

MINUTES

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

April 24, 1975

The meeting was called to order by Chairman Mello at 7:00 A.M. in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Dreyer, Mr. Glover, Mr. Howard, Mr. Robinson, and Mr. Wittenberg. Mr. Weise arrived at 8:00 A.M.

ALSO PRESENT: John Dolan, Bill Bible, Gene Phelps, John Crossley, Larry McCracken, Stanley Miller and John Gamble.

SB 330 "Creates silicosis and disabled pension fund and makes appropriation to such fund." BDR 53-834.

Mr. Bible stated that he had recommended this as a One-Shot cost and use the surplus money. If this is not approved, those now receiving benefits will no longer receive them.

Mr. Wittenberg made a motion to recommend a "Do-Pass" and clear up conflicts. Mrs. Brookman seconded. Motion passed. Mr. Weise was absent.

AB 385 "Qualifies all services performed in public employment for unemployment compensation." BDR 53-1003

Chairman Mello stated that he felt the point made by Mr. Wittenberg was a good one regarding an option for local governments to participate as it might create a hardship on them. Mr. Bible stated that their office did not recommend that this bill also include all other local cities and counties, but only the state. Mr. Wittenberg felt that if the unemployment drops there would be no way to take this benefit away from the state employees. Mr. Bible stated that there are two methods they can use to pay for this - by percentage of gross payroll or in-lieu option by paying for actual coverage. The Employment Security Office has two amendments:

1. Subsection 3(a), beginning on line 11, page 2, should be deleted in its entirety.

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Subsection 3(b), beginning on line 13, page 2, thus becomes subsection (a) and should be retained in its entirety.

Likewise, subsections (c) and (d), beginning on lines 19 and 23, respectively, on page 2, should be retained as subsections (b) and (c).

2. Page 3, line 30 "... July 1, 1975 or upon termination of the Special Unemployment Assistance program whichever is later."

Mr. Wittenberg made a motion to adopt these two amendments. Mr. Bremner seconded. Motion passed. Mr. Weise was absent. Mr. Wittenberg made a motion to further amend the bill by putting in the proper wording to make it optional for local governments. Mr. Howard seconded. Motion passed. Mr. Weise was absent. Mr. Wittenberg made a motion to recommend a "Do-Pass" as amended. Mr. Bremner seconded. Motion passed. Mr. Weise was absent.

Attorney General Administration Fund - John Dolan stated that the Deputy IV should be deleted as it was placed in the Systems Administration budget. Mr. Bremner made a motion to delete this position from this budget. Mrs. Brookman seconded. Motion passed. Mr. Weise was absent. Mr. Bremner made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mr. Wittenberg seconded. Motion passed. Mr. Weise was absent.

Nevada Tax Commission - Mr. Bremner made a motion to recommend a "Do-Pass" as recommended by the Governor. Mrs. Brookman seconded. Motion passed. Mr. Weise was absent.

District Judges Salary - Mr. Dreyer made a motion to recommend a "Do-Pass" as recommended by the Governor. Mrs. Brookman seconded. Motion passed. Mr. Weise was absent.

District Judges and Widows Pensions - Mrs. Brookman made a motion to

recommend a "Do-Pass" as recommended by the Governor. Mr. Bremner seconded. Motion passed. Mr. Weise was absent.

Clark County Community College - Mr. Dreyer made a motion to recommend a "Do-Pass" per the committee report. Mrs. Brookman seconded. Motion passed. Mr. Weise was absent.

Western Nevada Community College - Mr. Dolan stated that when the budget was prepared, the appropriation for books was insufficient and stated that \$58,000 should be added for a total of \$142,800 in the first year and \$78,792 should be added for a total of \$191,352 in the second year. Mr. Dreyer made a motion to amend the budget by including these amounts. Mrs. Brookman seconded. Motion passed. Mr. Weise was absent. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the committee and as amended. Mr. Bremner seconded. Motion passed. Mr. Weise was absent.

Northern Nevada Community College - Mr. Howard made a motion to recommend a "Do-Pass" as recommended by the committee. Mr. Dreyer seconded. Motion passed.

WICHE - Mr. Robinson made a motion to amend this budget by including a provision for law students at 30 the first year at a cost of \$90,000 and 70 students the second year at a cost of \$210,000. Mr. Bremner seconded. Motion passed. Mr. Weise was absent. Mr. Robinson made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mr. Bremner seconded. Motion passed.

