

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59th SESSION

February 2, 1977

The meeting was called to order by Chairman Mello at 8:00 a.m.

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

ALSO PRESENT: John Dolan, Assembly Fiscal Analyst; Bill Bible, Budget Division; Jack Porter, Director of the Museum; Mimi Rodin, Museum Trustee; Bill Wright, Museum; Clayton Phillips, Chairman of the Board of Museum Trustees; Sally Davis, Employees Management Relations Board; Dorothy Eisenberg, Employees Management Relations; John T. Gojack, Employees Management Relations Board; Bob Goodman, Economic Development; Caroline Hadley, Managing Editor, Nevada Magazine; Darryl Monahan, Deputy Director of Economic Development; Carol Hawks, Four Corners Regional Commission; Frank Matthews, Office of Community Services; David Hoggart; Louise Sheppard, Office of Community Services; Vernon Bennett, Public Employees Retirement Board Administrator; Carol Bailey, Public Employees Retirement System; and Bill DuBois, Inspector of Mines.

S.C.R. 7 - Authorizes expenditures from legislative fund for joint hearings of Judiciary Committee outside Carson City. Mrs. Brookman made a motion to move it out to Judiciary with a "Do Pass" recommendation; seconded by Mr. Hickey. Motion approved.

Chairman Mello turned the meeting over to Jack Porter who gave a brief speech as to the purpose of the Nevada State Museum. (Please see attachment.)

Mr. Porter stated that the Museum needs more money than they have received. He said that this has been discussed at some length and Mr. Porter feels that Mr. Barrett and his department have treated the Museum reasonably well, probably to the best of their ability under the Governor's instructions.

Existing Positions. Mr. Porter stated that the only vacant position is that of Building Custodian, which has been vacant since December 31st and that the Museum is attempting to fill that position.

At Chairman Mello's request, Mr. Bible explained the Gifts and Grants. Mr. Bible said the Gifts and Grants monies come from outside funds to support a carpenter. In the Governor's recommendation for each year in the next biennium, Gifts and Grants monies will come from income derived from the archeologist's participation in the archeological surveys and will support the archeologist.

Mimi Rodin stated that there is the possibility of realizing that there are certain positions within the Museum which have

been proven a necessity to the museum. Their salaries have been paid from the endowment funds. Mrs. Rodin suggested to the Committee that it would be the responsibility of the Legislature to fund these people. The endowment monies that are derived from Fleischman and Portfolio of Stocks should be used for research and growth projects.

Mr. Glover asked about the holiday pay. Mr. Porter explained that N.R.S. requires the Museum to remain open on holidays with the exception of three holidays a year. On these holidays the gift shop attendant, security attendant and the custodial people have to work. Since they have to work on a holiday, the Museum has to pay them time and a half. Mr. Porter has found that by the end of the year the Museum comes up short in funds, so the Museum has requested this holiday pay to provide for the people who have to work on the state holidays. Mr. Bible stated that in this instance Budget could probably recommend that the holiday pay be provided.

At Chairman Mello's request, Mr. Porter explained to the Committee the requested new positions. Mr. Porter stated that this was explained to him by Mr. Barrett and Mr. Bible and that the Museum would not be allowed any new positions. Mr. Porter asked the Committee if it was at all possible to secure one new Exhibit Technician. The Museum feels they now have a rather dynamic exhibits program which is being administered by three people. There is a changing exhibit program in the museum and the Museum also receives many requests for exhibits speakers outside the Museum.

The Museum is in the process now of negotiating with the City of Las Vegas toward establishing another museum. Certainly if the Museum operations are expanded and the Museum does assist other museums throughout the state, additional staffing will be necessary. Mr. Porter stated that the Museum would like to employ three Exhibit Technicians but that they would be very happy to settle for one. At Mr. Glover's request, Mr. Porter explained what kind of a background an Exhibit Technician has. Mr. Porter stated that Exhibit Technicians are generally in pretty short supply. The position requires a lot of training in a lot of diverse fields. They should have some training in art, carpentry and modeling. If someone is hired in who has the general basic skills, it would take approximately a year of museum training to train them within the Museum. Chairman Mello pointed out that due to the outside exhibits outside of Carson City the Museum doesn't have enough staff to do a good job. Mr. Porter replied that was correct in that particular department.

Chairman Mello asked if Budget was opposed to outside exhibits. Mr. Bible replied no and stated he thinks that in the past Budget has provided adequate staffing. Mr. Bible stated that each there are different priorities and that this year the Governor's priority is in the areas of mental health and correction.

Mr. Howard asked Mr. Porter if the Museum could get by with the one new position of Exhibit Technician and the holiday pay.

and Mr. Porter replied that these are the only two areas the Museum feels is critical. Mr. Porter stated that he wants to go on record as saying that he does not like to be in conflict with Budget in any way because Budget has helped him with many serious problems he has had since he took over the position of Director.

Chairman Mello pointed out that he didn't think Mr. Porter would have to justify his position to the Governor. Chairman Mello said the Committee wants to know what the Museum needs. He feels the Committee should have the input from the Administrators. If new positions are needed, The Committee would like to hear about it.

Mrs. Brookman asked why the in-state and out-of-state travel expense is so much higher than what the Governor recommends. Mr. Porter stated that the Museum would like to send most of the professional people at the Museum to professional meetings so that they can keep abreast of the activities in their various fields. The in-state travel asked for additionally was so that the Museum probably would be able to visit and hopefully to assist more of the museums that are springing up throughout the state.

Mr. Porter stated that in 1975, 547,510 people visited the Museum. In 1976, 510,165 visited.

Chairman Mello asked if the buildings and grounds services had anything to do with the exhibits at the Capitol. Mr. Porter replied yes, but that Museum wouldn't see that money because it will be transferred to Buildings and Grounds.

Mr. Porter stated that the Museum is not receiving any grants from the Fleischman Foundation to support Museum activities. He stated that back in the years when the Museum was established, Major Fleischman gave the Museum some stocks. Each year the Museum gets the dividends on the stocks. The Board considers these to be endowed funds and feels that the funds should be used to support research because there is no funding for research except in salary positions. The endowed funds give the Museum an opportunity to do things which cannot be done within the state budget.

Chairman Mello stated that he felt Nevada has one of the finest museums that he has been through on the West Coast and feels Nevada should be extremely proud of the service the Museum is providing for Nevadans and for tourists.

Mr. Wright stated that the Museum has had exhibits at the Las Vegas Convention Center for the last two years. What the Museum hopes to do in Southern Nevada is to continue these exhibits but the Museum has been shorthanded in this area for some time. The Museum feels at this time that Southern Nevada is a good place to put exhibits and that they are very worthwhile.

EMPLOYEES MANAGEMENT RELATIONS BOARD. Mrs. Davis stated that the Board has no vacant positions and is requesting no new positions. She stated that basically the agency is established to implement most of the provisions of the local government Employee Management Relations Act. The jurisdiction of the Board includes the determination of mandatory subjects of

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negotiations between local government employers and their employee organizations, various types of appeals regarding the recognition, loss of recognition and denial of recognition of employee organizations, appeals regarding bargaining unit determinations within employee organizations and a variety of complaints of prohibitive practices, including the refusal of an employer or an employee organization to negotiate in good faith, interfering or ~~coercing~~ an individual employee in the exercise of his rights to either join or not join an employee organization. At the last Session the Legislature amended N.R.S. 288 270 so that the Board now has general jurisdiction of the discrimination claims by local government employees, not only for union activity but discrimination based upon race, color, creed, sex, personal origin or personal and religious reasons. Basically the Board acts as a quasi-judicial administrative agency and that is what the Board's funding is for. The last Session established an Advisory Committee which is the basic reason that the budget doesn't look exactly like it did two years ago. Mrs. Davis cut back in a lot of categories. She felt she requested too much funding last Session. The only increase in the budget is for the 10 member Advisory Committee.

Mr. Bible stated that Budget neglected to change the rent ledger from the agency request of the rent they will be charged the first year of the biennium. Instead of \$3,780 the figure should be \$3,072. The second year of the biennium instead of \$3,952 the figure should be \$3,456. A.B. 169 (\$40.00 per day, Board's salary.)

Chairman Mello requested that Mrs. Davis explain the taxes and assessments. Mrs. Davis didn't know exactly what this was for and Mr. Bible stated he would find out and report back to the Committee.

Mrs. Davis stated that the statutory requirement of the Advisory Board was that they meet twice yearly and to select new board members. She thought that the Governor did a very good job in selecting people who are involved in the Dodge Act. As far as input goes, these people are not paid. The people are interested, but there is very little incentive to accomplish anything. She stated that it is very difficult for the committee to function.

Mrs. Davis stated that if the Advisory Board were abolished, her office wouldn't be any worse off and 10% of their budget would be saved. Mr. Gojack stated that the Advisory Committee is a useless Board.

Mr. Bremner asked if there was any overlapping between functions that Mrs. Davis' office provides and those of the Equal Rights Commission. Mrs. Davis replied that last Session that jurisdiction was removed from the Equal Rights Commission and given to her office. However, no cases have been filed. Mrs. Davis stated that her office has never had a sex discrimination case in the last two years, except in one case where the main issue was union activity.

ECONOMIC DEVELOPMENT; NEVADA MAGAZINE; FOUR CORNERS. Mr. Goodman gave a brief statement as to the role of the Economic Development Department. (Please see attachment.) Mr. Monahan stated that the 10 1/2 positions Economic Development has allocated to them have been filled.

At Chairman Mello's request, Mr. Monahan explained the new position requested. Mr. Monahan stated that when his office was trying to get the final figures on the magazine that his office recommended that the personnel from the Nevada Magazine be put into his agency. For that reason his office felt that a Senior Clerk typist would be needed. Since his office has gone back to the original plan and left the magazine separate from his department, there isn't a need for the Senior Clerk Typist. For the 1/2 day position, this would be a girl to do some additional typing that his office is always behind on.

Contractual Services. Mr. Monahan stated that the contractual services of last year ran around \$50,000. The race car was not a race car as such. The race car was sent up to Canada as an attraction for 14 weeks. In between the races this car was on exhibit in shopping malls and fairs. The total cost to the state was around \$14,000. Mr. Monahan felt that for the 14 weeks of exposure the state received in Canada, the expenditure was quite justified.

