

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
MARCH 5, 1975

The meeting was called to order at 5:15 p.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 Wittenberg, Nevada State Personnel  
Howard Barrett, Budget Director  
Wm. Douglas Miller, Citizen  
Senator Gary Sheerin  
Robert Gagnier, SNEA  
Mike  
Ron Sparks, Fiscal Analyst

SB 154

Mr. James Wittenberg spoke in behalf of SB 154, saying that this is a salary increase for ~~classified employees which requests a~~ 15% increase retroactive to January 1, 1975, and a 7% increase effective January 1, 1976.

Senator Lamb asked how much of the General Fund would be required for the 15% increase. Mr. Howard Barrett replied: For the fiscal period of January 1, 1975 to June 30, 1975, the amount is \$2,050,088; and for July 1, 1975, to June 30, 1976, the amount is \$4,395,035; and for July 1, 1976, to June 30, 1977, the amount is \$4,548,576. Mr. Barrett added that for the CPI increase, from January, 1976, for a six month period, the cost will be \$1,120,670; and for a full twelve month period in the second year, the cost will be \$2,201,218.

Mr. Wittenberg said that the raise is based on CPI escalation since September, 1972; a complete fringe benefit analysis; and a study comparison of the public and private sector salaries. Mr. Wittenberg said that with the 15% increase, the average salary would still be 3.8% to 4.0% behind the cost of living. Mr. Wittenberg also said that compared to the Public sector in July, 1974, the State lagged behind by 12%; and the Private sector in July, 1974, was ahead of the State by 8%; and since this survey, there have been a number of increases in both sectors.

Senator Lamb asked where the State would be in comparison with these sectors on June 30, 1975. Mr. Wittenberg said that the

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
MARCH 5, 1975

PAGE TWO

SB 154 (Cont.)

State will be 3% ahead as of June 30, 1975, however if negotiations in the other sectors are successful in bargaining for another 6% increase, then the State will be 3% behind.

Mr. Wittenberg said that the average salary he mentioned at his first presentation before the Committee included overtime, and that the actual average salary figure is \$901.00 per month. Mr. Wittenberg pointed out that from October, 1972, to December, 1974, the Food Index increased 32%, and during the same period, the CPI increased 20.2%. Nationally, Mr. Wittenberg said, the President is considering a 5% increase for the second year; and overall, there was a loss of 2 1/2% in the 1974 CPI, as the ceiling was 5%, and the CPI went up to 7.4%.

Mr. Wittenberg presented the following information on the comparison of fringe benefits that was requested at the first hearing by the Committee:

26.3%	--	Average State employee
28.0%	--	Federal average
24.3%	--	Private Nevada firms (Small to large) utilities
29.1%	--	Private (13 large firms, without Utilities) in Nevada
32.0% +	--	Private in Nevada, with Utilities
32.7%	--	National Chamber of Commerce Survey figures for Private sector, 1973
34.0%	--	National Chamber of Commerce Survey figures for Private Sector, 1974

Mr. Wittenberg said that some private and gaming firms also provide extra benefits such as paid vacations, and cars for private use. Senator Gibson said that Mr. Wittenberg should stay in the area of comparison.

Mr. Wittenberg said that the turnover has been reduced over the last years, (now 12%), because the State has been competitive, and Mr. Wittenberg felt that the State should remain so. Senator Lamb asked if the Personnel Office really made an effort to strain out the inept employees. Mr. Wittenberg replied that last year, between 200 and 250 employees were dismissed, and ten years ago this probably would have been one-half dozen.

Senator Young asked if there was more security in working for the State, and aren't dismissals more difficult because of contestability. Mr. Wittenberg said yes to both questions, but security is difficult to analyze in terms of cost.

Senator Walker noted that 6% of the employees who were eligible for

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
MARCH 5, 1975

224

PAGE THREE

SB 154 (Cont.)

for merit increases, did not receive the increase. Mr. Wittenberg stated that these employees had the length of employment required, but did not meet performance standards.