AB 649 "Increases certain legislative per diem, travel and telephone allowances." BDR 17-1080.

Mr. Wittenberg made a motion to amend this bill on page 1, line 12 to \$40 rather than \$30; page 1, line 14 from 12¢ to 17¢; page 1, line 18 from \$1600 to \$1700; page 1, line 20 from 700 to 710; page 2, line 3 \$40; and to delete lines 4 and 5. Mrs. Brookman seconded. Motion passed. Mr. Robinson made a motion to delete Sec. 2. Mr. Bremner seconded. Motion passed. Mr. Wittenberg voted no. Mr. Weise made a motion for "no committee recommendation as amended." Mr. Bremner seconded. Motion passed.

AB 349 "Gives state highway engineer more discretion in use of state highway revolving fund." BDR 35-925

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Mr. Gene Phelps, Highway Department, explained that this bill was proposed partially at the request of the State Treasurer. The revolving fund was \$500,000 but the payroll now exceeds \$700,000. They try to make payments to the contracts by the 10th of the month in order for them to receive their discounts which allows for better bids. \$4 million would be needed in the Revolving Fund to cover this. They have reduced the \$500,000 to \$50,000 and put the balance in the Highway Fund.

John Crossley, Audit Division LCB, stated they have no objection to the Highway department having a revolving fund but they object of page 2, line 2 "in excess of the normal limit of the fund." He hesitates to endorse this in the law. Mr. Phelps stated that they do not release checks in advance of deposits. Mr. Crossley stated that if we have a revolving fund it should be in the amount needed to handle the needs. That is only good accounting.

Mr. Howard made a motion to delete subsection 5 on page 2. Mr. Weise seconded. Motion failed with Mr. Wittenberg, Mr. Robinson and Mrs. Brookman voting no.

Mr. Howard made a motion to recommend an "Indefinite Postponement." Mr. Weise seconded. Motion passed with Mr. Wittenberg, Mr. Robinson, Mr. Bremner and Mrs. Brookman voting no.

AB 478 "Expedites unemployment compensation board's procedure and increase board member's salary." BDR 53-1458.

Stanley Miller stated that he was not speaking on the first part of the bill because SB 165 would increase the allowance for various boards. The second part was proposed by the board as a means of coping with the workload. Instead of keeping the records for four years the tapes could be reused or destroyed after six months. They have never had to go back to one of these tapes. SEC. 8 was added to the original bill by Commerce

to be a safety valve in case one of the tapes is needed. The final change restores the language deleted in 1971.

Mr. Weise made a motion to recommend a "Do-Pass". Mr. Dreyer seconded. Motion passed.

AB 479 "Clarifies administration of monies from Federal unemployment trust fund and authorizes expenditure therefrom." BDR 53-1454.

Mr. Larry McCracken stated that this refers to the section of the Social Security Act that relates to funds given by Federal Government. They will get the money back for administering the laws and services. The money that was appropriated by the Federal Government could not be used because the Federal Government did not like the way the bill was written. This bill will take care of the workload problem and the space needed. Presently they are renting space in another part of town and it is difficult to coordinate activities. This would allow for the building of a new building, remodeling the existing building and help in keeping up with the increased workload. The building would be paid for by Federal money, but the state would own the building when it is paid for. There are some expenditures that would not be paid by the Federal Government. The estimated cost is \$1.2 million. (see attached for written statement.)

Mr. Robinson made a motion to recommend a "Do-Pass". Mr. Howard seconded. Motion passed. Mr. Weise voted no.

SB 334 "Increases payment for school pupil's food and lodging in lieu of transportation." BDR 34-906.

John Gamble explained that the law presently allows for \$3 to be paid by the school districts. This is permissive legislation and the maximum total impact to all school districts would be \$35,000 in each year. Currently, this is being provided for 87 students.

Mr. Bremner made a motion to recommend a "Do-Pass". Mr. Weise seconded. Motion passed.

SB 370 "Provides compensation for members of the state board of education while attending board meetings." BDR 34-1382.

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John Gamble stated that this is requested as part of a previous bill making equal compensation for boards. The reason this could not be included in the other bill is because they were never paid before.

Mrs. Brookman made a motion to change the word "his" to "members" as most of the members are women. Motion failed due to lack of second. She feels this wording does not include females.