This year the state is reducing their contractual services by \$50,000. This is to cover expenses for salary expenses in the Nevada Magazine and will be transferred to the Nevada Magazine. In the past the contractual services has been used mainly for art work, photos and photos that we have purchased from outside sources. This year Mr. Monahan feels that with the staff of the magazine taking the photos for them and providing photos to them and doing the layout work on their brochures, they won't need the contractual money like they have in the past. (See attached Memo from Howard Barrett, requesting the transfer from Economic Development to the Nevada Magazine.)

Caroline Hadley stated that the Nevada Magazine is not quite supporting itself. She explained that the magazine expects to have about \$70,000 left from this fiscal from the Highway Department money in order to put out another two magazines. The revenues that the Magazine expects to build during the next six months should pay for the next magazine. Right now it is marginal operating due to a lot of handicaps the magazine had when she took over. Salaries and operating costs were out of proportion to revenues. There were far too many employees on a staff for a quarterly magazine. The Highway Department didn't want the magazine any longer, but they didn't want to drop it after 38 years of publishing. It does a lot of good for the state. With the amount of money the magazine thinks it will need in order to put them in the black is very little compared to what they are hopefully giving the state.

After the magazine was inherited from Highways there were 16,000 names on the computer list and it was found out last July that at least a third of those were free. 3,000 names were lost between July and October in 1976 because Mrs. Hadley cancelled all the complimentary issues and offered the people subscriptions. In the past many operating costs were absorbed by the Highway Department. Computer money varied between \$10,000 and \$28,000 per year which was not in the numbers that Economic Development took over. It has taken the magazine a very long time to unravel the true numbers.

Chairman Mello stated that he wasn't so sure that the magazine was just pushed on her as she indicated it was. Chairman Mello

cited the minutes of the last session which stated: "Bob Goodman, Department of Economic Development stated that he felt they could make it work in two years and they might be able to make a profit." Also a letter of intent was sent by the two committees. The intent of both money committees was that this magazine be self-supporting by the end of 1975-77 biennium. The magazine was accepted under those conditions. Chairman Mello stated that he recalled Mr. Goodman complaining at the time that he didn't have sufficient staff or sufficient money. Mr. Goodman stated that he wasn't complaining, that he took it on as it was presented to him. He thought they could do it and he admitted he had made a mistake. He did not do what he thought he could do, but he thinks Economic Development has come a long way.

Chairman Mello stated that he personally felt that this is a good magazine but questioned if it was worth the money that is being put into it. Mrs. Hadley stated that she felt very badly about asking for money from Economic Development. She stated that if Mr. Goodman had been aware of what the publishing world really is when he took over that the Nevada Magazine would not need the money now. She stated that the \$50,000 may not be needed, but after a 40 year investment it seems to Mrs. Hadley that there should be some reserve. She stated that there is a less than 5% success rate of turning a magazine with such a downtrend around. It is even more difficult with a quarterly magazine. With a monthly magazine Mrs. Hadley feels that Mr. Goodman could have put the magazine in the black in two years. Mrs. Hadley stated that she would like to report back to the Committee in two years and state that she had saved \$102,000 but that it would be very difficult. The magazine has very little support from the business community. Mrs. Hadley said that the magazine could be sold in a moment, but that it would be bad for the State of Nevada.

Chairman Mello pointed out that for subscriptions the agency request is for \$65,000 and the Governor recommends \$111,000. Mrs. Hadley stated that that was a beautiful fantasy of the Governor.

Chairman Mello asked how the Department did with the appropriation for the promotion of rural counties. Mr. Monahan stated that he felt this was very successful. They advertised at least one event and sometimes two events in every community within the State of Nevada during the last biennium.

Mr. Howard stated that he had followed this program closely and that the program was very successful.

Mr. Glover commented on the fact that the radio advertising that was done was excellent.

Mr. Monahan explained that this program was a "one shot" appropriation for the biennium and that the money is not requested by his Department this year although it is his understanding that there will be a request for the money coming from the rural areas.

Chairman Mello requested information on the advertising and public relation expenses. Mr. Monahan stated that the \$123,000

that is recommended by the Governor is divided on a 60/40 basis. 60% is going to tourism. 40% will go to industrial development, including brochures and ads in trade magazines.

The host expense was explained by Mr. Monahan.

Chairman Mello pointed out that the Governor recommends a decrease for printing and copying. Mr. Monahan said that brochures are cheaper to print by quantities and Economic Development has reduced to three basic brochures which require no envelopes and reduces mailing and printing costs.

Mr. Monahan stated that most of the industrial promotion money goes into the Washoe and Clark county areas because these areas are the most attractive. Mr. Monahan stated that his office has put almost all of their money recently trying to diversify the Southern Nevada economy into industry.

Chairman Mello stated that he felt Mr. Goodman was doing a very good job with the money he is given.

Carol Hawks gave a presentation on the Four Corners Regional Commission. (Please see attachment.) Ms. Hawks pointed out that every state in the United States is either presently in a Title V Commission or is proposing one at present.

OFFICE OF COMMUNITY SERVICES. Mr. Frank Matthews gave a brief presentation on the role of the Office of Community Services. (Please see attachment.) Mr. Hoggart stated that last Session was the first time the State of Nevada made an appropriation for a program that was people oriented and this particular bill provided for employment opportunities and career development for young people in Nevada who are 17-26 years of age. Mr. Hoggart is particularly interested in trying to persuade the Committee to raise the amount recommended in the Executive Budget for the continuation of this program. The last appropriation was for \$268,000 and it is recommended by the Governor that it be funded at a level of \$75,000 each year of the coming biennium. Mr. Hoggart feels it would be impossible to operate the program at such a low level. Mr. Hoggart feels that this program should at least be funded at the same level as that of the last session. They are not asking for an increase. It is true that they had a late start because they could not get geared up to start on July 1st when the money first became available. They operated actually for about 15 months up to this date and have exceeded their goals in some of the areas. It has become a very beneficial program to the state as well as to the individuals who are served, and it is requested that when the Committee does make a decision that the Committee consider funding the program at least at the same level that it was in the last biennium.

Louise Sheppard then gave a report on the New Careers Program. (Please see attachment.)

Chairman Mello stated that he believed there was no one on the Committee that is opposed to taking the young people and finding them jobs but Chairman Mello does not think the program is working, at least not according to the facts that the Committee was presented last Session. Chairman Mello stated that the Committee

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was assured there would be federal funds available for this program, but there was no federal funding. "That is one reason why this program flew." Mr. Matthews replied that his office did apply for Title XX funds which are federal Social Services dollars. They are in the state and they were in the state when they applied to the State Welfare Division. He stated that his office didn't receive an answer to their application.

Chairman Mello asked Mr. Matthews why the Committee was sold a bill of goods. Chairman Mello stated that the Office of Community Services told the Committees federal funds were available. The program was started and then it was discovered that federal funds are not available. Mr. Matthews replied that federal funds were available but his office just didn't get any. Mr. Matthews stated that his office completed what he thought was the initial application to the State Welfare Division for the sum of \$160,000. His office had the match within the \$268,000 that the Legislature appropriated. The funds were not received from Welfare. His office asked again and they said the monies were all gone. His office also applied to the Commissioner of Education, the Community Services Administration and Department of Labor.

Chairman Mello stated that it appeared to him that the Committee was told that federal funds were going to be available. This was discussed in great length because there were many on the Committee and on Senate Finance that did not want to go into this type of program unless we could receive the federal matching funds. Chairman Mello pointed out that if this is such an effective program, why did it take from April 1975, when the bill was passed and signed by the Governor, until October, six months later, to get the program going. Mr. Matthews stated that the appropriation was not effective until July 1. He stated that you just don't go out and hire anyone simply because they are out of work to run a program like this.

Chairman Mello stated that when the program passed, Mr. Matthews' office should have been gearing up for the program. Mr. Matthews replied he certainly did and agreed, but to take three or four months to start a program like this is simply not a lot of time. Mr. Matthews stated that he has been working with this program since July 1, 1975. Chairman Mello stated that Mr. Matthews was still a long ways from having it work. For that length of time Mr. Matthews' office was to place 300 people and in 14 months now, 172 have been placed which is 57% of the goal that was presented to the Committee. Mr. Matthews said it was 22 more than 50% and by June 30, 1977 he feels 300 people will be placed. Mr. Matthews feels very positive that the program will put 300 young people in these jobs. He feels the program has been well administered and well operated. He stated that the money for the program has not been thrown around loosely.

Mr. Matthews stated that the record would not show that he would get matching federal dollars. He said the record would state that he would get social services dollars. Mr. Matthews stated that Senator Gibson in Senate Finance asked him if he was going to apply for other federal dollars to continue the program and Mr. Matthews replied yes we will. Mr. Matthews applied for those dollars and he did not sell anybody a bill of goods.



Mr. Matthews stated that Mrs. Sheppard is the administrator of the program. There is a counselor in Washoe County and in Las Vegas.

Mr. Serpa asked if this program overlapped into the CETA program. Mrs. Sheppard said there is no duplication.

Chairman Mello asked Mr. Matthews to read to the Committee Page A22 of the budget from the last Session under New Careers Plan. Mr. Matthews read as follows: "The complete program carries a budget of \$428,960, including \$81,960 in administrative costs and \$347,000 in stipends and supporting services. It is anticipated that federal Social Service dollars can be made available to match one-half the program activity at 75%, the effect of which is that the federal government can assume 37 1/2% of the total costs of this plan."

Mr. Matthews said that he agreed with that. Chairman Mello stated that Mr. Matthews stated he didn't sell the Committee a bill of goods. Mr. Matthews said he didn't. Mr. Matthews said he applied to the State Welfare Division. Chairman Mello asked Bill Bible who was responsible for this. Mr. Bible answered a combination of Budget Division and the plan that was presented by Community Services. Mr. Bible stated that they did represent in the budget that we would possibly obtain some federal money but the federal money did not materialize.

Mr. Vergiels asked Mr. Bible if the reason the appropriation has been cut to \$75,000 was because of the lack of interest in the program. Mr. Bible stated that we are at a lower level of activity than we had anticipated and the other is that the economy has improved since last year.

Mr. Howard asked Mr. Matthews if in his budget he requested \$268,000 or did he request the \$75,000? Mr. Matthews said he was seeking the Committee's approval of the Governor's recommendation of \$75,000.