Senator Lamb asked if retirement is considered in fringe benefits. Mr. Wittenberg said yes, and the average employer contribution of State governments (nationwide) is 10%. Senator Brown asked if private employers had retirement benefits in addition to Social Security. Mr. Wittenberg said that over half of the larger firms surveyed have supplemental retirement plans.

Senator Lamb asked about the Hotel-Casino economy in the State. Mr. Howard Barrett said that in February the industry did very well, and although the State budget predicted a 12% increase in the Gaming Tax, the Gaming Commission predicts a 14% increase. Mr. Wittenberg said that the Gaming figure has a definite impact on the Average Salary Data, and that figure does not include tips.

Senator Monroe said that it has been suggested to the Committee that the salaries in the lower income bracket be increased, and the higher income salaries be increased on a lower percentage. Mr. Wittenberg said that such action would cause problems in the compensation plan, promotions, and employee morale.

Senator Monroe asked what is the lowest salary in the State. Mr. Wittenberg said that a full-time, permanent Clerical position with no experience would start at \$440.00 per month.

Senator Lamb suggested that perhaps a "trigger device" based on the trend of the economy could be devised that would allow a 5% increase the second year, unless the State's economy was favorable enough to handle a 7% increase. Mr. Barrett said that this decision should be based on the Sales and Gaming taxes.

Senator Gibson asked if there were any positions that the Personnel Office cannot fill. Mr. Wittenberg said that at the present time there are 75 to 100 positions unfilled, such as M.D.'s, psychologists, Dental technicians, computer technicians, etc.

Senator Gibson asked if the State was developing a level of expenditure that would cause a tax increase. Mr. Barrett felt that the State's revenue could afford the 7% increase, as there is an 8% increase projected in the second year for State income. Senator Gibson remarked that Massachusetts and New York are running in the deficit, and he does not want to see this for Nevada. Mr. Barrett said that the classified appropriation does not include the University, however, with it included, the cost to the General Fund for the entire statewide salary package is \$29.6 million.

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
MARCH 5, 1975

PAGE FOUR

SB 154 (Cont.)

Senator Gary Sheerin went on record as being in favor of SB 154.

Mr. Robert Gagnier said that SB 154 is a compromise, and is requesting less than the Association wished to have. Mr. Gagnier read from a 1973 California State Government study that said, "relative job security is not an economic issue. . . ." Senator Gibson said that a 1973 study could not be considered as relevant to the current times.

Mr. Gagnier said that the Association feels that a competent force is retained, and that adequate use is made of probation and dismissal procedures. Mr. Gagnier said that President Ford's 5% increase could be a guideline, except that the Federal salaries are already 30% ahead of the State.

Senator Young asked how many members the Association had. Mr. Gagnier said 4,000.

Mr. Mike Kemp said that as a tax payer, and a State employee, he asked the Committee to vote for the bill.

Mr. Wm. Douglas Miller said that as a private business man, he is shocked at the unemployment figures across the nation. Mr. Miller felt that a thorough evaluation of spending should be done before granting the requested increase, and that perhaps those employees with lesser salaries could be given a 12% increase. Senator Young asked Mr. Miller to state his business. Mr. Miller answered mining, and that he was the Chairman of the Mining Advisory Board.

SB 153

Hold for further discussion.

SB 157

Hold for further discussion.

SB 94 (See attached Bill)

Senator Raggio - Do Pass  
Senator Gibson - 2nd  
Motion carried.

SB 298 (See attached Bill)

Mr. Barrett said that \$14,000 is the minimum appropriation if there is an enrollee increase of five or more. Mr. Barrett added that if the bill is approved, the State will pay \$15,000, and \$16,000.

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
MARCH 5, 1975

226

PAGE FIVE

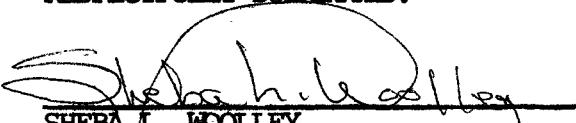
SB 298 (Cont.)