Mr. Wittenberg made a motion to recommend a "Do-Pass". Mr. Bremner seconded. Motion passed.

Boys School - Girls School Reserves - Mr. Dreyer made a motion to recommend a "Do-Pass" as recommended by the Governor. Mr. Robinson seconded. Motion passed.

Health Aid to Counties - John Dolan stated that Senate Finance amended this to 75¢ per head based on the population of Washoe and Clark Counties rather than \$1 per head based on population and add \$111,615 in each year. Mr. Robinson made a motion to amend this budget to 80¢ per head based on the population of Washoe and Clark Counties and add \$126,615 to each year. Mr. Bremner seconded. Motion passed. This would be a total of \$246,615 each year. Mr. Robinson stated that he was afraid the immunization program would be cut back which would create many problems.

Mr. Robinson made a motion to adopt the program statement as follows:

"This item establishes a concept of per capita funding for health services which transfer to the Washoe and Clark County Health Districts on a population formula, 80¢ per person per year with the State Health Division utilizing the funds not so transferred to provide health services in the other counties.

It is intended that these funds would not replace or eliminate any other category of funding or grants from or through the State Health Division.

Further, population by county will be established by the Political Science Departments of the University of Nevada System as certified by the Board of Regents on an annual basis."

Mr. Bremner seconded. Motion passed.

Mr. Robinson made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mr. Bremner seconded. Motion passed.

Clark County Emotionally Disturbed Childrens Program - Mr. Bible explained that the sub-committee's recommendation to reduce the General Fund monies and replaced them with Social Services money would cause 66% of the 497 families to be no longer able to receive benefits. This would change the scope to orient it towards low income families. John Dolan stated that Senate Finance gave authority to add 7 new positions and appropriate costs to be funded by Federal monies if it is available.

Mr. Robinson made a motion to approve the same 7 positions as Senate Finance did. Mrs. Brookman seconded. Motion passed.

Mrs. Brookman made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mr. Robinson seconded. Motion passed.

Committee to Hire the Handicapped - Mr. Weise made a motion to delete this committee. Mr. Howard seconded. Motion failed. Mr. Glover made a motion to recommend a "Do-Pass" as recommended by the Governor. Mr. Robinson seconded. Motion passed with Chairman Mello, Mr. Weise and Mr. Howard voting no.

State Communications Board - Mrs. Brookman made a motion to recommend a "Do-Pass" as recommended by the Governor. Mr. Wittenberg seconded. Motion passed with Mr. Weise voting no and Mr. Glover and Mr. Dreyer not voting.

Bond Interest and Redemption - Mr. Weise made a motion to recommend a "Do-Pass" as recommended by the Governor. Mr. Glover seconded. Motion passed.

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Assistance to the Aged and Blind - Chairman Mello stated that SB 208 would raise the amount \$27,690. Mr. Dreyer made a motion to amend this budget by increasing the amount \$27,690 in the regular appropriation. Mr. Bremner seconded. Motion passed.

Mr. Robinson made a motion to recommend a "Do-Pass" as recommended by the Governor and as amended. Mrs. Brookman seconded. Motion passed.

SB 142 "Makes appropriation to state board of examiners for purpose of paying costs connected with proposed issue of state park bonds." BDR S-776.

Mr. Dreyer made a motion to recommend a "Do-Pass". Mr. Robinson seconded. Motion passed.

AB 227 "Increase amount allowable for payment of state employees group insurance premium." BDR 23-769.

Bill Bible stated that this authorizes group insurance in the recommended levels of \$32 the first year and \$35.20 the second. He stated that they do intend to bid the benefits for the amount of dollar. Mr. Weise felt this was a backwards way of doing things. Mr. Wittenberg stated that it would be difficult to try and put it out to bid now.

Mr. Wittenberg made a motion to recommend a "Do-Pass". Mrs. Brookman seconded. Motion passed.

SB 285 "Makes appropriation to division of Buildings and Grounds of Department of General Services." BDR S-851.

John Dolan stated that the purchasing division got bids on the carpet and the lowest was \$9.85 per square yard with pad and installation and is top quality. The actual figure is \$43,185 and the bill is requesting \$65,348 but does not include the Children's Home. John Dolan suggested that a subsection 4 be put in SEC. 1 for them to spend the money for carpet. If the money is not used it will revert.

Mr. Robinson made a motion to add subsection 4 to SEC. 1 for carpeting for



the Children's Home in the amount of \$34,000. Mr. Dreyer seconded. Motion passed.