Mrs. Sheppard stated that considering the fact the program was started in October of 1975, she feels that for the amount of staff that was available and the number of placements they have made, she feels the program has been effective even though they were not able to obtain those supportive services monies. They were able to obtain supportive services support from other agencies.

Chairman Mello stated that he went out on a limb, along with several other Committee members, on this program and that the Committee had to go back to their constituents and explain to them why they were supporting this program. One reason the Committee was supporting the program was because funds would be received from the federal government to help get people employed.

Chairman Mello asked how many people have been placed in Clark County. Mrs. Sheppard replied that 86 have been placed in Clark County, 78 in Washoe County and three in the remaining 15 counties. The reason only 3 were placed in the remaining counties was mainly because of staffing problems.

Mr. Glover asked Mr. Bible how many other times does it occur that federal money is anticipated and then the federal money never materializes. Mr. Bible stated that there were some instances in the budget, but felt that the New Careers program was probably the biggest case where federal funds didn't materialize.

PUBLIC EMPLOYEES RETIREMENT BOARD. Vernon Bennett stated that the retirement system presently has 34 full positions on staff, all of which are filled. There is no request for additional positions. Mr. Bennett then provided a justification of the present positions (Please see attachment).

Mr. Bennett stated that in the Retirement System Omnibus bill which will be introduced shortly the Retirement Board is requesting the Board be fully autonomous but have the right to use any state services which are available. Also in this bill is the creation of a special legislative committee to regularly review the system during off sessions. The Retirement Board is also recommending that the Board be allowed to set the salary for the executive officer and the assistant executive officer. The problem that exists is that the levels for unclassified salaries are based in many cases on people who are political appointees.

Chairman Mello pointed out that the Governor is recommending 5.5% for state employees and 10.5% in some areas and that Mr. Bennett's request is higher than that. Mr. Bennett stated that at the time the budget was prepared the Board checked with the Legislative Council and with State Personnel and received the best estimate that was available at that time. The Board's classified people under present law will receive the cost of living increase provided by the Legislature just like any other classified person. At the time the Board's budget was prepared the Board did not know what the Governor's proposal would be. The percentage for Mr. Bennett and his assistant was a recommendation to State Personnel from the Retirement Board.

Mr. Glover questioned the turnover in personnel. Mr. Bennett stated that the turnover rate within the last three years has been very high. He said that when he first took the position there was a rumor in state government that if you can't hack it anywhere else you go to a specific state agency and if you can't hack it there, you'd better get to the Retirement System. Mr. Bennett stated that he cleaned house and got people who could do the job. His staff is now well trained. Within the last year the turnover rate is comparable to any other public agency.

Mr. Bennett stated that one of the main reasons the Legislature created the Harris Kerr Forrester Study is the fact that the system's unfunded liability was growing at an alarming rate and Mr. Bennett is very pleased that this study was done because he feels that if it had not been done in 1971, within 1980-85 the system would have been so totally unfunded there would have been no recourse to try to ever correct it.

The unfunded liability from 1971 to 1974 jumped a hundred million dollars. As of the Board's study of June 30, 1974 there was an unfunded liability of \$366,000,000. The unfunded

liability as of June 30, 1976 was \$233,000,000 so within the last two years the Board has lowered their unfunded liability. \$133,000,000. In 1974 the cost for present benefits was 18% of present payroll. This provided no method for paying off the unfunded liability. As of the June 30, 1976 study, the cost to pay the present benefits plus pay the unfunded liability off in 40 years is 13.9%. They will be able to use the difference between the 13.9% and the present 8% and 8% employee-employer contribution rate which is a total of 16% to provide the improvements we would like to do in this session in the retiree-post retirement increases so we are coming to you with a 43 page bill of no increase in employee or employer contribution rates. The system is still \$233,000,000 unfunded.

Mr. Bennett stated that the Board members are paid \$40.00 per day plus expenses. The Board meets regularly for two full days each month. There is also a Police and Firemen's Retirement Fund Advisory Committee which meets once a month. During the last two years there have been two or three special meetings where investments in mortgage and real estate were specifically discussed.

Mr. Bennett explained the contract services. He said his office contracts for actuarial studies, a medical examiner for disability applications and an I.B.M. maintenance contract.

MINES DEPARTMENT. Mr. Kosinski asked Mr. DuBois that in view of recent action taken by B.L.M. if he thought it was necessary to fund the Mines Department for the entire biennium. Mr. DuBois stated that there are some good points in the proposed regulations by the Bureau of Land Management. There are also some bad points as far as his office is concerned with respect to the imposition of rather restrictive bonding requirements. The Forest Service has had similar regulations for a number of years without too many constraints on the industry.

Mr. DuBois stated that that portion of the total budget which would not come from the State General Fund is paid out of the operating expenses of the Nevada Industrial Commission just as any other department within the Commission would be.

Mr. Bible stated that the General Fund really represents a payment from the state's General Fund to the Inspector of Mines for statistical work that's done for some increased safety training that is done.

Mr. Glover asked of the 432 active mines in the state, how many were underground. Mr. DuBois stated it varies from about 40 to 50 depending on the time of year. Because of the past history of losses in underground mining "we hover over those pretty carefully." Mr. DuBois is very pleased with the progress that is being made in underground mining.

Mr. Bremner asked for an explanation of vehicle operations. Mr. DuBois replied that this is \$.17 a mile for \$100,000 miles.

Mr. DuBois stated that the Mining Department uses a variety of ways to determine their inspection frequency and who will be inspected. Mr. DuBois looks at every accident claim that comes in.

Mr. DuBois stated that following the regular inspections of the mines, his office does spot inspections.

Mr. DuBois said that one of the more interesting things the Mining Department is getting into is the area of training and education. Mr. DuBois feels the federal people should do the majority of the inspection and let the state agency enter into areas where their effectiveness is lacking, such as training and education. Mr. DuBois' concept is one of not just preventing injuries but also preventing the accidents.

The minutes of January 26, January 27 and January 28 were approved.

The meeting adjourned at 11:30 a.m.

February 2, 1977

Assembly Committee on Ways and Means

## NEVADA STATE MUSEUM INTRODUCTION

The Nevada State Museum has, since it was created by the Legislature in 1939, been attempting to carry out the legislative mandate by collecting, housing, caring for, and displaying, objects and specimens which interpret the natural history of the State of Nevada. How well the museum has succeeded can be determined by the museum attendance records which show that from a modest total of 1,175 persons in 1941, the annual attendance at the museum has grown until it reached 547,510 persons in 1975. Total attendance over this period is 8,616,517, and it is anticipated that the ten millionth person to visit the Nevada State Museum will be logged into the museum during the summer of 1977.

The Museum is one of the major windows through which the visitor to Nevada sees the State. This is of some importance as the number of people who visit the museum each year is as great as the population of the State, and, due to the Museum, these people are made aware of the real Nevada that lies behind the facade of the casinos and supper clubs.

The Nevada State Museum has had, as an ongoing goal, the duty of providing museum services for public education and enjoyment throughout Nevada, and for coordinating a statewide effort to promote interest in, and to secure preservation of, important artistic, biological, historic and prehistoric values.

Due to its collecting activities in the fields of earth history, natural history, prehistory and history it has in 36 years become the State's largest resource of scientific and historic materials.

The Museum works in close cooperation with the University of Nevada System, at Reno, Las Vegas, and the Community College at Carson City. Additionally, it cooperates with other State Agencies and public and private institutions, whose aims, like the Museum's are educational and cultural.

The Museum is, however, primarily a service agency, designed to serve the present needs of the citizens of Nevada, and is a State resource which will become of increasing importance to the State of Nevada, and its citizens, in the future.



MIKE O'CALLAGHAN  
GOVERNOR

LOCAL GOVERNMENT EMPLOYEE-MANAGEMENT  
RELATIONS BOARD

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February 2, 1977

MEMBERS OF THE BOARD  
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John T. Gojack  
Marvin Kratter  
COMMISSIONER  
SALLY S. DAVIS

MEMO TO: THE HONORABLE DONALD R. MELLO, CHAIRMAN  
ASSEMBLY WAYS AND MEANS COMMITTEE

FROM: Sally Davis, Employee-Management Relations Board

RE: EXISTING AND VACANT POSITION JUSTIFICATION PURSUANT TO  
YOUR MEMO OF JANUARY 18, 1977

The Local Government Employee-Management Relations Board currently employs two persons, a secretary and a commissioner. Neither of these existing positions is vacant and no new positions are requested for the biennium 1977-79.

We present the following as a brief justification for the two existing positions:

Despite the fact that ours is a small agency with a small budget, we perform the same basic functions as larger agencies. Our offices must be open and manned from 8 a.m. to 5 p.m. on workdays. During this nine hour period, there must be someone in the office to answer phone inquiries as well as the inquiries of persons coming to the office. Bills must be paid and correspondence answered daily.

It is the responsibility of the Commissioner, in addition to acting as legal advisor to the Board and Advisory Committee, to answer inquiries regarding the Dodge Act and the procedures of the Board, to act as budget director, agency administrator and to keep the Board and Committee apprised of agency activities.

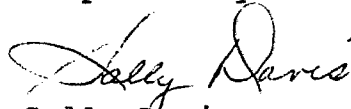
The establishment of the 10 member Employee-Management Advisory Committee by the 1975 session of the Nevada Legislature substantially increased the work load of the staff, as the Committee's responsibilities and activities must be coordinated through the agency offices. These responsibilities include the selection of new Board members, semi-annual meetings and the preparation of the Committee's report to the Legislature.

It is the responsibility of our secretary to answer the phones, handle routine matters and perform general secretarial functions.

The Honorable Donald R. Mello  
Page 2  
February 2, 1977

It would be extremely difficult to perform all the necessary functions of this agency with only one staff person. The day-to-day operations of a state agency as well as the special functions and responsibilities of the Board and Advisory Committee warrant continuation of the currently funded two staff positions.

Respectfully Submitted,

  
Sally Davis

PREPARED STATEMENT  
TO  
WAYS & MEANS

THE DEPARTMENT OF ECONOMIC DEVELOPMENT, SINCE ITS CREATION IN 1955, HAS ACTED AS THE PROMOTION ARM OF THE STATE OF NEVADA IN BOTH TOURISM AND INDUSTRY.

UNLIKE PRIOR BIENNIUMS, THE CURRENT BUDGET REQUEST INCLUDES THE ECONOMIC DEVELOPMENT BUDGET, THE NEVADA MAGAZINE BUDGET AND THE FOUR CORNERS COMMISSION BUDGET.

