

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59th SESSION

March 21, 1977

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

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

EXCUSED: Mr. Bode Howard, due to illness.

OTHERS PRESENT: John Dolan, Assembly Fiscal Analyst; Sally Davis, Employees Management Relations Board; Bob Warren, Nevada League of Cities; Joyce Woodhouse, NSEA; Speaker Joe Dini; Vernon Bennett, Public Employees Retirement System; John Pursel, Cooperative Extension Services, UNR; Kirk Day; Bob Madsen; Assemblyman John Polish; Dean Dale Bohmont; Dr. Alfred Stoess; Jim Costa; Ann Hibbs; Doc Martie; Rick Coolmey; Van Houtan and Bill Isaeff and Bill Bible, Budget Division.

A.B. 2. Mr. Vergiels stated this bill is to bring the Housing Authority Commissioners in line with other groups on their compensation per meeting. They meet twice a month and they are raised from \$20.00 to \$40.00.

The money comes from the Housing Authority budget. Mr. Bible commented there is no impact to the general fund.

Mr. Bremner made a motion for a "Do Pass"; seconded by Mr. Glover. Motion approved.

A.B. 169. (Employees Management Relations Board) Sally Davis stated that she wrote into the agency's budget the sum of \$2,880 to cover the proposed per diem payment for the Board members.

Ms. Davis felt that the Board should be allocated a per diem payment because they are one of the few Boards or Commissions that meet regularly and are not compensated and she feels that compensation of \$40.00 per day is commensurate with that received by other Boards and Commissions.

Mr. Glover inquired as to how many people were on the Board. Ms. Davis replied three. They meet approximately twice a month.

Mr. Kosinski asked about Page 2 of the bill, sub-section 6 where they talk about the Board awarding costs. Ms. Davis replied there is the possibility of a local government fiscal impact, but she doesn't know exactly how it could be calculated. It would depend upon the caseload of the Board, the number of times the employee organization will win the case, whether the Board should determine to assess costs and fees, if they make a determination to award costs and fees whether they award costs or fees or both, the amount of those fees and the possibility there may be another litigation between the same two parties in which the Board will assess costs against the employee organization and it would just even out. There will be no impact on the general fund.

Mr. Glover asked if the Board would have closed meetings. Ms. Davis replied yes, it was a Board decision. They ruled that negotiation sessions could be closed and the argument by the particular local government employer in that instance was that Chapter 241 is not an all inclusive open meeting law. Nevada school district are not covered by that. They wanted to clarify the question so it wouldn't be litigated over and over again.

Mr. Glover asked if when this bill was heard in Government Affairs, this section was discussed. Ms. Davis replied no. Mr. Glover stated he would hate to see closed meetings and asked why Ms. Davis thought that should be changed. Ms. Davis replied it wasn't her opinion, it was the Board's. It has been accepted before other public employee relations boards that negotiations tend to become merely a PR activity with the press or the constituency.

Mr. Glover asked how many other changes in the basic law were in the bill. He said that Ways and Means is basically here to consider the financial part, and asked if there were other substantive changes in the law in this bill. Ms. Davis replied that the four pages passed Ms. Davis' Advisory Committee. The Committee is a 5-5 split between management and labor. It is guaranteed that one side or the other wouldn't let anything through that would favor labor or favor management. Ms. Davis stated these are just housekeeping things, except the open meetings and the right to assess costs and fees.

Mr. Bob Warren, Nevada League of Cities, spoke in support of A.B. 169 and particularly in support of the section which would provide additional compensation for the Board. The League feels this Board is perhaps the most critically important Board that has to do with the quality in government in Nevada and the cost of government in Nevada. It is a quasi-judicial Board and passes on the decisions of whether or not an employee group is to prevail in a wage dispute or the employer. There are millions of dollars hanging in the balance on each decision. The League thinks that the people should be encouraged to participate as fully as possible and that they should be compensated for it. In fact, the Nevada Association of County Commissioners and Nevada League of Cities have formed a joint Committee of personnel officers, city and county managers and have drafted legislation which will be coming before Ways and Means. The legislation recommends a similar approach and would increase the Board by an additional person and provide these persons with \$100.00 per day salary so that they can attract the highest quality for this extremely important function. They would add an additional staff person to back up Ms. Davis who must do all the legal research and negotiating work.

Mr. Warren also stated that Ms. Davis would act as the fifth person with the tie breaking vote. One person would be from labor and one from management. The other two persons would not be related directly to either. Mr. Warren feels this will get the strength that the Board needs. Mr. Warren stated that it is a tough, hard Board with a lot of work.

Joyce Woodhouse, representing the Nevada Teachers through the Nevada State Education Association, spoke in favor of A.B. 169. (Her remarks are attached.)

Mr. Serpa asked Ms. Woodhouse if the language on Page 2, lines 4-8 that one decision in one area should carry throughout the state that if the decision made in the Las Vegas area should apply to Eureka or Churchill school district. Ms. Woodhouse replied that in this instance, if it is the same matter and there are no changes in circumstances, then the Board could rule that the precedent case from before would pertain, but once again the Board would be looking at it for a short period of time rather than going through a full blown hearing once again if the circumstances remained the same.

Mr. Bremner commented that it could be that the decision was made in Eureka and then applied to Clark County.

Mr. Glover inquired as to how much money was spent on a full blown hearing. Ms. Woodhouse replied anywhere from \$500.00 on up in Clark County.