Mr. Robinson made a motion to recommend a "Do-Pass" as amended. Mr. Weise seconded. Motion passed. 546

Mr. Robinson stated that they have a bid for \$12,500 to repair the steps of the mansion both front and back. Also a bid for \$37,250 for fencing which includes magic eyes in the gate. Chairman Mello stated that he would like to see more bids. Mr. Weise stated that these projects are not recommended by the Board, not requested by the Governor and not in Capital Improvements. The Mansion should be kept up and if they need to be fixed they should be. Mr. Glover questioned the need for the fence. He felt this money could be spent on people projects. Mr. Robinson hoped that both projects would be treated separately. The Public Works Board has approved the repair of the steps.

Mr. Robinson made a motion to approve the repair of the steps and get more bids. Mr. Weise seconded. Motion passed.

Mr. Weise made a motion to not consider the fence. Mr. Howard seconded. Motion passed. Mrs. Brookman voted no.

John Dolan stated that Senate Finance had requested rent costs and found that some of the rents were high. Senate Finance moved to amend the budgets (see attached) and have the Audit Division make the necessary adjustments. Mr. Dreyer so moved. Mr. Weise seconded. Motion passed. Mr. Glover is recorded as not voting.

The meeting adjourned at 10:30 A.M.

7/27

TESTIMONY FOR ASSEMBLY BILL 479  
FEDERAL UNEMPLOYMENT TRUST FUND (REED ACT) NRS 612.617  
APRIL 7, 1975

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I AM LAWRENCE O. McCracken, EXECUTIVE DIRECTOR OF THE EMPLOYMENT SECURITY DEPARTMENT, HERE TO TESTIFY ON ASSEMBLY BILL 479.

THIS BILL REFERS TO FEDERAL LAW SECTION 903 OF THE SOCIAL SECURITY ACT AS AMENDED WHICH RELATES TO FUNDS DISTRIBUTED TO STATES FROM THE FEDERAL GOVERNMENT. THESE FUNDS ARE FROM THE FEDERAL UNEMPLOYMENT TAX FUND, THAT EXCEEDED STATUTORY LIMITS IN 1956, 1957, AND 1958, PAID INTO BY EMPLOYERS FROM EVERY STATE TO COVER ADMINISTRATION COSTS OF THE EMPLOYMENT SERVICE AND UNEMPLOYMENT INSURANCE OPERATIONS. BECAUSE SOME STATES HAVE MUCH BROADER ECONOMIC BASES, HIGHER POPULATION FIGURES, AND SMALLER AREAS, THE COST OF ADMINISTRATION PER INDIVIDUAL SERVED IS LESS THAN IN A STATE SUCH AS NEVADA. THE ADMINISTRATIVE COST OF OPERATIONS IN NEVADA HAS EXCEEDED THAT WHICH NEVADA EMPLOYERS HAVE PAID TO THE FEDERAL UNEMPLOYMENT TAX FUND. ANY EXCESSES DISTRIBUTED BY THE FEDERAL GOVERNMENT FROM THE UNEMPLOYMENT TAX FUND IS FURTHER EVIDENCE THAT NEVADA HAS RECEIVED MORE THAN IT HAS PAID INTO THE FUND. DURING THE 1973 LEGISLATIVE SESSION, THESE FUNDS WERE APPROPRIATED AND A FEDERAL MANDATED CHANGE TO NRS 612.617 WAS APPROVED. AFTER THE STATE LAW WAS CHANGED IN 1973 THE FEDERAL GOVERNMENT TOOK EXCEPTION TO THE WORDING OF THE LAW AND THE EMPLOYMENT SECURITY DEPARTMENT HAD TO SATISFY THE FEDERAL REPRESENTATIVES BY PROMISING NOT TO USE THE FUNDS UNTIL THE LAW COULD BE AMENDED IN THIS SESSION OF THE LEGISLATURE. THE NEW WORDING IN ASSEMBLY BILL 479 HAS BEEN APPROVED BY THE FEDERAL REPRESENTATIVES.

