

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 25, 1975

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The meeting was called to order at 8:37 a.m.

Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice-Chairman
Senator B. Mahlon Brown
Senator William J. Raggio
Senator Clifton Young
Senator Warren L. Monroe
Senator Lee E. Walker

OTHERS: James Hanna, Employment Security Dept.
Del Frost, Division of Rehabilitation
Maynard Yasmer, Chief of Management Services,
Division of Rehabilitation
Roy Dowling, Bureau of Vocational Rehabilitation
Lawrence McCracken, Employment Security Dept.
Howard Barrett, Budget Office
Cy Ryan, UPI
Ron Sparks, Fiscal Analyst
Bill Ireland, UNLV, Athletic Department

EMPLOYMENT SECURITY DEPARTMENT

Mr. James Hanna discussed a chart titled, "Nevada Unemployment Rates". Mr. Hanna said that 8.1% is the average rate of unemployment predicted for 1976, and it is not expected to be less than 6% until 1980. Mr. Hanna said that the highest unemployment in Nevada is in construction. Mr. Hanna said that the employment growth rate has been slow, and is expected to be increasing about 5% in 1976.

Senator Gibson asked if Nevada's growth rate is related to people coming into the State. Mr. Hanna said that this is probable, as the unemployment rates of other states are around 15% to 20%.

Senator Lamb asked if this Department would be seeking aid from the General Fund if federal funds deplete. Mr. McCracken said if NRS 612.370 is repealed then the Department will not be in trouble.

Mr. McCracken said that in the ESD program there should be a distinguishing feature between an individual who is fired, and one who quits. Mr. McCracken said that there is currently a maximum rate of 3% on the employer for 66 2/3 of the annual average salaries. Senator Gibson said that this would mean a 50% increase to the employer. Senator Raggio asked if the new law being drafted on this would mean that a new employer would pay higher. Mr. McCracken said it would mean a 3.5% maximum for employers with the worst experience rating.

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REHABILITATION DIVISION ADMINISTRATION

Mr. Del Frost explained that there is a new structure of this budget. Mr. Frost said that 8.5% of the total budget is for administration costs, and 18% of State money is for the Administrative budget. Mr. Frost said that the Division was reorganized in July, 1973, and the positions were taken out of the existing budgets before reorganization.

Senator Walker asked if the only new program was the Rehabilitation of Victims of Crime. Mr. Frost said that this is a new program that has not come out of the bill drafter's yet. Mr. Howard Barrett said two other new programs are the Committee to Hire Handicapped, and Social Services.

Senator Lamb said that there was a 52% increase in salaries. Mr. Frost and Mr. Maynard Yasmer said that some of the positions were not filled throughout the year of 1974, so the costs are not as high as it appears.

Senator Young asked if combining all the services saved money. Mr. Frost said that the combination expanded services for the divisions that they didn't have before, (Data Processing, and research).

Senator Gibson asked why the rent is so high. Mr. Howard Barrett said that the rents are based on two locations, (Carson City, and Las Vegas) and are budgeted in accord with the square footage involved.

Senator Lamb asked why there is a decrease from 12,080 to 5,000 in the Contractual Services. Mr. Yasmer said that in 1974-75 a series of short-term audits was needed for the validation of the reorganization. Senator Lamb asked about the difference in the agency request and the Governor's recommendation for "Other Contract Service". Mr. Frost said that originally it was thought a particular type of audit equipment would be needed when the Division was reorganized, but Roger Trounday helped with the workload and the problem was solved without this expense.

Senator Gibson asked about the EDP charge. Mr. Yasmer said that the Division has been developing some of their accounting systems manually, but requested the use of CDP.

VOCATIONAL REHABILITATION

Mr. Roy Dowling said that the purpose of this division is to return money to the economy.

Mr. Dowling said that the \$55,000 listed under "Expansion Grants"

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VOCATIONAL REHABILITATION (Cont.)

has been federally impounded. Senator Lamb asked what happens with the loss of this grant. Mr. Frost said that there will be an internal cut-back, and Mr. Dowling said that there will be a limit on the number of people that can be served.

Senator Brown and Senator Monroe were concerned that the State will be required to carry positions now federally funded, if federal grants are not given. Mr. Frost said that the law requires the division's participation in most of the programs that call for increased positions, and so far there hasn't been a time when grants were not available.