BECAUSE THE DIRECTOR IS NOW WEARING THREE HATS, THE ECONOMIC DEVELOPMENT BUDGET, AS THE GOVERNOR RECOMMENDS, WILL REFLECT A REDUCTION. THIS IS FOR THREE REASONS; (1) THE ELIMINATION OF A DEPUTY DIRECTOR, WHICH WAS DETERMINED TO BE A TOP-HEAVY POSITION. WE HAVE FOUND THE DUTIES COULD BE PERFORMED BY THE DIVISION DEPUTY DIRECTORS, (2) THE REDUCTION IN OUR CONTRACTUAL SERVICES, WITH THE SAVINGS TO BE PLACED IN THE NEVADA MAGAZINE BUDGET TO COVER SALARY EXPENSE, AND (3) OUR MEMBERSHIP DUES FOR THE FOUR CORNERS REGIONAL COMMISSION, WHICH IS LISTED ADDITIONALLY IN A SEPARATE BUDGET.

THE DEPARTMENT REALIZES ITS LIMITATIONS WITHIN ITS EXISTING ADVERTISING BUDGET OF \$123,000, WHICH DIVIDED ON A 60/40 RATIO BETWEEN TOURISM AND INDUSTRY, CANNOT COMPETE WITH OUR NEIGHBORING STATES NOR ADD ANY SIGNIFICANT IMPACT TO OUR TWO MAJOR AREAS OF LAS VEGAS AND RENO/TAHOE IN TOURISM PROMOTION. THEREFORE, THE MAJORITY OF OUR TOURIST PROMOTION HAS BEEN DIRECTED TOWARD THE RURAL COUNTIES.



OUR PRINTING AND DUPLICATING BUDGET HAS INCREASED \$6400 TO COVER THE INCREASED COSTS OF PAPER AND PRINTING. THE DEPARTMENT FEELS IT HAS DESIGNED ECONOMICAL BROCHURES COVERING ALL ASPECTS OF THE STATE WITH PERIODIC UPDATING OF COPY AND PHOTOS, THESE BROCHURES SHOULD LAST THROUGH THE BIENNIUM.

ALTHOUGH THE COST OF POSTAGE HAS INCREASED, WE BELIEVE THAT WE ARE ABLE TO DECREASE OUR MAILING BUDGET BECAUSE OF OUR NEW BROCHURE DESIGN AND A CONCENTRATED EFFORT TO ECONOMIZE BY USING BULK MAILINGS.

RATHER THAN ME CONTINUE EXPLAINING EACH LINE ITEM OF THE THREE BUDGETS, I WOULD LIKE TO INTRODUCE DARRYL MONAHAN, DEPUTY DIRECTOR OF ECONOMIC DEVELOPMENT, WHO WILL ANSWER QUESTIONS ON THE ECONOMIC DEVELOPMENT BUDGET, AND C.J. HADLEY, EDITOR OF THE NEVADA MAGAZINE, WHO WILL ANSWER QUESTIONS ON THAT BUDGET, ALSO, CAROL HAWKS, ASSISTANT ALTERNATE TO THE FOUR CORNERS REGIONAL COMMISSION, IS AVAILABLE TO EXPLAIN OUR MEMBERSHIP IN THE FOUR CORNERS COMMISSION.

CAROLINE HADLEY  
MANAGING EDITOR  
NEVADA MAGAZINE

NEVADA MAGAZINE IS PUBLISHED QUARTERLY BY THE STATE OF NEVADA FOR THE PURPOSE OF PROMOTING THE STATE. IT WAS PUBLISHED FOR 39 YEARS BY THE HIGHWAY DEPARTMENT UNTIL JUNE OF 1975 WHEN IT WAS TRANSFERRED TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT IN ORDER THAT IT BE PUT ON A BREAK-EVEN BASIS.

THE LEGISLATIVE MANDATE WAS THAT IT SHOULD BE SELF-SUPPORTING BY THE END OF THE PRESENT BIENNIUM, OR BE DISCONTINUED. THIS MANDATE HAS NOT BEEN MET.

SALARIES AND OPERATING COSTS WERE OUT OF PROPORTION WITH REVENUES.

PROMOTIONS WERE AIMED AT PLEASING A FEW RATHER THAN MAKING MONEY FROM MANY.

PAST POLICY WAS THAT THE MAGAZINE WAS A PROMOTIONAL TOOL OF THE STATE AND PREVIOUS STAFF MEMBERS BELIEVED THAT IT SHOULD BE FUNDED.

SUPPORT AND BACKING BY THE BUSINESS COMMUNITY WAS EXPECTED BUT NEVER HAS MATERIALIZED.

IN THE PAST 18 MONTHS MANY CHANGES HAVE BEEN MADE. OPERATING COSTS HAVE BEEN CUT AND SO HAVE THE STAFF AND SALARIES. AND REVENUES ARE BUILDING. WHEN WE TOOK OVER, THERE WERE MORE THAN 16,000 NAMES ON THE HIGHWAY COMPUTER SUBSCRIBER LIST. IT TOOK A YEAR TO REALIZE THAT ALMOST ONE-THIRD OF THOSE NAMES RECEIVED "COMPLIMENTARY" COPIES. IN JUNE OF 1976 ALL THE PEOPLE WHO RECEIVED FREE COPIES WERE GIVEN THE OPTION TO SUBSCRIBE, OR THEY WERE DROPPED FROM THE LIST. SUB-

CRIBER NUMBERS DROPPED BY 3,000 NAMES BETWEEN JULY AND SEPTEMBER 1976 BECAUSE OF THIS. THE NUMBERS ARE SLOWLY REBUILDING AND WE PRESENTLY HAVE 18,250 PAID SUBSCRIBERS. WE NEED ABOUT 7,000 MORE TO SEE THE BREAKEVEN POINT.

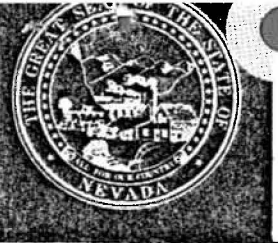
DUE TO THE PROBLEMS WE INHERITED: THE LARGE STAFF, THE GIANT DEFICIT, THE IMAGE THAT THE MAGAZINE WAS STRICTLY A HAND-OUT AND DID NOT HAVE TO BE PAID FOR, AND THE LACK OF TRUE FIGURES, IT HAS BEEN DIFFICULT TO HALT THE RAPID DOWNWARD TREND.

MANY OPERATING COSTS WERE ABSORBED BY THE HIGHWAY DEPARTMENT (FOR INSTANCE, COMPUTER COSTS WHICH VARIED BETWEEN \$10,000 AND \$28,000 PER YEAR) AND WERE NOT REFLECTED IN PAST YEARS' COST. WE CONTRACTED WITH A STUDENT FROM THE UNIVERSITY OF NEVADA, RENO, WHO IS MAJORING IN ECONOMICS TO ANALYZE OUR COST SITUATION. A COMPLETE FINANCIAL REPORT WAS NOT AVAILABLE UNTIL JANUARY 1977 OR AN APPROPRIATION FOR SALARIES ONLY WOULD HAVE BEEN REQUESTED IN THIS BUDGET.

THE TURNAROUND FROM RED TO BLACK HAS STARTED, AND REVENUES FOR THE FIRST HALF OF THIS FISCAL HAVE ALREADY SURPASSED HIGHWAYS' BEST YEAR. WE PROJECT EARNINGS FOR THIS FISCAL TO BE AROUND \$160,000, WHICH IS \$48,000 MORE THAN EVER AT HIGHWAYS. TO DATE WE HAVE EARNED \$115,000.

IT IS HOPED THAT WITH THE ADDED REVENUES FROM SUBSCRIPTIONS DUE TO MORE EFFECTIVE AND CAREFULLY AIMED PROMOTIONS, AND A BUILD-UP OF ADVERTISING PAGES, THAT NEVADA MAGAZINE WILL BE FUNCTIONING JUST ON ITS REVENUES WITH THE EXCEPTION OF THE SALARIES THAT WE ARE NOW ASKING FROM ECONOMIC DEVELOPMENT'S BUDGET. THIS FUNDING REQUEST IS EXPLAINED IN THE MEMO FROM THE BUDGET DIVISION.

WE REGRET THAT YOUR MANDATE WAS NOT MET, BUT ARE CONFIDENT THAT AT THE END OF THIS BIENNIUM THAT THE MAGAZINE WILL BE COMPLETELY SELF-SUPPORTING.



STATE OF NEVADA  
DEPARTMENT OF ADMINISTRATION  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710

O'CALLAGHAN  
Governor

HOWARD E. BARRETT  
Director

January 28, 1977

MEMORANDUM

TO: Assembly Ways and Means Committee

FROM: Howard Barrett  
Budget Division *R*

SUBJECT: Budget Revision - Economic Development

Due to a fiscal status report and projection study on Nevada Magazine by Caroline Hadley of the Magazine and Mark Kaiser, a contract employee, which was presented to the Department of Economic Development and Nevada Magazine on January 17, 1977, it appears that General Fund support will be necessary to continue with the publication of Nevada Magazine for the next biennium.

Economic Development, Executive Budget, Page 88, requests that a \$50,472 reduction for fiscal year 1978 and \$52,272 reduction for fiscal year 1979 in contract services be transferred to Nevada Magazine, Executive Budget, Page 91, to fund three positions: Magazine editor, assistant, and sales representative.

With this General Fund assistance, it is felt that the Magazine can achieve a total self-supporting status by the end of the 1978-79 biennium.

	<u>Governor Recommends 1978</u>	<u>Revision</u>	<u>Change</u>	<u>Governor Recommends 1979</u>	<u>Revision</u>	<u>Change</u>
<b>Economic Development (101-1520)</b>						
Regular Appropriation	\$500,000	\$449,528	(\$50,472)	\$500,000	\$447,728	(\$52,272)
Contract Services	60,000	9,528	( 50,472)	60,000	7,728	( 52,272)
<b>Nevada Magazine (101-1523)</b>						
Regular Appropriations	\$ 0	\$ 50,472	+\$50,472	\$ 0	\$ 52,272	+\$52,272
Subscriptions	111,940	79,003	( 32,937)	111,999	79,003	( 32,996)
Advertising	14,550	12,000	( 2,550)	15,154	10,921	( 4,233)
Salaries						
Sales Representative	\$ 0	\$ 13,120	+\$13,120	\$ 0	\$ 13,070	+\$13,070
Total Positions	2	3		2	3	
Industrial Insurance	\$ 485	\$ 688	\$ 203	\$ 557	\$ 780	\$ 223
Retirement	2,497	3,547	1,050	2,605	3,651	1,046
Personnel Assessment	281	399	118	293	411	118
Group Insurance	883	1,325	442	1,016	1,524	508
Payroll Assessment	62	88	26	65	91	26
Unemployment Compensation	62	88	26	130	182	52

FOUR CORNERS REGIONAL COMMISSION

In the coming years the Department of Economic Development can look forward to helping improve the State's economy through the resources of the Four Corners Regional Commission.