A.B. 335. Clarifies coverage of certain public employees subject to both federal and state retirement system.

Speaker Dini testified in favor of A.B. 335 stating that he has introduced this bill to take care of a great injustice relating to the position of these employees in the Agricultural Extension Department at the University. In the early 1960's, they were mandated to join two retirement systems, one federal and one state. In 1967, legislation was introduced to clarify this situation. Right after that they were given the option by the then Administrator of the system, Ken Buck, to stay in the system or not stay in the system. They had 30 days to make up their minds and an option whether they wanted to be in both systems.

Speaker Dini feels the Legislature has a moral obligation to these people who are dedicated and sincere state employees to allow them to retain their position in the retirement system under that option that was granted to them in 1967. The purpose of this bill is to clarify and to turn around the Attorney General's opinion that was made last year concerning this subject.

Vernon Bennett, Public Employees Retirement System, stated that this matter came to the attention of the Retirement System last summer. They discussed the matter with the Attorney General and received an opinion that based on the legislation that was passed in 1967, the people who were enrolled under both the federal retirement system and the public employees retirement system with the Agricultural Extension Service for the same employment were technically in violation of the law. This was based on NRS 286.310 which, under Section 2 passed in 1967 states: "Employees of the State of Nevada are a political subdivision of the State of Nevada who are required by federal law to participate in a federal retirement system may not become or remain members of the retirement system established by this Chapter." Section 4 provided: "It is the intent of this Section to prohibit coverage under two retirement systems for the same period of time and service, but also to assure that all eligible service rendered to the same agency of the State of Nevada or a political subdivision thereof shall be given retirement coverage under one of the two systems."

Based on this information, the retirement system referred the matter to the Retirement Board which requested an Attorney General's opinion. The Attorney General met with the members of the Legislative Council Bureau and went back and reviewed the legislation that had occurred in 1967. An apparent situation that developed was that the retirement system, in 1967, introduced an amendment to 286.310 which would have provided that they could stay in the retirement system. This amendment did not pass. Another amendment was introduced which became Section 4 which said it was the intent that after that time a person could not receive credit in two retirement systems for the same services.

Unfortunately in 1967, the staff of the retirement system continued to operate under the original amendment which did not pass and did provide these people the option to become or remain a member of both systems. They allowed them thirty days to elect this option. Since that time, approximately ten years have passed. Many people have retired and are drawing the benefits. Many people have died and are drawing survivor benefits. Based on these factors, the Retirement System met with the University Board of Regents and adopted a position which is endorsed by both Boards that due to the fact that many people have, through no fault of their own, been affected by this dual coverage, have made plans, have continued and have possibly failed to accept other jobs, it is and was the recommendation of the Retirement Board and the Board of Regents that the 15 or 16 persons who are presently still in the active coverage be allowed to remain for the duration of their employment with the Agricultural Extension Department.

Because they are dealing with only 15 people, it is the Retirement System's recommendation that these people be allowed to continue in the dual membership for the duration of their present employment.

Mr. Kosinski inquired as to what sort of contributions are being made by these employees under the new system. Mr. Bennett answered as he understands it, the University pays the employer contribution to the Retirement System and the member pays the employee contribution to both the federal system and to the PERS system and the federal government pays the direct employer contribution to the federal retirement system. There is no fiscal effect to the retirement system from the situation. It is merely an inequity that occurred through a misinterpretation several years ago.

John H. Pursel, an employee of the Cooperative Extension Service of the University of Nevada spoke in favor of A.B. 335. (His remarks are attached).

Kirk Day, retired Cooperative Extension Employee, read a letter dated March 18, 1977 from John Fransway regarding A.B. 335. (The letter is attached.)

Robert Madsen, County Extension Agent-In Charge, Washoe County Nevada spoke in favor of A.B. 335. (His remarks are attached.)

Assemblyman Polish stated that he supports A.B. 335 fully and hopes that the Committee will find in favor of the bill.

Dale Bohmont, Dean of the College of Agriculture is supportive of the bill and clarified three points: (1) Mr. Bennett is correct, the federal government pays the employers share and the employee pays his share so it does not cost the state one dime more for the federally identified employees. (2) There are only 15 people, 14 are in the audience who are here on their own. (3) Dean Bohmont as he sees the administrative process, there are many dual appointments of other activities that would almost be impossible to achieve as an efficiency to the state if they were going to go ahead and close out the retirement systems because by federal law, you must pay people on federal retirement systems who are over 51% in their salaries. So by uppered mobility in all the other activities of the personnel promotion, it is very vital that these people who are here to give them an opportunity without penalty to move forward in the organization. Dean Bohmont encouraged the Committee to support the bill.

Mr. Alfred Stoess, Director of Program Planning and Employment Relations in the Chancellor's office at the University spoke in favor of A.B. 335. (His remarks are attached.)

Mr. Fred Batchelor, retired Extension Agent, stated that they are talking about the employees that are still on the payroll, but no one has mentioned the retired people. He asked what was going to happen to the retired people. Mr. Bennett replied there will be no detrimental effect to any person who is retired or to the survivors of a member who is deceased under these circumstances according to the present law or any of the legislative proposals. Chairman Mello stated that in other words they would be taken care of and Mr. Bennett answered yes.

