer usage.

The Contractual Services provides for the data entry equipment, the sharing of terminals and terminals used by customer agencies. They have implemented the time sharing capability which is a means of using a computer terminal to put information into a computer. He stated that they have not had to add any new people to help with the increased workload. Through the new techniques they have been able to increase people productivity. Mr. Dreyer stated that last session 52 positions were approved and the budget shows they now have 58. Mr. Harding stated that they have increased employees at a rate less than they had expected.

They have inmate programmers on staff who come to the site each day to work for \$2 per day. This same work if done by other employees would cost \$15,000 per year. They are also training women inmate programmers in data entry to reduce overtime. The work is taken to the prison and done there for \$2 per day. They are continually looking for ways to increase productivity.

Art Crosby explained the Computer Facility. He stated that they operate the computer and sell the services to state agencies. The budget shows 50% per machine cost and 26-27% in labor. They are requesting two New computer operators. This facility is operated 24 hours a day, seven days a week, 365 days per year. They need these positions to handle the increased workload with less overtime.

The Out-of-State travel is used to evaluate products that users may ask them to acquire in order to provide services to them.

The Operational Supplies are the purchase of manuals, printer ribbons, etc., and the costs have increased.

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The Insurance Expenses is to provide insurance for the newly state purchased computer.

The Contractual Services are used to rent software products and renting is the cheapest way to provide this service.

The Other Contractual Services are for preventative maintenance for equipment. They are paying \$47,000 per year for this on the new computer.

Mr. Crosby explained the Nevada/Utah backup. He stated that Utah has a computer identical to Nevada's and either computer can be dialed into the other in case of emergency. The \$18,000 for two years would not be spent if there is no need. This would be mainly for telephone costs and people. Utah would not charge Nevada for this service. The purpose for this is a fail-safe measure in case this computer fails to work, payroll, welfare checks, unemployment benefits, or anything that has a deadline can be fed into the Utah computer and be processed almost as quickly as if it were put through Nevada's computer.

There are 14 devices hooked onto the computer for ESD job matching. He stated there may have to be an increase in this budget if ESD grows enough to install another computer, but they will not know until after this Session is over.

Larry McCracken explained the Unemployment Compensation Administration. He stated that make payments and administer the Unemployment Insurance program. He stated that they have cut down on Out-of State travel a great deal due to inflation. The number of people they have on unemployment and the people charged with the administration of all the programs requires a great deal of travel, often to San Francisco where the regional office is.

They had approximately 650 employees, but due to the reduction in unemployment claims, they had to lay off 25 people. The Department Heads are responsible to the Federal Government and they travel only when asked. 72 people from three divisions are asked to travel from time to time.



337

Mr. McCracken stated that there are 32,900 people unemployed in Nevada which is 9.7% seasonally adjusted rate. This is a cost of approximately \$50 million per year. Only one of their programs is completely funded by the state and there are 22,000 drawing regular unemployment compensation under this program. He stated that self-employed are not covered by unemployment insurance.

Chairman Mello stated that he felt it would be easier for the Committee to understand where funds are going if this budget was broken out like all the other budgets rather than just presented in 12 lines. Mr. McCracken stated that he realized that this presentation has never been looked favorably upon by the Legislature and stated he would be happy to provide any other information the Committee desired. Chairman Mello asked that he provide a budget that is completely broken down to him and he would see that the Committee receive a copy.

Mr. McCracken then explained the Old Age and Survivors Insurance. He stated that this program loses money, but the Federal Government has asked them to administer it and they do. It is a small dollar amount, but more is paid out than they get back.

WIN-Public Service Employment contracts are administered by the Department of Administration.

The meeting adjourned at 10:25 A.M.