~~On June 12 of this~~ <sup>last</sup> year, Nevada was admitted to the <sup>Four Corners Reg.</sup> Commission, joining Arizona, Colorado, New Mexico and Utah in a federal-state partnership, united to assist each other in economic development and planning.

Four Corners is one of eight regional commissions in the United States operating under authority of Title V of the Public Works and Economic Development Act of 1965, as amended. Membership is made up of the Governors of the five states and a Federal Cochairman appointed by the President of the United States who are responsible for the overall administration of the Commission program. The Director of Economic Development, as the Governor's Alternate to the Four Corners Commission, is charged with the responsibility of program development and operation within the State. The Alternates meet regularly with the Federal Cochairman to present projects for review that have been selected for Commission support.

• The Four Corners Commission provides funds for technical assistance for planning, investigations, studies, demonstration projects and training programs which will evaluate the needs of the region for economic development.

The Commission also provides supplemental grants in order to enable localities and other public entities within the region to take maximum advantage of Federal grant-in-aid programs for which they are eligible but for which they cannot supply the full matching share.

An Excess Property Program, instituted by Section 514 of the Public Works and Economic Development Act of 1965, as amended, provides for the acquisition and disposal of Federal Government excess property by the Commissions. This program is an effective mechanism for providing communities with need equipment and supplies.

The State of Nevada was allotted \$879,369 by the Commission for fiscal year 1977. The State's percentage share of the operating cost of the Commission is \$19,402 for this fiscal year and was paid for by the Department of Economic Development. A technical and administrative support grant for \$45,000 was approved and funded by the Commission for administrative, clerical and travel expenses.

As required by the Commission, each state must provide a long-range comprehensive economic development plan. The State of Nevada Planning Coordinator's Office was awarded a \$170,000 technical assistance grant to prepare the State's portion of the plan.

Nevada's first project as a member of the Four Corners Regional Commission is the West Las Vegas Community Economic Development Program, approved and funded for \$115,000. The project addresses the problems of elevating the Black Community of Las Vegas, in which 87% of the Black population of Nevada reside, in relationship to the betterment of economic

developmental conditions and doing it in such a manner that is satisfactory to the residents of that community. The overall goal of the project is to encourage new industry and job opportunities in the West Las Vegas area.

The Department is presently considering approximately 15 projects from localities in the State. These range from a technical assistance feasibility study for a photogramatic mapping survey of the East Carson River and an agricultural feasibility study in Humboldt County to a supplemental grant for a water system in Elko County.

The 1978 budget, submitted by the State's Cochairman, Governor Castro of Arizona, to President-Elect Carter calls for program funds of \$12 million. If this budget is approved by the Appropriations Committee of Congress, Nevada's share will be approximately \$1.3 million.

The Four Corners Commission is one of the most flexible sources of federal funds available to the State of Nevada. Four Corners assistance is an extremely valuable tool which will help create jobs, improve the quality of Nevada life and assure wise development of our resources. The Commission has demonstrated that a federal-state partnership can work and that federal dollars can respond quickly to local needs.



MR. CHAIRMAN:

MY REMARKS WILL BE AS BRIEF AS POSSIBLE, HOWEVER, I BELIEVE IT IS IMPORTANT TO HIGHLIGHT AGAIN THE ROLE OF MY OFFICE AND IN SO DOING, EMPHASIZE THE ACCOMPLISHMENTS OF THE PAST 20 MONTHS.

AS YOU ARE PROBABLY AWARE, THE OFFICE OF COMMUNITY SERVICES WAS FORMERLY THE OFFICE OF ECONOMIC OPPORTUNITY. IT IS MY BELIEF THAT THE NAME CHANGE MORE CLEARLY REFLECTS THE INTENT AND WORK PROGRAM OF THE OFFICE.

THE OFFICE IS RESPONSIBLE FOR ALL PROGRAMS FUNDED BY THE COMMUNITY SERVICES ADMINISTRATION AND OTHER FEDERAL AGENCIES RECEIVING MONEY UNDER THE COMMUNITY SERVICES ACT.

THESE RESPONSIBILITIES ARE: REVIEW OF ALL GRANT SUBMISSIONS COVERED BY THE COMMUNITY SERVICES ACT. THESE INCLUDE: HEAD START, COMMUNITY DEVELOPMENT AND PLANNING, ENERGY CONSERVATION, HOUSING, SENIOR OPPORTUNITIES AND SERVICES FOR THE ELDERLY, COMMUNITY FOOD AND NUTRITION PROGRAMS, AND OTHER PROGRAMS FOR THE LOW-INCOME.

IN ADDITION TO REVIEW, WE CONSTANTLY MONITOR ALL PROGRAMS FOR COMPLIANCE WITH FEDERAL STATUTES AND TO MAINTAIN A HIGH DEGREE OF ACCOUNTABILITY.

THE STATE OFFICE OF COMMUNITY SERVICES OPERATES A NUMBER OF PROGRAMS FOR THE LOW-INCOME. THESE INCLUDE: COMMUNITY DEVELOPMENT AND PLANNING IN RURAL AREAS. EXAMPLES ARE THE WHITE

PINE COUNTY OVERALL ECONOMIC DEVELOPMENT PLAN AND COMMUNITY AND INDUSTRIAL DEVELOPMENT IN HAWTHORNE. AS YOU ARE AWARE, OUR RURAL COMMUNITIES SIMPLY DO NOT HAVE THE FINANCES TO RUN FULL TIME PLANNING DEPARTMENTS. THE OFFICE OF COMMUNITY SERVICES PROVIDES WHEN POSSIBLE THE MANPOWER TO WORK WITH LOCAL RURAL OFFICIALS IN PUTTING TOGETHER GRANTS FOR SUBMISSION TO FEDERAL AGENCIES.

### HOUSING

THE RURAL HOUSING AUTHORITY PRESENTLY SERVES 175 FAMILIES UNDER THE SECTION 8 SUBSIDY PROGRAM. IN ADDITION, THE AUTHORITY HAS ACQUIRED 6 ACRES OF LAND IN CARSON CITY FROM THE STATE HIGHWAY DEPARTMENT AND IS FINALIZING DESIGNS FOR A 100 UNIT SENIOR CITIZENS COMPLEX. THESE SENIORS ARE ALL LIVING ON FIXED INCOMES.

ALSO, IN AN EFFORT TO REDUCE BUILDING COSTS, THE RURAL HOUSING AUTHORITY IS ACQUIRING LAND IN RURAL AREAS FOR FUTURE DEVELOPMENT.

### ENERGY CONSERVATION

WE ALSO HAVE IN OPERATION IN THE RURAL AREAS AN ENERGY CONSERVATION AND MINOR HOME REPAIR PROGRAM. THE PROGRAM PROVIDES FOR INSULATION, WEATHERSTRIPPING AND THE SEALING OF STRUCTURES. PRESENTLY, APPROXIMATELY 75 DWELLINGS ARE NEARING COMPLETION. AN ADDITIONAL GRANT OF \$27,000 WHICH WAS JUST RECEIVED WILL PROVIDE FOR AN EXPANSION OF THE PROGRAM INTO OTHER RURAL AREAS. THIS PROGRAM IS VERY NECESSARY TO COMBAT HIGH UTILITY COSTS FACING THE POOR.

THE OFFICE OF COMMUNITY SERVICES ALSO OPERATES A SUMMER

YOUTH RECREATION PROGRAM AND THIS PAST SUMMER ENLARGED THE PROGRAM TO INCLUDE HANDICAPPED CHILDREN WITHIN THE FRAMEWORK OF THE SPECIAL OLYMPICS. WE CAN EXPECT TO CONTINUE THIS EFFORT IN THE FUTURE.

WE ARE ALSO INVOLVED IN RESEARCH AND DEVELOPMENT PROGRAMS IN AN EFFORT TO ASSIST LOCAL COMMUNITIES.

AN EXAMPLE OF THIS IS A STUDY OF THE PINYON AND JUNIPER TREES IN WHITE PINE COUNTY. IT IS HOPED THAT BY-PRODUCT RESEARCH WILL EVENTUALLY LEAD TO THE DEVELOPMENT OF LIGHT INDUSTRY. EVEN AT THIS TIME, A SMALL WOODCUTTING PROJECT FOR MARKETING IN THE SOUTHERN CALIFORNIA AREA IS UNDERWAY.

THE OFFICE OF COMMUNITY SERVICES IS CONSIDERED TO BE PRIMARILY A SOCIAL SERVICES AGENCY, HOWEVER, OUR GOAL IS THE SELF-SUFFICIENCY OF LOW-INCOME RESIDENTS OF THE STATE OF NEVADA.

#### TECHNICAL ASSISTANCE

WE PROVIDE TECHNICAL ASSISTANCE TO INDIVIDUALS AND GROUPS UPON REQUEST.

THIS PAST YEAR THESE HAVE INCLUDED THE FOLLOWING:

THE SENIORS AND YOUTH AWARENESS PROGRAMS IN LAS VEGAS, THE WESTERN SHOSHONE OF NEVADA, THE HUMAN RESOURCE COUNCIL OF MINERAL COUNTY, YOUTH RECREATION IN SEARCHLIGHT AND GOODSPPRINGS, WHITE PINE COUNTY INDUSTRIAL DEVELOPMENT COMM

OUR EFFORTS ARE STATEWIDE AND DO NOT DUPLICATE ANY EXISTING SERVICES BEING DELIVERED BY ANY OTHER STATE OR LOCAL AGENCY. IN DOLLAR FIGURES, OUR RESPONSIBILITY LIES DIRECTLY WITH AN ANNUAL ALLOCATION FROM A VARIETY OF AGENCIES IN THE AMOUNT OF \$3 MILLION

APPROXIMATELY. OUR DIRECT PROGRAM OPERATIONS AMOUNT TO ABOUT \$1. MILLION DOLLARS PER YEAR.