Mr. Bennett then requested an amendment to the bill. On Page 2, Line 18 and on Page 2, Line 22. This Section 4 under the present bill will be repealed and they feel that this is a very important provision in the law. It provides that it is the intent of this Section to prohibit coverage under two retirement systems for the same period of time and service, but also to assure that all eligible services rendered to the same agency of the State of Nevada or a political sub-division thereof shall be given retirement coverage under one of the two systems. They feel the wording on Page 1 in Section 1 very specifically covers this problem and they would like to suggest that they not delete Section 4 but at the beginning on Line 18 add the words "except as specifically provided in sub-section 1. of this Section, it is the intent of this Section." This will accomplish the intent of A.B. 335 but will retain in the law a prohibition for anyone else to get dual coverage for the same employment which they think is very significant. Speaker Dini has agreed that this is favorable.

A.B. 107. Raises upper-age eligibility for handicapped pupil programs, removes references to "Minor," and appropriates funds for additional units.

Jim Costa spoke to A.B. 107. (Please see attachment.)

Mr. Kosinski stated that as he understood from testimony given at the Distributive School Fund sub-committee meeting, the provisions of this Public Law would only apply for the three to five year range if the state was already providing for the services and inquired if that was correct. Mr. Costa answered correct.

Mr. Costa stated they did get the impression that A.B. 107 and A.B. 108 are trying to categorize the 3-5 and the 18-21 and set it aside as a separate set of units. They are not trying to do that. What they are trying to do is simply say the Legislature has a program for serving handicapped youngsters now and what they are trying to do is add these units to that pool of units they now have and make it possible to serve youngsters from three to twenty-one with whatever number of units they have that particular year.

Mr. Glover stated it said in Public Law 94-142 about all handicapped children and asked how many handicapped children in the state are so severely handicapped they can't be taught at all. Mr. Costa replied that the premise in the federal law is that everybody can be taught something. If the children were in that category they would probably be in a state institution. Mr. Glover inquired as to who makes the determination. Mr. Costa replied that under the provisions of the law, the State Department of Education or the State Education Agency is charged the responsibility of finding and locating all these handicapped persons and delivering some kind of service to them whether they be in an institution, in a home, in a nursing home or in the school. Mr. Costa's office is called upon to coordinate the activities of the state education effort of the Department of Human Resources in this state for care and custody of handicapped persons.

Ann Hibbs, representing the Nevada Nurses' Association, stated that although A.B. 107 is basically an education bill, it does pertain to the handicapped and nursing, and the nurses are naturally concerned about the handicapped. They would like to go on record as supporting A.B. 107 and A.B. 108. They feel that all services should be provided for all ages and to be a coordinated effort of education, mental and physical for the ultimate in independence.

A.B. 108. Lowers the age limit for enrollment of physically handicapped pupils in special education programs.

Jim Costa spoke to A.B. 108. (Please see attachment.)

A.B. 420. Abolishes Nevada Veteran's Advisory Commission.

Doc Martie, present Chairman of the Veteran's Advisory Commission spoke in opposition to A.B. 420. He opposes this bill because he represents all, except one member of the Commission.

This organization has met three or four times. They have had growing pains, but they have been able to do something in these two years that they think is worthwhile for the veterans. Four of the members were appointed for three years, and two members for two years. The Advisory Commission advises the Commission and the Commissioner of Veterans Services Commissioner.

Mr. Kosinski inquired, besides the member of the VFW who sits on the Commission, what other Commission member does not want the Commission to continue. Doc Martie replied not any other Commission member.

Mr. Glover asked when the Advisory Commission was created. Doc Martie replied two years ago.

Rick Coolmey, registered lobbyist, spoke against S.B. 420. He stated he has been quite involved with veterans in the last few years but does not belong to the recognized veterans' organizations. He has attended two meetings of the Nevada Veteran's Advisory Commission and he would like to concur with Doc Martie and the other members who desire to keep the Nevada Veterans Advisory Commission. He believes it is a very worthwhile Commission that will be far better in the future when some of the personality problems are resolved on the Commission. It is most unfortunate that one veteran's organization in the state does not correlate or coordinate or combine its efforts with the others and he feels sad that this matter has to be brought before the Committee.

Van Houtan, a Carson City resident and member of the VFW, representing the VFW, spoke to S.B. 420. He stated that Mr. Hitchcock, the late past Commander was their agent on the Commission. He reported back that there was almost an attack on the VFW, which Mr. Houtan can't understand. The VFW served as officers like almost every other active organization does. They serve any veteran that comes to them to the best of their ability. Mr. Van Houtan stated he expected the same thing is true of other organizations. He stated he had hoped that the Commission when it was brought into being would succeed and yet the first thing he heard in the one meeting he tried to attend was that the VFW was not going to run over the organization. He stated that didn't make sense. He walked away from the meeting with an unhappy feeling and apparently it didn't take long for Mr. Hitchcock to walk away with an unhappy feeling. Consequently, the VFW has asked for the repeal of the Commission. Since he has heard a very able discussion of what they have been trying to do, he wonders why they haven't even let the VFW hear about it.

Bill Isaeff, Deputy Attorney General and legal counsel to the Nevada Commissioner for Veterans Affairs stated that Mr. Moen, the Commissioner, called him last evening and asked him to appear to explain Mr. Moen's absence to the Committee. Mr. Moen was taken seriously ill over the weekend and has been confined to his home by doctor's orders. He stated that Mr. Moen supports this bill and would request either that he be allowed to appear at a later date or to submit written comments to the Chairman with copies to each member outlining his position on A.B. 420.

