

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
JANUARY 27, 1977

The meeting was called to order at 8:30 a.m.

Senator James. I. Gibson was in the chair.

PRESENT: Senator James I. Gibson, Vice-Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Norman Ty Hilbrecht
Senator Thomas R. C. Wilson
Senator C. Clifton Young

EXCUSED

ABSENCE: Senator Floyd R. Lamb, Chairman

OTHERS: Ron Sparks, Chief Deputy Fiscal Analyst
Cy Ryan, UPI
Stein Moen, Veterans Of Foreign Wars
Mr. Fry, Veterans of Foreign Wars
Jessie Scott, Executive Director of Equal Rights Commission
Robert Archie, Chairman of Equal Rights Commission
George Cotton, Equal Rights Commission
Jim Deere, Art Council
Howard Hickson, Chairman of Nevada Art Council
Angus McLeod, Administrator of Real Estate Division
Mike Melner, Director of Commerce

Mr. Moen state he was from the Veterans Affairs office and explained that the budget recommended was a 15% increase over the current schedule they perform. Mr. Moen said at the present time he is making seven trips throughout the northern part of the state. Mr. Moen said this involves over 800 miles on each trip. There are prearranged places where we set up offices anywhere from one hour to all day. Mr. Moen said on a five day trip we go anywhere from Lovelock, Winnamucca, Elko, Wells, Ely, Austin and Eureka. Mr. Moen said normally we do six trips, now it is seven. Every year the Veterans are given a questionnaire which comes with their November check. Mr. Moen said if it is not properly filled out they will not receive their money. Therefore, we make an extra trip in November so we won't be overloaded in December.

Mr. Moen said he is the only one to have jurisdiction over these people and therefore he must go to Las Vegas to check on them.

Mr. Moen said he is a member of the National Association for State Directors. Mr. Moen said there is a meeting twice a year. There is also out-of-state travel to the regional office in California.

Senator Young asked if the deficiencies found in accounting by the last audit had been taken care of.

Mr. Moen said the audit was made a year ago last December. The previous audit was ten years prior to that time. The first audit that was held there was a deficiency found in the accounting system. Mr. Moen said that most of the deficiencies were taken care of at the time . They are corrected now.

Senator Young recalled that \$15,000 was appropriated for a contract service. Senator Young asked if that was for the Veterans of Foreign Wars. He noted that it was not being continued.

Mr. Moen said the Governor left it off his budget.

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Senator Young asked if it unsatisfactory and what were the expenses of the Advisory Commission.

Mr. Moen said the budget carried over the left over amount of the money from the previous year for Advisory Commission expenses. He said it carried over to this fiscal year which gives a balance of \$5,409.

Senator Young asked what is the function of the Advisory Committee and why the increase to \$3,000 for each of the next two years.

Mr. Barrett said the Legislature added the \$3,000 each year or \$6,000 for the biennium. Mr. Barrett said the unspent balance was carried forward to the second year of the biennium. Last year \$591 was spent and was continued into \$3,000 each year.

Senator Hilbrecht asked what the Manpower positions were and their functions. Mr. Moen said the Employment Security terminology of Man Power Specialist is the title of the position given by the personnel division. Mr. Moen said these people take claims and talk to the veterans.

Senator Hilbrecht asked if these people are educated to understand all the procedures.

Mr. Moen said they are trained on the job.

Senator Gibson asked what a Claims Representative was. Mr. Moen said he is well versed in going through claims. He is the the next lower step in the system. He said you normally start off as a Claims Representative and then progress to Man Power Specialists.

Senator Echols asked Mr. Moen when he came aboard. Mr. Moen said in January of 1976. Senator Echols asked if he was fully staffed. Mr. Moen said he just lost one man.

Senator Echols asked if the same staff in the office presently, is the same staff as when he took over.

Mr. Moen said yes, except for the Deputy Commissioner.