UNLV - ATHLETICS

The regular agenda was interrupted by the interjection of a talk by Bill Ireland.

Mr. Ireland said that he was voluntarily before the Committee to explain the athletic program at UNLV. Mr. Ireland said that he was sorry for the misunderstanding that had occurred concerning funds for the teams, and that he knew that Senator Lamb backed the athletic department completely.

Mr. Ireland said that the distribution of tickets is handled by him, and not by the Booster Club. The formula used for distribution is the same one used by U.C.L.A., and is as follows:

- a) One-third to students (free of charge), and faculty (50% discount).
- b) One third to scholarship donors -- 800 donors @ 2 tickets apiece, whose cost is taken from the scholarship funding.
- c) 2,000 to the general public @ \$80.00 high for the basketball season tickets, and \$40.00 high for football.

Mr. Ireland said that they have never closed the box office at the stadium and they have rarely closed it at the rotunda.

Senator Brown read and submitted a letter from Bob Galloway, Las Vegas, (see attached), who had called at an earlier date and expressed his disappointment about the selective seating at the UNLV games. Mr. Ireland said that this is an indication that the University needs a larger facility.

Mr. Ireland said that they have scrutinized and rejected contributions if they see a reason for such action. Mr. Ireland also said that the rumor concerning the reinstatement of Mike Thomas is false. It is not true, Mr. Ireland said, that Coach Ron Myers was pressured for the reinstatement.

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UNLV - ATHLETICS (Cont.)

Senator Raggio asked Mr. Ireland his opinion on the future of women's athletics. Mr. Ireland said that Title 9 is supporting women's athletics, but as far as scholarships were concerned, most of that type of funding is based on the revenue potential of the sport.

Senator Lamb asked if UNLV has had problems with the NCAA. Mr. Ireland said that there have been investigations, but they are currently on good terms, and don't expect any problems.

VOCATIONAL REHABILITATION (Cont.)

Senator Lamb asked if the In-State travel increase was related to the seven new employees. Mr. Frost said that the increase is due to inflation.

Mr. Dowling said that originally it was projected that the percent served for 1977 would be 20%, but now it will be 14%. Senator Raggio said that if the percentage is reduced can't the budget be reduced. Mr. Barrett said that the budget figures are based on the agency request, and not the Governor's recommendation.

Senator Gibson noted that "Grants to Local Projects" is not available for the biennium, but expenditures have not decreased. Mr. Barrett said that this grant is now included in the total operating budget, and is not shown separately.

Senator Brown said that for "Case Services" there has been a loss of approximately \$92,000 from the agency request to the Governor's recommendation. Mr. Frost agreed that this is a great reduction in case services, and that this loss means that the purchasing of community services will be in some way minimized, and cause a "slippage" in the entire program. Senator Raggio asked exactly what does the Case Services include. Mr. Frost said this is for community purchases such as On-the-Job training, University credits, or Mental Health counseling.

Senator Young questioned the accuracy of the 'Disabled Statewide' figures for Fiscal, 1974, (31,907) which are taken from census schedules. Mr. Frost said that he shares the same concern about the census figures that have been used for years, however, the agency conducted their own statewide survey, and their figures correspond almost exactly with the national figures; and the 15.5% served figure is the average across the nation.

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VOCATIONAL REHABILITATION (Cont.)

Senator Young asked how many of the disabled are really successful in obtaining employment. Mr. Dowling said that the best success is with the orthopedic disabilities.

Senator Lamb asked about the Contractual Services, and the Other Contract Services. Mr. Dowling said that the agency hires outside services, and medical consultants to review these services. Senator Lamb asked what the medical consultant (physician) is paid. Mr. Yasmer said that in Las Vegas, one consultant is paid \$29,000. Senator Brown asked if a physician's statement has ever been returned. Mr. Yasmer said that the agency has cut them back in the past, and Mr. Dowling said that at times another physician's opinion is sought. Senator Lamb asked about the expertise of the consultant. Mr. Trounday said that they are Senior Physicians.

Senator Gibson asked about the Other Government Services. Mr. Yasmer said that this is an allocated amount going into the Rehabilitation Administrative budget.

SOCIAL SERVICES - VOCATIONAL REHABILITATION

Senator Gibson asked why this budget has the costs in the narrative, and is not listed as the others. Mr. Barrett said that this budget was considered too late, and there wasn't time to put it in the computer.