SCR 3. Chairman Mello stated that once in a while a bill or resolution will come from Senate Finance and then the Majority Floor Leader will just refer it to Ways and Means because of where it was last.

Mr. Bremner made a motion to re-refer SCR3 to Legislative Functions; seconded by Mr. Hickey. Motion approved.

A.B. 107. Mr. Hickey made a motion for a "Do Pass"; seconded by Mrs. Brookman. Motion approved.

A.B. 108. Mrs. Brookman made a motion for a "Do Pass"; seconded by Mr. Hickey. Motion approved.

Chairman Mello stated both bills will be on the board at the same time.

A.B. 169. Mr. Kosinski asked that the bill be held until he can talk to the Legislative Counsel about Section 5. The bill will be held.

A.B. 420. Mrs. Brookman made a motion for an indefinite postponement; seconded by Mr. Hickey. Motion approved.

Discussion on A.B. 420. Mr. Bremner resented the fact that Doc Martie said their main function is to screen legislation that the Committee is supposed to hear. Why should the Legislature subsidize a committee to screen legislation for this group when they don't for any other group.

Mr. Kosinski stated that statutorily that is not their main function. He could see how they, as a representative of all the veterans groups, might want to review legislation and make a recommendation. It would mean a lot to Mr. Kosinski, as a Legislator, to know that the Commission, representing all the veterans groups, was either in favor or against a particular piece of veterans legislation.

Mr. Bremner stated this Commission functions right under the Commissioner who performs that function. He doesn't know what the Commission is composed of--various people that supposedly make recommendations to the Commissioner that Mr. Bremner feels he is capable of making on his own.

Mrs. Brookman stated she has had a lot of correspondence from the southern part of the state saying that they do wish to remain in there and give it another try.

Mr. Hickey stated that it is not unique to have a Board or Commission distributed among the population representative of say, various organizations to advise an executive and it seems to him that at least from testimony that there is a difference between one veteran organization versus this advisory Commission. Mr. Hickey doesn't think that because of the sputtering start, witnessed by the number of meetings held, that the Committee should scrap an idea just because of the differences between one organization versus another.

Mr. Bremner stated this bill is directly involved with the budget on Page 113 and 114.

Mr. Hickey pointed out that most of that testimony came from Mr. Fry and not from Mr. Moen. The testimony received today did not come from Mr. Moen, but a representative. One of the criticisms has been of Mr. Moen's administration. That possibly may be one of the reasons that the Advisory Commission is in A.B. 420.

Chairman Mello stated that you will find that the predecessor also received much controversy from other organizations. No matter what you do, you are going to get that from the veterans.

Mr. Vergiels stated he wasn't impressed with the earlier testimony. The fact that they inadvertently forgot to put \$15,000 in their budget upsets him and with an Advisory Commission he feels it is critical to keep them in line. The Commissioner also acts as a court appointed guardian for aged or infirm veterans. In Mr. Vergiels' opinion, because the Advisory Commission is somewhat critical of a group that seems to have maintained pretty good control over this department, he sees \$3,000 as a pretty good investment.

Chairman Mello told the Committee if they would look at the minutes of 2/1/77, there was a motion to delete the \$3,000 each year of the biennium and the motion passed. This is exactly what the bill does.

COMMISSIONER FOR VETERANS AFFAIRS (Page 113). Mr. Kosinski made a motion to place \$3,000 each of the biennium in the Advisory Commission; seconded by Mrs. Brookman. Motion failed.

Mr. Glover made a motion to close the budget Governor's Recommendation, as amended; seconded by Mr. Bremner. Motion failed.

A.B. 335. Mr. Kosinski made a motion to amend the bill to delete the brackets on Page 2, on Line 18 delete the word "it" and insert the following: "Except as specifically provided in Section 1, it"; and on Line 22 delete the brackets; seconded by Mr. Bremner. Motion approved.

Mr. Bremner made a motion for a "Do Pass-Governor's Recommendation, as Amended"; seconded by Mr. Kosinski. Motion approved.

The meeting adjourned at 11:00 a.m.

STATEMENT OFFERED BEFORE THE  
ASSEMBLY WAYS AND MEANS COMMITTEE  
ON AB 335

March 21, 1977

I AM JOHN H. PURSEL, AN EMPLOYEE OF THE COOPERATIVE EXTENSION SERVICE OF THE UNIVERSITY OF NEVADA. I HAVE TAKEN LEAVE TIME AND TRAVELED AT MY OWN EXPENSE TO PRESENT MY VIEWS ON THE NEED FOR AB 335.

AT THE TIME I WAS EMPLOYED BY THE EXTENSION SERVICE IN 1960 I WAS NOT GIVEN A CHOICE OF PARTICIPATING IN THE NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM OR THE RETIREMENT PLAN SPONSORED BY THE FEDERAL GOVERNMENT, BUT WAS INFORMED THAT IT WAS MANDATORY TO CONTRIBUTE TO BOTH SYSTEMS.