Senator Gibson asked Mr. Moen if he was the Deputy before he became Commissioner. Mr. Moen said yes. He said he started as a Claims Representative in September 1973.

Senator Gibson asked if he had set up a procedure to reconcile the problem in audit. Mr. Moen said yes, we are balancing the cards against the check book and the bank statements.

Senator Gibson asked how often. Mr. Moen said almost monthly; up to six months depending on when the bank statements come in.

Mr. Fry added a remark in response to Senator Young. He said it was two years ago when there was \$15,000 a year allotted for contract work with the Veteran's Commission. He said there was some misunderstanding in regard to leaving it off the budget. Mr. Fry said he talked to Mr. Moen about adding it in and he thought it was valuable for this reason. Mr. Fry said for example, the Veterans of Foreign Wars maintains a service officer close to the Commissioners office. He said all he does is service claims of Veterans. Mr. Fry said we can afford to keep him there but we can't afford to pay a secretary. Mr. Fry said we do get some volunteer work but not enough of the special type to do the typing and follow through with the claims.

Mr. Fry said he felt this to be valuable because of the some 50,000 veterans in the state. The number of claims are increasing. He felt the \$30,000 should be included over the next two years.

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Senator Gibson asked how the funds were accounted for.

Mr. Moen said under a contract, the bills are sent every quarter. He said under the last fiscal year, contract money was separated and put into a different category, telling how the money was being spent and by whom.

Senator Gibson asked why it wasn't requested this year. Mr. Moen said it was put into the budget by the Governor in 1975, of which he had nothing to do with it.

Mr. Fry said there was controversy with the Advisory Committee. Mr. Fry said the Veterans of Foreign Wars opposes the Advisory Committee. He said we think it is a waste of money and no good. Mr. Fry said he received static from the Advisory Committee and there was much confusion.

Mr. Fry said that is the only deduction I can make. He said he got the wrong one switched.

Mr. Barrett said it was not requested by the agency. Mr. Barrett said the agency was called and asked if they wanted it and they said no.

Mr. Moen said it was asked whether he should put it in. Mr. Moen said he didn't feel it was his place to put the \$15,000 in because it was originally recommended by the Governor.

Senator Hilbrecht asked why is there a need for a governmental agency when organizations are processing claims. He asked why don't we deal through the Veterans of Foreign Wars and the American Legion, and provide them with programs rather than setting up a state agency.

Mr. Moen said the DAV has a representative in the state and he and his secretary are paid out of National. He said DAV can afford to do this.

Mr. Moen said the Veterans of Foreign Wars is allotted so much money to pay a man to set up an office. He said the Department of Nevada of the Veterans of Foreign Wars puts in approximately \$4,000 to supplement his salary so he gets about \$8,000. Mr. Moen said his office represents the American Legion, Military Order of Purple Hearts and W.W.I. Vets. He said in order to look at a file with the VAS, you must have power. Mr. Moen said he represents five organization and agencies and this is done for these organizations.

Senator Glaser asked how do you differentiate between who handles what claims and how do you avoid overlapping between VFW and DAV.

Mr. Moen said the power-of-attorney makes the difference.

Mr. Fry said the office takes care of anybody that has a claim or a problem. He said this person might not belong to any organization.

Mr. Moen said the guardianship program is a big burden to the office.

Senator Hilbrecht seemed to think that there are two distinct functions in the state office. He said whether manned or staffed, the counseling efforts, the claims evaluation, the claims preparations and presentations could be more adequately handled by the Veterans Organizations who are receiving a supplement from the state. He said he hopes that efforts are not being depleted in this area.

Senator Hilbrecht said instead of eliminating the \$15,000, we should be eliminating staff in the state office and supplementing volunteer work.

Senator Young asked Mr. Moen if he wanted the \$15,000 and wondered if the state was getting the benefit.

Mr. Moen said the \$15,000 would be useful for a secretary

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Senator Gibson asked who was on the Advisor Commission.

