

MINUTES

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 59th SESSION

January 18, 1977

The meeting was called to order by Chairman Mello at 10:00 a.m. in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Glover, Mr. Hickey, Mr. Howard, Mr. Kosinski, Mr. Serpa, and Mr. Vergiels.

ALSO PRESENT: John Dolan.

Mr. Mello stated that the purpose of the meeting was to brief the Committee on some of the things the Ways and Means Committee would be looking forward to during the 59th Session.

Mr. Mello then introduced the Staff of the Ways and Means Committee.

Mr. Mello stated that the Ways and Means Committee has a tremendous responsibility to the taxpayers of the state. The Committee will be reviewing the budgets which naturally affect the taxpayers and could affect the tax base. He stated that the demands will be greater than the revenues so it is the responsibility of the Committee to carefully review these demands and to set priorities that will insure the most effective utilization of the taxpayers' dollars. The Committee must do this because the Constitution requires that we have a balanced budget. The Committee will be looking at a budget of over one billion dollars. (Please see the attached Remarks of Chairman Mello at Opening Meeting of Ways and Means Committee.)

Mr. Mello stated that he has tried to make things as convenient as possible for the committee. Coffee will be available; donuts and rolls may be ordered.

Mr. Mello explained to the Committee about the Bill Index Book and the sub-committees.

Mr. Mello then turned the meeting over to John Dolan, who explained to the Committee the contents of the Executive Budget Book and the Legislative Fiscal Report.

Mr. Mello pointed out the designated smoking areas. He also stated that the Rules for this Session would be the same as those of the last Session. After reviewing the Rules, Mrs. Brookman made a motion to accept the Rules. The motion was seconded by Mr. Howard. Motion passed. Mr. Mello then explained the Agendas.

Mr. Mello explained that during the hearings there would be breaks approximately every hour, at which time the Committee could pick up their messages. The breaks will be approximately ten to fifteen minutes.

The meeting was then adjourned until 8:00 a.m. on January 19, 1977.

REMARKS OF CHAIRMAN MELLO AT OPENING
MEETING OF WAYS AND MEANS COMMITTEE

JANUARY 18, 1977

The Ways and Means Committee has a great responsibility this Session, as in previous Sessions, to protect the taxpayers' investments.

The expenditure demands will be greater than the revenue structure can afford and it is the responsibility of the Committee to carefully review these demands and to set priorities that will insure the most effective utilization of the taxpayers' dollars. No new taxes are requested and I agree with that request.

Tomorrow morning we will have a joint session with Senate Finance here in this room to hear the revenue projections and economic assumptions from the Governor's Budget Division and our own office of Fiscal Analysis. I urge you to listen carefully and be prepared to question both offices. The Budget Division's projections are in the front of the Executive Budget and are compared with Fiscal Analysis in the Legislative Fiscal Report.

When we listen to the requests for public funds, always keep in mind that our Constitution requires us to appropriate a balanced budget--our appropriations for annual on-going programs must equal our annual incomes.

It would be easy to submit to the temptation to use our large General Fund surplus (projected at over \$56 million before Legislation action) to avoid our responsibilities and appropriate some of the surplus for on-going programs. This is a temptation we must resist. It is like using our personal accumulated savings to meet our everyday food bills and house payments. The day would soon arrive when our savings would run out and we would have to drastically reduce our standard of living or scramble to increase our income. This is an example of poor planning and fiscal irresponsibility.

The capital improvements and one-shots combined with the biennial operating budgets total over \$1 billion. General Fund recommendations are for \$458.8 in 1977-79. When I came into the Legislature in 1963, the General Fund appropriations for that year were \$48 million. The Governor projects that we will have over 10,400 state employees by 1978-79. State government is big business and we must insure that it is financed and conducted as an efficient business. We must carefully review each and every spending request and be prepared to justify and explain with facts every decision that we recommend. Last Session our Committee earned a reputation for being hard but fair with spending requests and this is a reputation I hope we can maintain.

There is no substitute for hard work on this Committee. Study the budgets and handouts thoroughly, ask questions, utilize the staff, and always remember your responsibility to the taxpayers of this State.

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