IN 1967 THE LAW WAS CHANGED TO PROHIBIT NEW EMPLOYEES FROM BECOMING MEMBERS OF THE NEVADA SYSTEM WHILE ALSO PARTICIPATING IN THE FEDERAL PLAN. THOSE OF US WHO WERE EMPLOYED BEFORE JULY 1, 1967 WERE INFORMED BY THE RETIREMENT BOARD THAT IF WE WISHED TO REMAIN AND CONTINUE MEMBERSHIP WITH THE NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM, A WRITTEN FORM SO STATING WOULD HAVE TO BE SIGNED AND RETURNED WITHIN A SPECIFIED TIME. I WAS ONE OF A FEW AFFECTED INDIVIDUALS WHO ELECTED TO REMAIN AND PAY INTO BOTH SYSTEMS AND DID SO BECAUSE I HAD FAITH IN BOTH THE STATE AND FEDERAL SYSTEMS AND AN INTENT TO MAKE THE NEVADA COOPERATIVE EXTENSION SERVICE MY CAREER.

NOW, NEARLY TEN YEARS LATER, MY RIGHT TO REMAIN AND CONTINUE MY MEMBERSHIP IN THE NEVADA PUBLIC EMPLOYEES SYSTEM IS BEING QUESTIONED, NOT BECAUSE OF ANYTHING I DID OR DIDN'T DO, BUT BECAUSE OF DIFFICULTY IN INTERPRETING THE LAW AND ITS ORIGINAL INTENT.



2.

AB 335 AS WRITTEN IS A CLEAR AND EQUITABLE SOLUTION TO THE PROBLEM AND I URGE THAT IT BE PASSED INTO LAW AS IT STANDS TODAY. TO DO OTHERWISE WOULD HAVE A VERY SERIOUS ADVERSE EFFECT ON THOSE OF US AND OUR FAMILIES WHO IN GOOD FAITH PLANNED OUR OLD AGE LIVELIHOOD AROUND THE TWO SYSTEMS WE WERE REQUIRED TO BELONG TO IN THE FIRST PLACE.

IN MY OWN CASE, SHORTLY AFTER ELECTING TO STAY WITH THE NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM, I DECLINED AN OPPORTUNITY TO PARTICIPATE IN A TAX-FREE ANNUITY AND EVEN THE AGENT WHO OFFERED IT TO ME AGREED IT WAS NOT NEEDED WITH THE PRESENT RETIRMENT PLANS I AM PARTICIPATING IN. THAT DECISION WAS ALSO REACHED NEARLY TEN YEARS AGO. TODAY I MUST QUESTION IF IT WAS THE CORRECT ONE.

I WOULD LIKE TO POINT OUT THAT THE STATE AND FEDERAL SYSTEMS ARE FINANCIALLY INDEPENDENT OF EACH OTHER AND THAT THE CONTINUATION OF THE FIFTEEN MEMBERS WHO ARE ON THE STATE SYSTEM, PLACES NO ADDITIONAL SPECIAL FINANACIAL BURDEN ON THE RETIREMENT SYSTEM THAN ANY OTHER MEMBER.

I PERSONALLY ENCOURAGE AND TRUST THAT THIS COMMITTEE WILL GIVE AB 335 A DO PASS RECOMMENDATION AS IT IS NOW WRITTEN.

State of Nevada  
Public Employees Retirement Board  
P.O. Box 637  
Carson City, Nevada 89701

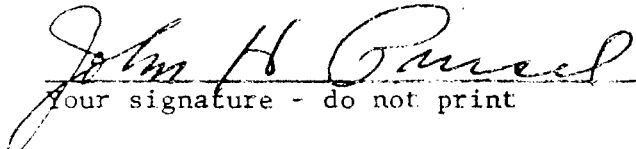
Attention: Mr. Kenneth Buck  
Executive Secretary

Dear Sir:

I, John H. Pursel, an employee of the University of Nevada Cooperative Extension Service, hereby notify you that I wish to take the following action in accord with Chapter 182 Statute 1967, Senate Bill No. 81.

1. To continue and retain my membership in the State of Nevada Public Employees Retirement System after July 1, 1967.

Dated the 9th day of May, 19 67

  
Your signature - do not print

2. To terminate my membership in the State of Nevada Public Employees Retirement System July 1, 1967.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

\_\_\_\_\_  
Your signature - do not print

VERNON BENNETT  
EXECUTIVE OFFICER

STATE OF NEVADA

RETIREMENT BOARD  
 ELBERT B. EDWARDS  
 CHAIRMAN  
 L. ROSS CULBERTSON  
 VICE CHAIRMAN  
 MEMBERS  
 CHARLES H. COLLINS  
 BOYD MANNING  
 DONALD L. REAM  
 GLENBON F. WALTNER  
 ROBERT C. WEENS



PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

RETIREMENT ESTIMATE

Retiree John H. Pursel Date to Retire 8/30/90

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Age at Retirement: M 60 F 46  
Retiree Beneficiary

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Service: 17.05 Average Monthly Compensation: \$ 1600.47  
6/30/77

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|            | <u>Monthly Allowance</u>              |   |
|------------|---------------------------------------|---|
|            | <u>Retiree</u><br><u>Will Receive</u> | <u>Beneficiary</u><br><u>Will Receive</u><br><u>Upon Death of</u><br><u>Retiree</u> |
| Unmodified | <u>682.28</u>                         | <u>-0-</u>  |
| Option 2   | <u>471.46</u>                         | <u>471.46</u>   |
|            | <u>560.15</u>                         | <u>280.08</u>   |
|            | <u>506.25</u>                         | <u>506.25</u>   |
| Option 5   | <u>581.30</u>                         | <u>290.65</u>   |

After Beneficiary reaches age 60  
After Beneficiary reaches age 60

If Options 2, 3, 4 or 5 are selected and beneficiary should predecease retiree, the retiree will automatically revert to the unmodified allowance the month following the demise of the beneficiary.