Mr. Moen said the Governor appoints them. He said the way the statutes were written, one representative from the major organization and three members at large.

Senator Glaser asked what was the total number of members. Mr. Moen said seven.

Senator Gibson asked Mr. Moen if the Commission advises him.

Mr. Moen said they are suppose to advise me and come up with legislation that would be advantageous to the Veterans. He said up to this point they haven't done this.

EQUAL RIGHTS :

Robert Archie spoke on the budget of the Equal Rights Commission. He said that over the last twenty-four months, with the funding that was granted by the legislature, we have attempted to carry on the various mandates of the Nevada Revised Statutes. He said we believe this has been done. Mr. Archie said we are unable to meet the demands of the people who make requests of us. He said a portion of the problem are the laws under which we operate. He said we do not have the "punch" in the law to act right away in cases of discrimination. Mr. Archie said we could do the job better with less money if our statutes gave us a little more authority to force individuals directly into court or to force the individuals to comply or to an immediate hearing without drawing cases out.

Mr. Archie said that unless we are given stronger and stiffer laws for the Equal Rights Commission in the statutes, we find we will continue to come before you and ask for additional funding to deal with cases.

Jessie Scott said in 1968, the Congress of the Unites States, enacted the Equal Employment Commission as well as the Equal Housing Commission. It gave the states a preemption period of 60 days if they would handle the complaints initiated in that particular state, rather than have the Federal Government come in and intervene. He said he believed whatever problems arise with the citizens of the state, that the state itself should be given the opportunity to process those complaints. Mr. Scott said we need both financial and human resources to do this.

Senator Young asked what the chief area was in , inwhich he saw problems.

Mr. Scott said within the last twelve months, 45-60% of our cases have been with sex, age and the physically and visually handicapped.

Senator Young told Mr. Scott that he mentioned in his annual report that in Las Vegas, he lost \$40,000. Senator Young asked for the background of what this involves.

Jessie Scott said we had a case involving Dirty Sally's in Las Vegas where people said they were being turned away because they were black and minority. The manager said he was admitting people on his own selection rather than on a first come serve basis. He said we contend that the laws of the State of Nevada would allow and provide for the admission of people and to avail his services on a first come basis.

Mr. Archie said the Salt and Pepper team for the Air Force base determined Dirty Sally's discriminated , based on race. He said based on that they put Dirty Sally's off limits to military personnel. Mr. Archie said based on complaints we conducted a hearing . It cost \$6,973.

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Senator Young asked if he had any cases involving alleged discrimination because of physical or provisional fault. Jessie Scott said yes.

Jessie Scott said what we are saying is that the state itself should be given a period of time to see whether or not it has the capacity or the commitment to address itself to the problem.

Senator Hilbrecht asked what the magnitude of the problems in housing were. He wanted to know what the success and the goals were. Senator Hilbrecht also asked if he had relatively fewer number of complaints.

Jessie Scott said yes, we have fewer number of complaints in housing than in employment. He said most complaints deal with landlord/tenant disputes.

Senator Hilbrecht asked if the law was clear in that area.

Mr. George Cotton said the housing law was tighter in statutes.

Senator Gibson asked Mr. Scott if he was able to resolve the problems pointed out in the last audit report.

Mr. Scott said most had been taken care of before they went to press and the article was written.

Robert Archie said he would like to comment on the salary schedule for various employees. He said the salaries of the Executive Director and Deputy Director are not a good reflection on actual importance of the jobs. He said I'm losing good staff members because they are going to work for either the state, city or county and they are receiving 10-20% more money for the same job. Mr. Archie said agencies are buying them off. He said he loses two or three staffers a year.

Senator Hilbrecht noticed there were two new positions the Governor has recommended. He asked Mr. Scott if he would briefly comment on the Equal Opportunity Representative.