WE ALSO PROVIDE ASSISTANCE TO GROUPS AND COMMUNITIES BY OBTAINING FEDERAL SURPLUS PROPERTY. WE PROVIDED AN AMBULANCE TO THE HEALTH DEPARTMENT FOR THE CANCER SCREENING PROGRAM, AND AN EQUIPMENT TRUCK FOR THE ENERGY CONSERVATION PROGRAM IN WHITE PINE AND MINERAL COUNTIES.

THE PROGRAMS OF THE STATE OFFICE OF COMMUNITY SERVICES AND ITS LOCAL COUNTERPARTS SERVE LITERALLY THOUSANDS OF NEVADA'S LOW-INCOME CITIZENS EACH YEAR. THE ABSENCE OF THESE PROGRAMS WOULD SERIOUSLY OVERLOAD THE STATE AND LOCAL GOVERNMENT BUDGETS IF THEY HAD TO PROVIDE THESE VERY NECESSARY PROGRAMS OF ASSISTANCE FROM LOCAL TAXES. HOWEVER, THESE SERVICES HAVE TO BE CONTINUED IF WE ARE TO SEEK THE MUCH DESIRED SELF-SUFFICIENCY OF NEVADA'S LOW-INCOME CITIZENS. I SINCERELY HOPE THAT YOU WILL GIVE VERY SERIOUS CONSIDERATION TO OUR REQUESTS FOR ASSISTANCE.

IN NO WAY DOES THE NUMBER OF STAFF INDICATE THE WORK PROGRAM AND EFFORTS OF THE OFFICE OF COMMUNITY SERVICES. WE HAVE SEVEN POSITIONS AT A COST OF \$81,000 PER YEAR. THE REQUESTED SALARIES ARE FAR BELOW COMPARABLE AGENCIES IN THE STATE. YOU ARE WELL AWARE OF CUTS WHICH WE'VE MADE ALMOST EIGHT YEARS AGO AT A TIME WHEN THE WORK PROGRAM WAS AN EXTREMELY NARROW ONE. THERE IS SIMPLY NO COMPARISON BETWEEN THE AGENCY NOW AND THEN. I AM REQUESTING THAT THE CUTS MADE EIGHT YEARS AGO BE RESTORED TO THE OFFICE OF COMMUNITY SERVICES. THE MONEY REQUIRED HAS BEEN AVAILABLE FOR A NUMBER OF YEARS. IT HAS BEEN APPROVED BY THE FEDERAL GOVERNMENT.

IT DOES NOT REQUIRE ANY ADDITIONAL STATE DOLLARS. IT PROVIDES  
A JUST COMPENSATION FOR A CAPABLE AND DEDICATED STAFF.  
MR. CHAIRMAN, YOUR COMMITTEE HAS COPIES OF A REPORT ON NEVADA'S  
NEW CAREERS PROGRAM FOR THE PAST 15 MONTHS. MRS. SHEPPARD WILL  
GIVE THAT REPORT. WE ARE QUITE PREPARED TO ANSWER ANY QUESTIONS  
ON THIS AND ANY OF OUR OTHER PROGRAMS.

*Chairman  
Members of the Committee*

NEW CAREERS REPORT

THIS REPORT SUMMARIZES THE ACCOMPLISHMENTS OF THE NEW CAREERS PROGRAM AND THE NEED FOR ITS CONTINUED FUNDING AT THE SAME LEVEL OF \$268,100. WHEN WE THINK OF THE WORDS "NEW CAREERS," WE SEE IT AS A COMPREHENSIVE APPROACH BY THE STATE OF NEVADA, IN PARTNERSHIP WITH PRIVATE INDUSTRY, TO RESOLVE ONE OF THE STATE'S MOST URGENT SOCIAL CONCERNS -- THE GROWING NUMBER OF YOUNG, UNEMPLOYED NEVADANS WHO ARE DEVELOPING LIFESTYLES OF SOCIAL DEPENDENCY IN PREFERENCE TO THE FAILURES AND FRUSTRATION OF THE JOB MARKET. WE SEE THE NEW CAREERS PROGRAM AS AN ALTERNATIVE TO MANPOWER PROGRAMS FOR WHICH UNTRAINED AND UNSKILLED PERSONS CANNOT QUALIFY. THESE PROGRAMS SIMPLY POSTPONE HARDSHIP, RATHER THAN PROVIDING PERMANENT SOCIAL AND ECONOMIC BENEFITS TO PARTICIPANTS.

THE NEW CAREERS PROGRAM, THROUGH ITS TRAINING, FORMAL-RELATED CLASSWORK, COMBINED WITH COUNSELING AND ASSESSMENT AND SUPPORTIVE SERVICES, GIVES THE YOUNG NEVADANS AN OPPORTUNITY TO ACHIEVE A GOAL, OTHERWISE UNATTAINABLE.

THE LAST LEGISLATURE RECOGNIZED THE EXCESSIVELY HIGH RATE OF JOBLESSNESS AMONG OUR YOUNG NEVADANS AND APPROPRIATED \$268,100 IN STATE FUNDS FOR A TWO-YEAR CAREER OPPORTUNITIES PROGRAM FOR YOUNG ADULTS, 17 TO 26 YEARS OF AGE. IN 1970, THE CENSUS REPORTED THAT NEVADA HAD A POPULATION OF 61,295 YOUNG PEOPLE BETWEEN THE AGES OF 14 - 21. IN THE NEXT SIX YEARS, THESE YOUNG PEOPLE WILL

BE ENTERING THE LABOR MARKET. FOR SOME, ENTRY INTO CAREER OPPORTUNITIES IS ENHANCED BY FAMILY, BACKGROUND AND OTHER RESOURCES. FOR OTHERS, ESPECIALLY THE LOW-INCOME, CAREER OPPORTUNITIES SIMPLY DO NOT EXIST.

ACCORDING TO THE DECEMBER 1976 ESTIMATES RELEASED BY THE NEVADA EMPLOYMENT SECURITY DEPARTMENT, YOUNG PEOPLE, 16 - 24 YEARS OF AGE, COMPRISED 17.5% OF NEVADA'S UNEMPLOYED LABOR FORCE, BUT 22.3% ARE UNEMPLOYED IN LAS VEGAS. THIS IS QUITE ALARMING, SINCE ONLY THOSE YOUNG PEOPLE WHO WERE PART OF THE OFFICIAL LABOR FORCE WERE COUNTED, AND NOT THOSE WHO HAD SIMPLY GIVEN UP HOPE OF FINDING EMPLOYMENT. THIS INFORMATION LEADS TO THE CONCLUSION THAT A VALUABLE HUMAN RESOURCE IS GOING TO WASTE.

IT HAS BEEN OUR EXPERIENCE IN THE NEW CAREERS PROGRAM FOR THE LAST 15 MONTHS TO RECRUIT 685 YOUNG PERSONS WHO SHOWED A NEED FOR A NEW CAREER. TRAINEES WERE RECRUITED FROM PUBLIC AND PRIVATE ACTIVITIES THAT ARE PRESENTLY INVOLVED IN PROGRAMS FOR YOUNG PEOPLE. WE HAVE CURRENTLY ENROLLED 255 IN THE PROGRAM. FOR ENROLLMENT, PERSONS WERE SELECTED ON THE BASIS OF NEED AND INCOME LEVEL, THEIR DESIRE TO LEARN THE CAREER CHOSEN, AND THEIR APTITUDE FOR SUCH A CAREER. COUNSELING SERVICES WERE PROVIDED TO DETERMINE OCCUPATIONAL GOAL, ASSETS FOR EMPLOYMENT, BARRIERS TO EMPLOYMENT, AND SUPPORTIVE SERVICE NEEDS. IN CASES WHERE ENROLLEES NEEDED ASSISTANCE TO ASSURE CONTINUED EMPLOYMENT, ARRANGEMENTS WERE COORDINATED WITH AGENCIES, SUCH AS EDUCATIONAL INSTITUTIONS, HUMAN RESOURCES, EMPLOYMENT SECURITY, WELFARE AND OTHERS, TO HAVE SERVICES PROVIDED.

BASED UPON THE ASSESSMENT OF ENROLLEES NEEDS AND OCCUPATIONAL GOALS, THE NEW CAREERS COORDINATORS CONTACTED EMPLOYERS TO DEVELOP A POSITION RELATIVE TO CLIENT'S CHOICE, CAPABILITIES AND SKILLS.

IN THIS PHASE, COSTS FOR STIPEND WERE PAID BY THE CONTRACTING AGENCY TO THE EMPLOYER. ALL CASES OF PLACEMENT SHOW THAT THE AMOUNT OF THE STIPEND AND WHAT THE EMPLOYER PAID ARE ABOVE MINIMUM WAGE.

TO DATE, WE HAVE PLACED 172 IN TRAINEE POSITIONS.