This is a retirement estimate only. It is designed to provide sufficient information to assist a member in selecting a retirement plan. It is not an official legal document.

Vernon Bennett  
Vernon Bennett, Executive Officer

| Fiscal year | Total Contribution | NET RETURN             | interest | Compuled | Present value |
|-------------|--------------------|------------------------|----------|----------|---------------|
| 60-61       | 527.10             | 4.04                   | 0        | 527.10   | 527.10        |
| 61-62       | 625.70             | 3.86                   | 20.35    | 1152.80  | 1173.15       |
| 62-63       | 670.00             | 4.02                   | 47.86    | 1843.15  | 1890.31       |
| 63-64       | 823.98             | 3.88                   | 73.34    | 2714.29  | 2787.63       |
| 64-65       | 849.96             | 3.76                   | 104.81   | 3637.59  | 3742.40       |
| 65-66       | 991.08             | 3.88                   | 145.21   | 4733.48  | 4878.69       |
| 66-67       | 1023.06            | 3.94                   | 192.22   | 5951.75  | 6143.97       |
| 67-68       | 1270.80            | 4.02                   | 246.99   | 7414.77  | 7661.76       |
| 68-69       | 1364.40            | 4.80                   | 367.76   | 9026.16  | 9393.92       |
| 69-70       | 1530.00            | 4.06                   | 381.39   | 10923.92 | 11305.31      |
| 70-71       | 1638.00            | 4.32                   | 488.39   | 12943.31 | 13431.70      |
| 71-72       | 1692.00            | 4.34                   | 582.94   | 15123.70 | 15706.64      |
| 72-73       | 1864.80            | 4.60                   | 722.58   | 17571.44 | 18293.95      |
| 73-74       | 2315.88            | 4.82                   | 881.77   | 20609.83 | 21491.60      |
| 74-75       | 2441.60            | 5.49                   | 1179.89  | 23933.20 | 25113.09      |
| 75-76       | 3062.40            | 8.77                   | 2204.17  | 28175.49 | 30379.66      |
| 76-77       | 3365.92            | (7.00) <sup>EST.</sup> | 2126.58  | 33745.58 | 35872.16      |
| 77-78       |                    |                        |          |          |               |

35872.16 AT 7% compounded For 13 yrs = \$86,446.30

Life Expectancy.  $60 + 18.4 = 78.4$  or 18.4 annuity.

Benefit  $471.76 \times 12 = 5657.52$  Annually

Value of Fund at Age 60 assuming 7% interest  $86446.20$

$86446.20 \times 0.07 = 6051.23$  per year

or a surplus of 393.71

Total amount drawn in 18.4 years =  $104098.36$

The ABWL does not allow for any cost of living increases or other increases allowed over time. As history indicates there may be

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Make the Assumption No Beneficiary Provided For

Life Expectancy.  $60 + 18.4 = 78.4$  or 18.4 year annuity

Benefit  $682.28 \times 12 = 8187.36$  per year.

$8187.36 \times 18.4 = 150647.42$

Value of Fund at Age 60 assuming 7% interest =  $86446.20$

$86446.20 \times 7\% = 6051.23$

On 2000.6.6 Annuity

| Year | Balance of Fund     | Deduct Annuity | 0.7% Interest | Value of Fund |
|------|---------------------|----------------|---------------|---------------|
|      | 86446.30            | 8187.36        |               |               |
| 1    | <del>86446.30</del> | 78258.84       | 5478.12       | 83736.96      |
| 2    | 83736.96            | 75549.60       | 5288.47       | 80838.07      |
| 3    | 80838.07            | 72650.71       | 5085.55       | 77736.26      |
| 4    | 77736.26            | 69548.90       | 4868.42       | 74417.32      |
| 5    | 74417.32            | 66229.96       | 4636.10       | 70866.06      |
| 6    | 70866.06            | 62678.70       | 4387.51       | 67066.21      |
| 7    | 67066.21            | 58878.85       | 4121.52       | 63000.37      |
| 8    | 63000.37            | 54813.01       | 3836.91       | 58649.92      |
| 9    | 58649.92            | 50462.62       | 3532.38       | 53995.00      |
| 10   | 53995.00            | 45807.64       | 3206.53       | 49014.17      |
| 11   | 49014.17            | 40826.81       | 2857.87       | 43684.68      |
| 12   | 43684.68            | 35497.32       | 2484.81       | 37982.13      |
| 13   | 37982.13            | 29794.92       | 2085.63       | 31880.40      |
| 14   | 31880.40            | 23693.04       | 1658.51       | 25351.55      |
| 15   | 25351.55            | 17164.19       | 1201.49       | 18365.68      |
| 16   | 18365.68            | 10178.32       | 712.48        | 10890.80      |
| 17   | 10890.80            | 2703.44        | 189.24        | 2892.68       |
| 18   | 2892.68             | (5294.68)      | (370.63)      | (5665.31)     |
| 18.4 |                     | -3274.94       | 4 years       |               |
| 19   | (5665.31)           | (8940.35)      | (250.33)      | (9190.58)     |

4 (years) x 8187.36 = 3274.94

P. C. Box 509  
Winnemucca, Nevada 89445

March 18, 1967

Members  
Assembly Way & Means Committee  
Legislative Building  
Carson City, Nevada 89701

Dear Assemblymen:

In 1967, I was instrumental in the introduction and passage of Senate Bill 81, which gave Cooperative Extension Employees a choice of either participating or not participating in the State Retirement System after July 1, 1967. It was our intent to close any further dual participation by new employees, but to grandfather in those who wished to continue and retain their membership in the State Retirement System.