Mr. Scott said the Equal Opportunity Representative is assigned a certain number of complaints. They receive these complaints and after jurisdiction has been established, that individual briefs the cases. Mr. Scott said when the investigator goes out in the field, he has been briefed. Mr. Scott said he documents and does comparative data. He then gives recommendations for "probable cause".

Mr. Barrett said the Governor is recommending two new positions. Senator Hilbrecht said as I read the statistical data it appears you spend approximately, or will in 1977, \$352 of case based on a projected 900 case load. It looks like a high case load cost. Senator Hilbrecht wanted to know the basis for this. He said Consumer Affairs estimated their case load and it was about \$85.

Robert Archie said it involves the actual amount of time we spend on a case. We have to explain what happened, the difference is between the psychological approach we take toward a person with this complaint as opposed to consumer complaint. It takes a considerable amount of time to discuss the case load.

Mr. Scott said instead of dealing with manager and owner, we deal with the attorney.

Mr. Scott said we have 500 complaints now in the office. Not a single one will admit they discriminated. We have to have a high level of participation on the part of the individual who is assigned to investigate. We must document discrimination.

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Mr. Archie said we were dealing with various hotels in Las Vegas, in the 1971 Federal Consent Degree for discrimination in the hotel industry. We felt they weren't quite complying and the Federal Government asked us to get responses from these hotels. There is one half-time Deputy Attorney General. Howard Hughes operation alone sent five attorneys to deal with us. We had a half-time attorney, they had five.

Senator Wilson asked what the problem and result of an inadequate legal staff was. He asked if there would be anymore attorneys.

Mr. Scott said we have one other deputy which we see at his convenience.

Senator Gibson asked in 1975-76, you only spent \$11,000 on legal expenses and budgeted for \$22,000.

Mr. Archie said it took time to get the staff geared for legal hearings. Cases had to be prepared.

Mr. Scott said the state has no hearing room in Las Vegas to accommodate 50 people and so the commission must depend on the county and city to supply facilities.

Senator Gibson asked if the Federal EEOC budget ties into the operation.

Mr. Scott said yes. If a citizen doesn't feel that any state agency is going to diligently receive and process his or her complaint, they send it to the federal government. Under the 1964 Federal Act, as provided by the Congress, we have been given the opportunities as a state agency, to receive those complaints and process them so long as we can provide the same services the Federal Government would provide. Before this session of the legislature, we will be asking for the authority to fashion remedy and the authority to go in to court and defend our order, once we have established wrong doing and discrimination has taken place.

ARTS COUNCIL:

Mr. Hickson gave a 4½ minute slide presentation.

Jim Deere read a prepared statement. See attached.

Senator Young said the Governor has recommended a 32% operation increase. He asked what kind of a program is visualized five or ten years down the road. "Small acorns grow into mighty oak trees".

Mr. Deere said we visualize a fully developed office with thirteen new positions, agencies picking up their art activities, a highly developed performing arts and a professional theater.

Senator Wilson asked what grants are available and what programs will they fund. Are they compatible with the programs and do you see development under the regular appropriations requested in the budget?

Mr. Deere said our specific goal is stated in the state program, found on page 249. We would like to go after programs using state funds to match.

Mr. Barrett said the Governor wanted to add additional money to Grants Development. He added \$5,000 of the general fund, with \$5,000 from federal funds for a total of \$10,000. This will enable them to receive more assistance and qualify for more federal funds. The other area is in State Program Funds. That \$30,000 is 100% state dollars with no federal money. We wanted to add that to provide additional money to the locals to use for programs.

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Senator Gibson asked how many members were on the Arts Council and how many times do they meet.

Mr. Deere said seventeen and they meet three times a year.

REAL ESTATE DIVISION:

Angus McLeod said the Real Estate Division is one of eight divisions within the Department of Commerce. The Administrator is unclassified and appointed by the Director of the Department of Commerce. The main office is in Carson City with a branch office in Las Vegas. The Division is responsible for administering and enforcing two acts: the Brokers and Salesman Licensing Act and the Land Sales Act.