SECTION 2 OF THE BILL ASKS FOR APPROVAL TO EXPEND MONIES THAT WERE NOT SPENT UNDER THE 1973 APPROPRIATION. THE REQUEST IS FOR \$54,000 THAT WILL BE PUT WITH OTHER MONIES (FEDERAL DOLLARS, \$61,000, AND EMPLOYMENT SECURITY FUND DOLLARS, \$35,000)

TO REMODEL THE EMPLOYMENT SERVICE LAS VEGAS 8TH STREET OFFICE. THE FEDERAL GOVERNMENT NATIONAL OFFICE OF THE MANPOWER ADMINISTRATION HAS CONTRACTED FOR ARCHITECTURAL SERVICES TO HELP THE STATES IMPROVE OFFICE FACILITIES SO THAT THE EXPANDING POPULATIONS AND RESULTANT INCREASES IN NUMBERS OF PEOPLE SEEKING SERVICES CAN BE SERVED MORE EFFICIENTLY IN THE SPACE PROVIDED.

THESE SAME FUNDS HAVE BEEN USED IN THE PAST FOR PROPERTY ACQUISITION IN LAS VEGAS AND CARSON AND THE FUNDS WERE SUBSEQUENTLY REIMBURSED BY THE FEDERAL GOVERNMENT - APPROXIMATELY \$90,000. THE FUNDS HAVE BEEN USED IN MANY STATES, PARTIALLY AS A REVOLVING FUND, PERMITTING PROPERTY/FACILITY ACQUISITION, WITH THE FUNDS BEING REIMBURSED BY FEDERAL DOLLARS AS THE PROPERTY IS AMORTIZED OR EARLIER.

THE AMOUNT OF \$228,606.78 IS REQUESTED FOR THE IMPROVEMENT OF PROPERTY IN CARSON CITY. MY AGENCY IS NOW RENTING 16,226 SQUARE FEET OF OFFICE SPACE IN THIS CITY AT A COST OF APPROXIMATELY \$97,356 PER YEAR. I HAVE RECEIVED TWO PROPOSALS FROM LOCAL FIRMS TO PROVIDE FACILITIES IN CARSON CITY. EACH TIME ESD HAS CONSIDERED BUILDING A NEW FACILITY PARKING SPACE HAS BEEN A MAJOR FACTOR IN PREVENTING PROGRESS. ONE OF THE PURPOSES OF ASKING FOR THE \$228,606.78 IS TO BUY PROPERTY FOR PARKING. THERE IS NOW A RECENT PLAN TO EXCHANGE A SCHOOL YARD TO THE EAST OF ESD FOR A LANDSCAPED BLOCK AT 5TH AND STEWART WHICH WILL COST ESD LESS THAN IF THE AGENCY WENT TO THE PRIVATE SECTOR TO BUY PROPERTY. THESE FUNDS WILL ALSO BE USED TO LOWER THE TOTAL AMOUNT DUE ON THE BUILDING IF THE MONTHLY PAYMENTS NEED TO BE LOWER. FINAL OUTCOME WILL DEPEND ON PROPERTY EXPENDITURES, INTEREST RATES, CONTRACT PRICE, AND REPAYMENT NEGOTIATIONS WITH FINANCE FIRMS AND FEDERAL GOVERNMENT.

IN ANY EVENT A CONTRACT WITH THE FEDERAL GOVERNMENT FOR REPAYMENT OF AMORTIZED COSTS PAID OUT OF THIS FUND WILL BE ATTEMPTED IN AN EFFORT TO HAVE THESE FUNDS REPLENISHED AS IN THE PAST.

## MEMORANDUM

TO: Senate Finance Committee

FROM: <sup>6/12</sup> Budget Division

SUBJECT: State Owned Building Rents

Allocated square footage in the following budgets has been recalculated in conjunction with planned moves related to the new Carson City Office Building and the Las Vegas State Office Building.

	<u>Page</u>	<u>Budget</u>	<u>Budgeted Square Feet</u>	<u>Re Squa</u>
Commerce - Director	456	101-3810	1,886	1
Banking-Savings and Loan	468	101-3828	1,537	1
Insurance Division	460	101-3813	6,751	6
Health Officer	260	101-3223	3,202	2
Consumer Protection	292	101-3195	2,300	2
Aging Services	230	101-3151	3,507	2
Environmental Protection	504	101-6012	4,500	3
Real Estate	476	101-3823	6,635	6
Rehabilitation - Administration	372	101-3268	7,350	6
Human Resources - Director	228	101-3150	3,847	3
Child Care Services	232	101-3157	800	
Youth Services	234	101-6009	512	
Fire Marshal	465	101-3816	2,864	2