Assembly Bill 335 as is, should clarify the original intent and for all times settle the misunderstand regarding the older employees of the Cooperative Extension Service and their legal rights to retirement under the Public Employees Retirement System.

Respectfully,

*John Fransway*  
John Fransway

March 21, 1977

Statement to Assembly Ways and Means Committee made by Robert A. Madsen, County Extension Agent-In Charge, Washoe County, Nevada.

I appreciate the time taken by the Assembly Ways and Means Committee to hear the comments of the individuals affected by Assembly Bill No. 335. There are few of us and your schedule is long and busy so I will be brief and will attempt not to burden you with unnecessary duplication.

I, like my colleagues, was required to participate in state retirement as a condition of my employment with the University of Nevada. In 1967, I, like my colleagues, was given the opportunity to drop the state retirement or to remain active in it. I chose to remain active. I, like my colleagues, based my future retirement, as well as the protection of my family, on the provisions of the state retirement.

It would be pointless to speculate as to what I might have done had I not had state retirement. The facts are that I have contributed 8% of my gross salary into this program and have not purchased many different types of available investments, including additional insurance protection for my family. If I am removed from the active roll of the system I observe the most recent Membership Document indicates that one is required to be an active member of the state retirement system to be eligible to receive disability benefits. Under item 8, Survivor Benefits, those who are not active regular members of the system may also have the survivor benefit, which we have planned on for many years, placed in jeopardy. Dual retirements are not unique and exist in varying degrees in forty State Extension Services.

In closing, I would like to read to you the first sentence of the second paragraph of the Retirement Document; "Membership in the retirement system represents a sizeable investment in your future". I agree with that. I beseege you to honor the contractual arrangements made by the State of Nevada with the small group of people in 1967 and approve AB 335.



PRESENTATION TO ASSEMBLY WAYS AND MEANS HEARING ON  
ASSEMBLY BILL NO. 335

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE: MY NAME IS ALFRED W. STOESS. I AM THE DIRECTOR OF PROGRAM PLANNING AND EMPLOYMENT RELATIONS IN THE CHANCELLOR'S OFFICE OF THE UNIVERSITY OF NEVADA SYSTEM.

IN OCTOBER, 1976, THE BOARD OF REGENTS AUTHORIZED SYSTEM ADMINISTRATION TO SEEK LEGISLATION WHICH WOULD PERMIT THE 15 EMPLOYEES OF THE COOPERATIVE EXTENSION SERVICE WHO ARE PRESENTLY MEMBERS OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM TO CONTINUE THEIR MEMBERSHIP IN PERS WHILE ALSO CONTRIBUTING TO THE FEDERAL RETIREMENT SYSTEM. THE PUBLIC EMPLOYEES RETIREMENT BOARD CONCURS WITH THE UNIVERSITY AS TO THE NEED FOR THIS LEGISLATION.

I WILL NOT SPEAK TO THE REASONS WHY COOPERATIVE EXTENSION SERVICE EMPLOYEES SHOULD BE PERMITTED TO BE MEMBERS OF THE FEDERAL AND STATE RETIREMENT SYSTEM. THE SPEAKERS WHO HAVE PRECEDED ME AND THOSE WHO WILL FOLLOW HAVE SPOKEN AND WILL SPEAK ABOUT THE HISTORY AND LEGISLATIVE INTENT OF THE 1967 AMENDMENTS AND THE ISSUES INVOLVED A.B. 335. ON BEHALF OF THE BOARD OF REGENTS, I DO URGE YOUR FAVORABLE CONSIDERATION OF THIS BILL.

STATEMENT OF  
THE DEPARTMENT OF EDUCATION  
TO THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS

Monday, March 21, 1977  
Room 234, 9:00 A.M..

A. B. 107 -- Raises upper-age eligibility for handicapped pupil programs, removes references to "minor", and appropriates funds for additional units.

In November, 1975, the Congress of the United States declared it a national policy that a free appropriate public education shall be provided to all handicapped children. This policy is embodied in Public Law 94-142, the Education for All Handicapped Children Act. This Act requires all states to establish a goal to serve all handicapped children ages 3 to 21 by September 1, 1980. The Act stipulates that provisions respecting service to children 3 to 5 and 18-21 may not be applicable if inconsistent with State law.

NRS 388.440 presently limits educational services to handicapped persons under the age of 18.

The State Board of Education has adopted a State Plan for Exceptional Pupil Education which establishes a goal to provide free appropriate public education to all handicapped persons between the ages of 3 and 21 by September 1, 1980.

The purpose of A. B. 107 is two fold:

- 1) To accomplish part of this goal by amending NRS 388.440 to raise the upper age level from 18 to 21. This amendment will also make this chapter consistent with Chapter 395 which presently permits out-of-state placement for deaf and blind persons up to age 21.
- 2) To amend the language referring to "minors", which is no longer appropriate for persons over 18, and make it read simply "pupils".

It is estimated that six additional special education units state-wide will be required to serve the pupils between 18 and 21. In accordance with the Department's request and the Governor's recommendation to value each special education unit at \$17,600, the additional six units and the sum of \$105,600 for each year of the biennium will need to be added to the State Distributive School Fund to implement A. B. 107.