Senator Lamb asked what the functions of this budget were. Mr. Frost said that this allows for an expansion of the number of clients served by the Bureau by teaching the basic self-help skills.

Senators Raggio and Gibson asked why the administrative charges were shown in this budget, and not in the Vocational Rehabilitation Administration budget. Mr. Barrett said that this was not included in the Voc. Rehab. Admin. budget, but it could be included and would reduce the administrative charges to other bureaus.

Senator Gibson figured out the number of people served by this program was 475.

SB 156

Mr. Barrett explained this Bill as funding necessary to hire a consultant to aid in reviewing group insurance bids for State employees.

The Senators felt that there was enough expertise within the State Insurance Division to provide such consultation. Mr. Barrett said that the employees have asked for this before,

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SB 156 (Cont.)

and have not received any assistance, and now they do not want to re-negotiate, they want to go to bid.

Senator Lamb said that vote on the Bill would be held until further testimony could be heard.


Senator Gibson asked if Mr. Barrett would look into the matter of printing the Fiscal Note on the Bills. Mr. Barrett said that if the appropriations are included in the Governor's budget and are listed within the narrative of the Bill, the Fiscal Note will be listed as "No". Senator Gibson said that this is confusing. Mr. Barrett said that he would look into changing this.

There being no further business, the meeting adjourned at 10:55 a.m.

Respectfully Submitted:

Approved:


FLOYD R. LAMB, Chairman


Sheba L. Woolley, Secretary

B. MAHLON BROWN
SENATOR
MAJORITY FLOOR LEADER
CLARK No. 3
NEVADA BUILDING
109 So. 3RD STREET, SUITE 307
LAS VEGAS, NEVADA 89109
TELEPHONE
OFFICE (702) 382-6911
HOME (702) 735-1274



COMMITTEES
CHAIRMAN
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FINANCE
LEGISLATIVE FUNCTIONS

Nevada Legislature

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FIFTY-EIGHTH SESSION

February 18, 1975

Mr. Bob Galloway
5251 Martingale
Las Vegas, Nevada

Dear Mr. Galloway:

I am sorry you were unable to reach me last Friday morning (February 14th) when you called; the operator gave me your message.

I am glad to learn that you are a scholarship donor. You, along with many other citizens in Southern Nevada, are to be congratulated for the interest you have shown and maintained in the athletic program at U.N.L.V. Without this help, I doubt that U.N.L.V. would be accorded the high ranking it presently enjoys in the collegiate athletic world.

I am, also, sure that you, as well as most of those who have contributed so much to the athletic program at U.N.L.V. did so without any thought of a personal "bonus". You were proud of U.N.L.V. and were in a financial position to assist in developing an athletic program.

There are thousands of other Nevadans who are extremely proud of this State-owned university. Unfortunately, they are not in a position to contribute scholarships, nevertheless, it doesn't mean they are not every bit as proud of U.N.L.V. as those that have provided scholarships.

Back when U.N.L.V. first started an athletic program, there were "fans" in Clark County which would match up against the most "rabid" athletic supporters found anywhere in the United States. Win, lose, or draw, they were on hand; it was their school. After all, hadn't part of their taxes gone to build it?

As the area grew, so did U.N.L.V. and so did the loyal university supporters. Unfortunately, some of the supporters lost their perspective and forgot that the university was owned by all the people. Some of those particularly supporting the athletic program thought the athletic program was their own little private domain.

Mr. Bob Galloway
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Due to the enthusiasm of this small group, and the offering by them of selected seats at the Convention Center for basketball games for a sizable contribution to U.N.L.V., the athletic program got out of balance.

As I have said before, I am more than pleased and approve of the donations by the U.N.L.V. supporters. I do object to assuring these donors reserved seats to the exclusion of all of the other supporters of U.N.L.V. who could afford the price of admission, but are unable to provide athletic scholarships.

U.N.L.V. belongs to every Nevada tax payer; it cannot be compared to the Los Angeles Dodgers, New York Jets or any of the other privately-owned athletic teams. In my opinion, and what I have said all along is, that a state owned university is for all our citizens on an equal basis.

Any program or policy concerning our university which does not put every Nevada citizen on equal footing, but permits favoritism is undemocratic and should not have a place in Nevada.

Very truly yours,

S/ B. Mahlon Brown

B. Mahlon Brown, Senator