I  
YOU HAVE A LIST OF CONTRACTING EMPLOYERS, THE KINDS OF POSITIONS THAT WERE GIVEN, THE WAGE ENROLLEE/EMPLOYEE RECEIVED, AND THE AMOUNT FOR WHICH THE CONTRACT WAS WRITTEN. <sup>to be given to you</sup> IT IS APPARENT THAT THIS INNOVATIVE SOLUTION HAS BEEN AND IS NECESSARY TO MOBILIZE THE PRIVATE EMPLOYER SECTOR TO DIRECT THEM TO THE TASK OF CREATING MORE OPPORTUNITIES FOR NEVADA YOUTH AND YOUNG ADULTS. YOUNG PEOPLE ARE COMPELLED TO SUBSIST ON TAX-SUPPORTED ASSISTANCE WHEN, IN REALITY, THEY WANT NOTHING MORE THAN AN OPPORTUNITY TO PROVE THEMSELVES IN A CAREER SITUATION. AT THE SAME TIME, THE SOCIAL SERVICES THAT THESE YOUNG PEOPLE MUST ACCEPT TO SURVIVE ARE COSTING TAXPAYERS MUCH MORE THAN A CONSTRUCTIVE PROGRAM TO DEVELOP CAREER OPPORTUNITIES FOR THEM WOULD COST. IT SHOULD BE REMEMBERED THAT ONCE TRAINEES ARE PLACED IN UNSUBSIDIZED POSITIONS, THEY BEGIN TO CONTRIBUTE FEDERAL, SALES, CIGARETTE, GASOLINE AND OTHER EXCISE TAXES. LET US ALSO NOTE THAT FOR A FAMILY OF FOUR, WHOSE INCOME IS \$6,244 THEY CAN PAY \$108 IN TERMS OF CONTRIBUTIONS TO SALES TAXES AND \$41 IN GASOLINE TAXES ANNUALLY. FURTHERMORE, IF A SINGLE TRAINEE EARNS THE AVERAGE OF \$3.05 PER HOUR, THE AVERAGE ANNUAL INCOME WOULD BE \$6,244 WITH A CONTRIBUTION OF \$588 TO FEDERAL TAXES AND ABOUT \$75 TO SALES TAXES. IN TWO YEARS, THE RETURN WILL BE \$1,176 IN FEDERAL TAXES, WHICH IS MORE THAN THE \$894 ALLOWED FOR EACH TRAINEE IN THE CURRENT FUNDING. IN THIS SHORT TIME, THE TRAINEE WOULD HAVE REPORTED IN TAXES, MORE MONEY THAN THE TRAINING AND SUBSIDY. IT ALSO MEANS THAT WITH A 61 PER CENT RETENTION RATE OF TRAINEES PLACED, A CONSIDERABLE AMOUNT OF DOLLARS ARE RETURNED TO THE STATE OF NEVADA. THIS IS WHY THE NEW CAREERS PROGRAM SHOULD BE CONTINUED AT THE SAME LEVEL OF FUNDING. EMPLOYERS ARE APPRECIATIVE OF THE INDIVIDUALNESS OF

COUNSELING AND EDUCATIONAL SUPPORT, IN THAT IT IS AN INDIVIDUALIZED PROGRAM, BOTH IN ITS JOB TRAINING AND IN ITS EDUCATIONAL ASPECTS. RELATED EDUCATION IS SUPPLEMENTED TO GIVE THE TRAINEE THE KNOWLEDGE TO MASTER THE JOB. WHEN A TRAINEE LEAVES THE PROGRAM, HE HAS POSSESSION OF NOT ONLY SKILL, BUT ALSO A PLAN TO CONTINUE HIS/HER CAREER DEVELOPMENT. AS WE ARE 15 MONTHS INTO THE PROGRAM, WE FEEL THAT THE INNOVATIVENESS OF THIS PROGRAM IS HIGHLY ACCEPTED BY EMPLOYERS OF THIS STATE. MANY OF THESE EMPLOYERS ARE PROUD THAT OUR LEGISLATORS RECOGNIZED THE NEED TO FUND A STATE-WIDE PROGRAM WITHOUT FEDERAL SUPPORT.

AS A SUMMATION OF THIS REPORT, THE FOLLOWING STATISTICS ARE IMPORTANT:

RECRUITED	685
ENROLLED	255
COUNSELLED AND ASSESSED	379
EMPLOYERS CONTRACT	2311
NUMBER REFERRED TO JOBS	379
PLACEMENTS AVERAGE COST PER PLACEMENT	768
RETENTION RATE OF PLACEMENT	61%
AVERAGE WAGE PER HOUR PER PLACEMENT	2.90

SINCE THIS PROGRAM FALLS SHORT OF MEETING A TOTAL NEED, SUCCESSFUL OPERATION JUSTIFIES THE DEVELOPMENT OF A CONTINUING NEVADA EFFORT AT THE SAME AMOUNT OF FUNDING, ASSISTED BY THE PRIVATE SECTOR, TO UTILIZE THE VALUABLE RESOURCE OF YOUNG MANPOWER FOR THE BETTERMENT OF THE STATE AND ITS COMMUNITIES.

OCTOBER 1975 - DECEMBER 1976

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The State-wide New Careers Program, enacted by Assembly Bill 228 during the 1975 (February 7, 1975) session of the Nevada Legislature, was funded in the amount of \$268,100. This Program is designed to provide career opportunities, job-related education, and counseling for young Nevadans 17 to 26 years' of age to enhance their skill capabilities and reduce their potential social and economic dependence. The State Economic Opportunity Office (now known as State Office for Community Services) was given the administrative responsibility for the Program.

As you are aware, this Program was strongly endorsed by Governor O'Callaghan and was also included in his "State of the State message." The New Careers Program, through its on-the-job training and related classwork, combined with individualized counseling, gives the young Nevadan an opportunity to achieve a goal otherwise unattainable.

The New Careers Program began October 1, 1975. After advertising, screening, selecting and interviewing candidates to fill the staff positions, a New Careers Administrator and two New Careers Coordinators were hired.

It was at the inception of the Program that meetings were held to plan the most effective means of achieving the State-wide goal of 300 New Careers placements; 180 for Clark County; 75 for Washoe County; and 45 for the Balance of State.

Our plan included the following:

1. Setting goals for a 15-month period for recruitment, enrollment and placement.
2. Developing and distributing information pamphlets describing the Program's concepts and data pertinent to the responsibilities and benefits to employers and clients.
3. Advertising the New Careers Program throughout the State of Nevada by way of public service announcements, radio, television and word-of-mouth.
4. Attending meetings of the Chambers of Commerce, Kiwanis and other civic groups to make and keep them aware of the Program.
5. Contacting employers by letter, telephone and visits to their offices.
6. Recruiting potential clients, enrolling, and placing them as planned for each month.
7. Evaluating clients' progress by employers on a monthly basis.
8. Developing and implementing a reporting system to account for the number of clients receiving support from the Program.

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9. Developing an employability plan on each enrolled client to show short- and long-range goals, assets, and barriers to employment. This allows the client to think about future endeavors or aspirations regarding a career and the best course of action to take to obtain a career lattice for mobility.

All of the above plans are implemented.

Advertising the Program through public service announcements and word of mouth recruited 685 potential clients. Of this number, 255 have been enrolled. Upon enrollment, clients are assessed on an individual basis to determine his/her career objectives, assets, and barriers to employment and any required career educational needs. Their supportive needs, such as day care, transportation, medical services, or any other emergency assistance are also determined.

Many of the New Careerists were able to obtain supportive services through other EOB programs; i.e., Health Services, Title XX Day Care, Child Family Resources and the Manpower Supportive Services Program.

This support may not continue to be available to New Careerists.

Based upon the assessment of the client's needs, a New Careers Coordinator contacts employers in order to develop a position relative to the client's choice, capabilities and skills. It is important to place clients in a career-choice or related field, for this helps to retain him/her much longer on the job.

Of those enrolled, 172 have been placed as trainees in the following positions:

Bookkeepers	Audio Field	Receptionist
Dental Assistant	Dental Technician	Automotive Mechanic
Laboratory Assistant	Carpenter's Apprentice	Landscaping
Keypunch Operator	Collection Manager	Computer Operator
Shoe Repairman	Plumber's Helper	Cage Cashier
Teller	Mental Health Technician	Welder
Graphic Arts Specialist	Jewelry Maker	Apprentice Film Stripper
Accounting Clerk	Truck Driver	Fork Lift Operator

The average starting wage of placements is \$3.05 per hour. A breakdown of the 255 enrollments and 172 placements shows the following:

		<u>ENROLLED</u>	<u>PLACED</u>
Ethnic Group:	Black	106	43
	White	112	100
	Latin	15	13
	Indian	19	14
	Other	3	2
Sex:	Male	142	107
	Female	113	65
Age:	17-21	158	114
	22-26	97	58

It is to be remembered that once trainees are placed in unsubsidized positions, they begin to contribute Federal, sales, cigarette, gasoline and other excise taxes. Let us also note that for a family of four, whose income is \$6,244, they can pay \$108 in terms of contributions to sales taxes and \$41 in gasoline taxes annually.

Furthermore, if a single trainee earns the average of \$3.05 per hour, this average annual income would be \$6,244, with a contribution of \$588.12 to Federal taxes and about \$75 to sales taxes. In two years, the return will be \$1,176 in Federal taxes, which is more than the \$894 allowed for each trainee in this funding. In this short time, he/she would have reported in taxes more money than the training and subsidy. It also means that with a 60 percent retention rate of trainees placed, a considerable amount of dollars are returned to the State of Nevada.

Employers are appreciative of the individualness of counseling and educational support, in that it is an individualized program both in its job training and its educational aspects. Related education is supplemented to give the enrollee the knowledge to master his/her job. When a trainee leaves the Program he has possession of not only skills and knowledge, but also a plan to continue his career development.

As we are 14 months into the Program year, we feel that the innovativeness of the New Careers Program is highly accepted by the employers of this State. Many of these employers are proud that our legislators recognized the need to fund a Statewide program without Federal support.

PUBLIC EMPLOYEES RETIREMENT ADMIN FUND

	1975-76 ACTUAL	1976-77 WORK PROGRAM	77-78 AGENCY REQUEST	78-79 AGENCY REQUEST
Bal Fwd From Old Year	\$ 67,502	\$105,597	\$ 48,970	\$ 55,494
Admin Fees	642,419	684,749	842,400	883,440
Interest Earned	2,390	2,390	2,390	2,390
Actuarial Fees	1,120	600	600	600
Performance Contract	-0-	37,425	38,925	38,925
Discounts	43	- 0 -		
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$713,474</b>	<b>\$830,761</b>	<b>\$933,285</b>	<b>\$980,849</b>

GOVERNOR LEG  
RECOMMENDS AP.

GOVERNOR LEG  
RECOMMENDS AP.