STATEMENT OF  
THE DEPARTMENT OF EDUCATION  
TO THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS

Monday, March 21, 1977  
Room 234, 9:00 A.M.

A. B. 108 -- Lowers the age limit for enrollment of physically handicapped pupils in special education programs.

In November, 1975, the Congress of the United States declared it a national policy that a free appropriate public education shall be provided to all handicapped children. This policy is embodied in Public Law 94-142, the Education of All Handicapped Children Act. This Act requires that all states establish a goal to serve all handicapped children ages 3 to 21 by September 1, 1980. The Act stipulates that provisions respecting service to children 3 to 5 and 18-21 may not be applicable if inconsistent with State law.

The State Board of Education has adopted a State Plan for Education of Exceptional Pupils which establishes a goal to provide free appropriate public education to all handicapped persons between the ages of 3 and 21 by September 1, 1980.

Chapter 388 for the Nevada Revised Statutes permits the enrollment earlier than age 5 of the aurally and visually handicapped, the mentally retarded and the academically talented. The ages of enrollment for these groups have been set at a time in their lives when a valid evaluation of their handicap can be made and a suitable program of instruction provided.

It has been our experience, consistent with experience across the nation, that the early commencement of handicapped youngsters in educational programs designed specifically for them has resulted in significant progress and achievement. This knowledge is all the more important now because of efforts to provide these youngsters with opportunities to learn in the same rooms with "normal" youngsters of their same ages. If the concept of teaching these pupils in the least restrictive, most effective and efficient environment is to get a fair trial, the handicapped youngsters need to have those few early years in school before their chronological peers join them.

Chapter 388 does not now permit this early schooling for the physically handicapped youngster. A. B. 108 will provide for entry of these youngsters at age 3.

It is estimated that 5 additional special education units will be required to serve the children in this category. In accordance with the Department request and the Governor's recommendation to value each special education unit at \$17,600, the additional five units and sum of \$88,000 for each year of the biennium will need to be added to the State Distributive School Fund to implement

A. B. 108.

*Laxalt, Berry & Allison*

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March 18, 1977

402 NORTH DIVISION STREET  
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P. O. BOX 646  
TELEPHONE (702) 882-0202

Joe Dini  
Majority Leader, Assembly  
Legislative Building  
Carson City, Nevada 89701

Dear Mr. Dini:

Please let me advise you that I am a registered lobbyist on behalf of 15 employees of the Cooperative Extension Service, University of Nevada.

It is impossible for me to be present to testify in support of AB335 because I have a schedule conflict. However, I wish you to have this letter for the record in strong support of the measure you have introduced.

An examination of the 1967 legislation will reveal immediately that it was everyone's intention that only newly-acquired coverage under two systems was to be prohibited and that those people who opted within 30 days to retain dual coverage were excluded from the future prohibition. I have correspondence from Ken Buck, who was instrumental in that legislation and testified concerning it, that there is no question but that such was the legislative intent. To quote him,

"In subsection 3 of NRS 286.310, we specifically excluded from subsection 2 those persons who had been under dual coverage prior to July 1, 1967, provided that the employee filed a written statement within 30 days electing to retain his service credit (membership)

...

Joe Dini  
Majority Leader, Assembly  
March 18, 1977

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In specifically excluding from subsection 2 those persons who filed a declaration to retain credit in the state system it directly follows that such persons could remain members of the retirement system. I fail to see how any other conclusion could be reached. Otherwise, why the exclusion?

Briefly, the 1967 amendments grandfathered in those employees prior to July 1, 1967, who wished to continue their state membership; it eliminated double contributions for those who found it burdensome, and it eliminated chances for double coverage after July 1, 1967."

As far as we are concerned, there was an offer made by the State to allow pre-July 1, 1967, dual retirement employees to continue their status if they so elected. That offer was accepted by many employees, including the 15 now affected. Insofar as we are concerned, that offer and acceptance made a binding contractual commitment of the State, and people relied upon it to the exclusion of other investment choices. We do not feel that such rights can now be terminated, shortened or impaired by legislative action. Dean Bohmont has correctly stated, "It is too late to change the rules of the game."

I disagree completely with Vern Bennett that the system has been "administered in error" since 1967. That thought did not arise at all until an A.G.'s letter was delivered to the Board in August, 1976, opining that the dual retirement prohibition was blanket. Our office disagreed with that contention (and so advised the Retirement Board) because legislative intent and statutory construction did not support it. From 1967 until 1976 the Board administered the law as we feel it was intended to do and allowed dual coverage for those who timely so opted. Many valued employees have relied on such statutory intent and administrative practice and we feel this is one of the rare areas where governmental estoppel applies.

Joe Dini  
Majority Leader, Assembly  
March 18, 1977

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The 15 employees in question have rendered long and meritorious service to this State. They were required on initial employment and as a condition of employment to belong to and contribute to two systems. Their participation in the system does not cost the state one penny more than for any other eligible state employee and their participation has been anticipated and funded for years. Their position is not unique, and in fact is common in all states where the cooperative extension service exists.

In all fairness, equity and justice, we urge passage of AB335. To do otherwise is to cruelly defeat the valid expectations and planning of 15 fine people and their families and to distort the definitive actions of the legislature in 1967.

Respectfully submitted,



PETER D. LAXALT

PDL/nsb

(HAND DELIVERED)