Brokers and Salesman Licensing Act requires a person who acts as an agent, in the sales and conveyancing of real property, must qualify and hold a real estate license, and operate with the Division under this law.

The Real Estate Advisory Commission, consists of five members, appointed by the Governor. The basic function is to approve and disapprove all applications for licensee, to establish standards of conduct for the Real Estate licensee and act as a hearing and disciplinary body on complaints brought against such licensees by the Real Estate Division.

Land Sales Act requires registration with the Division on certain subdivisions sold in Nevada.

The principle fee under the brokerage and salesman licensing act is \$40 for each examination and an annual licensing fee of \$25 for each salesman and \$40 for each broker. In addition, licensees must pay \$15 into the Education Research and Recovery Fund. Under the Land Sales Act, the Division collects \$250 from each developer plus a per lot fee for subdivision in excess of 50 lots which begins at \$5 per lot and reduces on a sliding scale to \$2.50 per lot for subdivision with more than 50 lots. Fees are collected for advertising and for registered representatives. All the fees collected by the Division except for a small portion of the licensing exam fee is deposited into the general fund.

Page 591 and 592 in the budget display a number of work load statistics upon which the budget was built.

There are a total of 5,200 broker and salesman licensed in the State of Nevada. This is a 17% increase from calendar year 1976. 3,800 are actively licensed. During calendar year 1976, 705 new licensees became active. This is a 23% increase in the number of active real estate licensees. 2,000 people took the exam and of that number 57% passed and were licensed.

The ~~division of the Land Sales Act~~ has 63 divisions registered. In January 1976, up to the present, we have 43 applications for subdivision registration. The Governor's proposed budget for the Real Estate Division is strictly a maintenance of an existing effort budget.

No new programs are included, except a portion of the exam fee retained by the Division to pay for the cost of examinations; the budget is totally funded by a general fund appropriation.

The first year of the biennium the Governor is recommending about \$36,000 less than the appropriation granted by the Legislature for the current year.

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For two years the appropriation is recommended to increase only 4%. Out-of-state travel is reduced by \$1,800. The amount recommended by the Governor, will fund the Division participation of one National and one Regional meeting of National Association of Real Estate License Law Officials. This is the National Organization composed of Real Estate Regulators.

In addition, there are funds to provide attendance at one National Land Sales Regulatory Conference and one trip to the Educational Testing Service in New Jersey. This is the organization that prepares and administers real estate exams in Nevada.

Instate travel is only moderately increased. Of the amount recommended for instate travel, \$6,000 is spent by the Advisory Committee and Attorney General, while conducting their responsibilities.

The total operating funds recommended by the Governor are 5% more than were actually spent in 1975-76. The amount in contract services in the past has been spent for Legal researchers, through the Attorney General to aid Deputy Attorney assigned to the Division.

Other contract services are for the rental and maintenance of equipment. At the bottom of page 590, there are a group of expenditures under the general heading of Special Investigation. This is a lump sum of \$5,000 for use of special investigators for land sales.

Senator Gibson asked for the reasons for the differences in personnel.

Mr. McLeod said first, the district office manager in Las Vegas has been deleted. Second, there is a transfer of a principle clerk typist from our office to director. This leaves a reduction in the budget by two.

Senator Hilbrecht ~~what the~~ reason was behind the deletion of the district manager in Las Vegas.

Mr. McLeod said there has been funded in the past a chief real estate investigator located in Carson City who travels statewide. Vacate in June district manager which is a unnecessary level of administration and supervision.

Senator Hilbrecht asked what is to be done with a security analysis.

Mr. McLeod said this person specializes in examining the financial arrangements that a developer has proposed to fund for proposed improvements.

Senator Wilson asked what the basic differences were between your request and the recommendations regarding real estate exam fees.