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OFFICE OF FISCAL ANALYSIS

EXISTING POSITIONS

EXECUTIVE

Executive Officer	1	31,200	31,200
Assistant Executive Officer	1	22,880	22,880
Auditor	1	15,727	15,744
Investment Analyst	1	10,411	10,882
Administrative Sec. I	1	10,859	11,359
Senior Clk Steno	4	35,514	36,775

ACCOUNTING

Principal Accountant	1	19,860	19,860
Accountant	4	55,556	57,777
Retirement Exam. II	1	12,540	12,540

BENEFITS

Retirement Exam. IV	1	13,222	13,837
Retirement Exam. III	2	20,945	21,922
Retirement Exam. II	1	9,528	9,958
Retirement Exam. I	1	9,349	9,777

DATA PROCESSING

Retirement Exam II	1	9,561	9,994
Key Punch Oper.	3	25,547	26,492
Account Clerk	1	8,404	8,770

MEMBERSHIP

Retirement Exam V	1	14,996	15,714
Retirement Exam II	2	22,259	22,703
Account Clerk	2	17,169	17,943
Sr. Clerk Typist	1	7,390	7,710
Clerk Typist	1	6,356	6,641
Clerk	2	14,159	14,766

Subtotal		\$393,432	\$405,244
Longevity/Overtime		5,920	6,697
Cost of Living Increase		44,273	95,485
Related Payroll Costs		65,656	75,109
Bank Service Fee		650	650

Total Salary Payroll

\$356,315

\$475,049

\$500,021

\$602,108

	1975-76 ACTUAL	WORK PROGRAM	77-78 AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG AP.	78-79 AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG AP.
BOARD MEMBER FEES	\$11,400	\$ 9,120	\$10,560			\$10,560		
OUT-OF-STATE TRAVEL-STAFF	1,350	1,485	1,485			1,634		
OUT-OF-STATE TRAVEL-BOARD	1,650	1,815	1,815			1,996		
TOTAL OUT-OF-STATE TRAVEL	3,000	3,300	3,300			3,630		
IN-STATE TRAVEL-STAFF	3,865	6,751	7,426			8,169		
IN-STATE TRAVEL-BOARD	12,207	13,428	15,565			17,121		
TOTAL IN-STATE TRAVEL	\$16,072	20,179	\$22,991			\$25,290		
Office Supplies	\$ 5,786	6,950	\$ 7,645			\$ 8,410		
Postage and Freight	13,596	17,920	19,712			21,683		
Communications	7,974	9,475	10,423			11,465		
Printing	12,851	14,200	15,620			17,182		
Bonds & Insurance	190	209	230			253		
Contract Services	29,664	29,408	34,152			35,217		
Vehicle Lease Costs	2,810	2,916	3,207			3,527		
Equipment Rental	7,602	8,360	9,196			10,116		
Equipment Repair	424	467	514			565		
Building Rent	46,685	47,838	52,622			52,622		
Maint. of Bldgs. & Grds.	57	300	300			300		
CDP Computer Services	125,831	120,000	132,000			145,200		
Dues & Registration	420	462	508			558		
Medical Expenses	3,899	3,938	4,380			4,680		
Licenses & Fees	3	-0-	-0-			-0-		
Special Reports	-0-	1,200	-0-			1,200		
Contingency Fund	-0-	500	500			500		
Off FURNITURE & EQUIP	2,903	10,000	10,000			10,000		
MICRO-FICHE PROJECT	-0-	-0-	30,000			10,000		
BALANCE FORWARD		48,970	\$55,494			\$24,706		
<b>TOTAL AGENCY EXPENDITURES</b>	<b>\$647,482</b>	<b>\$830,761</b>	<b>\$933,285</b>			<b>\$980,849</b>		
AGENCY BALANCE	65,992							
PROR YEARLY ADJUSTMENT	39,605							
<b>TOTAL BALANCE</b>	<b>\$105,597</b>							

NOTE: INCOME IS BASED ON AN INCREASE IN ADMIN FEES.

This budget is not subject to the usual executive review and is presented as requested.

Program Statement

The Public Employees Retirement Board is responsible for the administration of the Public Employees Retirement System. This system includes the employees of Nevada counties, cities, school districts, and State government. The System provides retirement, disability and death benefits for eligible employees of the public employers listed above.

The governing authority of the system is a seven-member board appointed by the Governor. The day-to-day operation of the System is managed by the Executive Officer. The Administrative Fees portion of the Funds Available, as shown in this budget, represent a total monthly charge of \$1.80 for each active member, paid equally by the employee and the employer.

Pending Legislation states that the Administrative Fee shall not exceed \$2.00 for regular members and \$2.20 for Police and Firemen members.

Workload Measurements or Comparative Data

The following chart shows the membership and year-end Retirement Fund balance in the Public Employees Retirement System.

Membership in the Public Employees Retirement System

<u>Year</u>	<u>Membership</u>	<u>Year End Balance Retirement Fund</u>
1965-66	20,573	\$ 76,501,991
1966-67	21,770	94,505,571
1967-68	23,264	116,543,936
1968-69	24,450	127,423,553
1969-70	25,939	147,675,421
1970-71	27,258	172,212,471
1971-72	30,713	201,580,414
1972-73	32,472	234,219,498
1973-74	33,778	244,826,946
1974-75	43,010	295,439,214
1975-76	52,809	368,604,382
1976-77 Estimate	55,449	396,986,919
1977-78 Estimate	58,221	427,554,912
1978-79 Estimate	61,132	460,476,640

A breakdown of active and inactive membership on June 30, 1976, follows:

	<u>Active Members</u>	<u>Inactive Members</u>	<u>Total</u>
State Agencies	5,756	2,898	8,654
Highway Department	1,422	259	1,681
University of Nevada	2,789	835	3,624
School Districts	11,748	3,085	14,833
Counties (Includes Elko Hospitals)	6,226	2,371	8,597
County Hospitals	3,159	2,865	6,024
Cities	4,143	1,286	5,429
Utilities	128	68	196
Irrigation Districts	104	38	142
Miscellaneous	245	3,384	3,629
	<u>35,720</u>	<u>17,089</u>	<u>52,809</u>

In addition to current active membership of over 35,000, approximately 3,900 retired or disabled employees are now receiving benefits from the System.



Sub-Account Explanations

Salary - In addition to present figures, the salary expense has been augmented for the following: Longevity Pay allowances for current employees who will be eligible for longevity pay; and salary adjustments of 20% for unclassified and 10% for classified employees in FY 1977-78 and 10% for unclassified and classified in 1978-1979.

Out-of-State Travel - Board - 10% increase to allow for increasing costs.

Out-of-State Travel - Staff - 10% increase to allow for increasing costs.

In-State Travel - Staff - Increased by 10% plus \$2,500 per year for Field Auditor. Staff performs audits and provides training and counselling programs to agencies.

In-State Travel - Board - Increased 10% to allow for increase in costs. The Retirement Board meets monthly.

Operating - All costs increased by 10% to allow for the increasing costs and volume, except as otherwise noted.

Postage and Freight - Allows for increase in volume and costs.

Contract Services - Allows for actuarial contract, annual audit and equipment maintenance contracts.

Building Rent - Allows for increase in rent when present lease expires.

Office Furniture and Equipment - Will be purchased as needed.

Medical Expense - Allows 20% increase for medical consultant.

Special Reports - Springmeyer Legislative Report.

Micro-Fiche Project - Proposed to convert to Micro-Fiche System for PERS. Estimate for conversion is \$30,000. Ongoing costs are estimated at \$10,000 per year.

Contingency Fund - Special fund to handle unusual expenses.

Justification of Present PositionsEXECUTIVE

Executive Officer Responsible for Administration of the Public Employees Retirement System.

Assistant Executive Officer Assists Executive Officer, acts for Executive Officer during his absence.

Auditor Field Audit of Agency records and payrolls.

Investment Analyst Analyzes investments of the Retirement System.

Administrative Secretary I Secretary to Executive Officer, supervises stenographic section.

Senior Clerk Stenos (4 positions) Provide stenographic services to Staff and Board.

ACCOUNTING

Principal Accountant Responsible for supervising Accounting Section and Data Processing Section.

Accountants (4 positions)

Responsible for maintenance of the Retirement Fund, Police and Firemen's Fund, Administrative Fund, Legislative Retirement Fund, and Investments.

Principal Account Clerk Responsible for processing payroll reports received from Public Employers.

Data Processing

Retirement Examiner II Daily balancing of contributions, directs workflow in data processing, researches problem areas.

Key Punch Operators (3 positions) Input payrolls, check activity, refunds, file maintenance, and benefits. Balance and post payrolls, check exception reports.

Account Clerk Checks file maintenance to be sure maintenance balances with source documents. Logs payrolls in and out, distributes daily reports, balance payrolls.

MEMBERSHIP

Retirement Examiner V Supervises membership section.

Retirement Examiner II (2 positions)

1. Preparation and payment of refunds, calculates service time and contribution information.
2. Process repayment of withdrawn contributions, calculation for purchase or service.

Account Clerk (2 positions)

1. Handles membership registration; adjustment of member records.
2. Calculates contribution rates; prepares worksheets documenting either reimbursement to members or amount due PERS on wrong contributions rates.

Senior Clerk Typist Calculates service time; files records.

Clerk Typist Files records

Clerk (2 positions) Mail and messenger service and other clerical functions.

BENEFITS

Retirement Examiner IV Supervises Benefits Section

Retirement Examiner III (2 positions) Processes disability, survivor benefits, and service retirement applications.

Retirement Examiner II Processes retirement applications.

Retirement Examiner I Maintains and balances computer input.

VERNON BENNETT  
EXECUTIVE OFFICER

WILL KEATING  
ASSISTANT EXECUTIVE OFFICER



STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

September 20, 1976

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RETIREMENT BOARD  
ELBERT B. EDWARDS  
CHAIRMAN  
L. ROSS CULBERTSON  
VICE CHAIRMAN  
MEMBERS  
CHARLES H. COLLINS  
BOYD MANNING  
DONALD L. REAM  
GLENDON F. WALTHER  
ROBERT C. WEEMS

Mr. Gene Pieretti  
Legislative Counsel Bureau  
Legislature Building, Room 341  
Carson City, NV 89701

OFFICE OF FISCAL ANALYSIS

Dear Mr. Pieretti:

Enclosed is the proposed Budget for the Public Employees Retirement System for 1977-79.

Should you have any questions, please contact Trina Harris of this office.

Sincerely,

Vernon Bennett  
Executive Officer

TH:vm

cc: Robert Guernsey  
Dept. of Administration  
Budget Division  
Carson City, NV 89701

VERNON BENNETT  
EXECUTIVE OFFICER

WILL KEATING  
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



RETIREMENT BOARD  
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PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569  
CARSON CITY, NEVADA 89701  
TELEPHONE (702) 885-4200

September 20, 1976 **RECEIVED**  
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SEP 29 1976

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Sincerely,

A handwritten signature in cursive script, appearing to read "Vernon Bennett".

Vernon Bennett  
Executive Officer

TH:vm

cc: Robert Guernsey  
Dept. of Administration  
Budget Division  
Carson City, NV 89701