Senator Monroe - Do Pass  
Senator Walker - 2nd  
Motion carried.

Mr. Barrett concluded by remarking that the witness, Mr. Wm. Douglas Miller is a disgruntled former State employee.

There being no further business, the meeting adjourned at 7:00 p.m.

RESPECTFULLY SUBMITTED:

  
SHEBA L. WOOLLEY

APPROVED:

  
FLOYD R. LAMB, CHAIRMAN

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 94

SENATE BILL NO. 94—COMMITTEE ON HEALTH,  
WELFARE AND STATE INSTITUTIONS

JANUARY 30, 1975

Referred to Committee on Finance

SUMMARY—Revises fund structure for Nevada children's homes.  
Fiscal Note: No. (BDR 38-215)

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to Nevada children's homes; authorizing the use of budgeted resources to provide compensation to children for small tasks; establishing gift funds for the northern Nevada children's home and the southern Nevada children's home; abolishing the northern Nevada children's home fund and the southern Nevada children's home fund; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

1 SECTION 1. Chapter 423 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:

3 *Subject to the approval and regulations of the state board of examiners,*  
4 *the northern Nevada children's home and the southern Nevada children's*  
5 *home may obtain from budgeted resources an amount determined by the*  
6 *state board of examiners which shall be used, under procedures estab-*  
7 *lished by the respective superintendents and approved by the adminis-*  
8 *trator, for the purpose of providing compensation to children for small*  
9 *tasks in the children's home. Replenishment claims shall be paid from*  
10 *the budgeted resources of the respective homes and shall be processed in*  
11 *the same manner as other claims against the state.*

12 SEC. 2. NRS 423.080 is hereby amended to read as follows:

13 423.080 [1. The fund heretofore known as the state orphans' home  
14 fund shall hereafter be known as the northern Nevada children's home  
15 fund.

16 2.] All accounts and demands against the northern Nevada children's  
17 home *or the southern Nevada children's home* shall be examined and  
18 approved by the [superintendent] *respective superintendents* and sub-  
19 mitted by [him] *them* to the state board of examiners. When allowed by  
20 the state board of examiners, the state controller shall draw his warrant in

THIS EXHIBIT IS 2 PAGES LONG.  
CONTACT THE RESEARCH LIBRARY FOR  
A COPY OF THE COMPLETE EXHIBIT

---

SENATE BILL NO. 298—COMMITTEE ON FINANCE

MARCH 4, 1975

Referred to Committee on Finance

SUMMARY—Increases minimum funding for community training centers for retarded persons. Fiscal Note: No. (BDR 39-1098)

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

---

AN ACT relating to retarded persons; increasing the minimum funding for community training centers for such persons.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. NRS 435.290 is hereby amended to read as follows:  
2 435.290 1. A center holding a certificate of qualification from the  
3 division is eligible to receive aid from the community training center fund  
4 in amounts not [to exceed] *less than* the amounts allocable under sub-  
5 sections 2 and 3.  
6 2. Each center in the state is eligible to receive that percentage of  
7 available funds as the ratio of the number of enrollees of each center  
8 bears to the total number of enrollees in all centers in the state, but not  
9 [to exceed \$250] *less than* \$300 per enrollee per quarter, except that  
10 each community center shall be given a minimum of [\$12,000] *\$14,000*  
11 per year as long as the center maintains a minimum of five enrollees per  
12 quarter and their staff expenses are in the amount of [\$12,000] *\$14,000*  
13 or more each year.  
14 3. The division, in its discretion, may grant aid from the community  
15 training center fund to help in establishing new centers. This aid in the  
16 aggregate shall not exceed one-half of the fund during the fiscal year  
17 ending June 30, 1970, and shall not exceed one-fourth of the fund  
18 thereafter.