Mr. McLeod said the exam fee is \$40,00. \$10.50 stays in the budget for payment to ETS, \$29.50 deposited to general fund. The Governor is saying instead of handling this thing as a reversion at the end of the year, he would place it in the general fund revenue accounts and supplement budget by the amount of money it would take to put on examinations. If it is reflected as a revenue, it is advantageous under revenue sharing plan.

Senator Wilson asked if there was operational differences.

Mr. Barrett said no.

Senator Hilbrecht asked if the advisory board, was composed only of brokers and is your division charged with responsibility of both brokers and salesman. Is there a change in the boards make-up so they would be composed of brokers and salesman.

Mr. McLeod said we are not proposing a change but if it were changed it should be no problem.

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Senator Gibson asked how much money is being generated out of the Land Sales Act.

Mr. McLeod said there is \$67,000 being projected for the coming year.

Senator Gibson said asked if this takes care of the cost of administering the act.

Mr. McLeod said no, it comes to around \$100,000.

Senator Gibson asked what the status of activity was.

Mr. McLeod said there are 43 registered subdivisions.

Senator Gibson asked if the Land Sales Act has helped.

Mr. McLeod said yes.

Senator Hilbrecht asked if he would recommend the rate structure to be changed. Mr. McLeod said we have not requested an increase in fees. The fees seem to be high now but if the fees are increased, we would not lose developers. Most developers are Nevada developers. Economic indicators are prime for a thriving land sales business in the State of Nevada. Economy in Nevada is right for "time-sharing".

Mr. Melner said "time-sharing" is a form that condominiums are sold for vacations. You have the right to use it for a week, a year or even forty years.

Senator Gibson asked if there were any amendments to the Land Sales Act. Mr. McLeod said \$250 per initial application then if the subdivider has more than 50 lots it is \$5 per lot. It goes on a sliding scale until it gets to \$2.50 per lot.

Mr. Melner said the concern with the small developer is that it is \$250 regardless of how small a subdivision is.

Senator Wilson asked if the fee was justified for the smaller lot.

Mr. Melner said the fees are just as high as any other part of the act.

Senator Gibson asked if there were any other amendments.

Mr. McLeod said some amendments but no budget impact.

Senator Hilbrecht asked if there was a need to utilize a Deputy in the southern district office because of population.

Mr. McLeod yes.

Mr. Melner said communication is a problem in all governments.

Senator Hilbrecht said the brokers and salesmen in Las Vegas feel they are second rate citizens because they have no one in town to go to or write to.

Senator Echols said the people are distressed. They are concerned about regulation of Land Sales. It is keeping many people from working in land development and sales.

Mr. Melner said he didn't think the law was hard to comply with.

The Land Sales Act requires only subdividers, that have made an application, must also pay for inspection fees for somebody from the state to look at the subdivision. This is what this particular fund of the account does.

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REAL ESTATE RECOVERY FUND (page 596)

This is a special non-reverting account established in 1967 pursuant to NRS 645.842. All new licensees pay a \$15 fee to be credited to this fund prior to issuance of a license, and each existing licensee pays the \$15 fee annually at the time of license renewal. A balance of not more than \$50,000 is maintained to be utilized for satisfying claims against persons licensed under NRS 645.

When any person obtains a final judgement against any licensee upon grounds of fraud, misrepresentation or deceit with reference to any transaction for which a real estate license is required, such person may obtain a court order directing payment out of the fund in the amount of actual damages included in the judgment and unpaid, but not more than \$5,000 per claimant. The liability of the fund is limited to \$15,000 for any one licensee.

If claims are paid out of this account, augmentation from annual fees paid by the licensee are credited to this fund to bring the balance back to \$50,000. All balances are carried forward to the next fiscal year.

Senator Hilbrecht asked if there is any mechanism as there is in some for restitution to be made by licensees on whos behalf?

Mr. McLeod said if we have to make a payment out of this, his license is automatically inactivated. He must make up funds with 4% interest.

Senator Glaser asked if the industry feels this is a worthwhile program. Mr. McLeod said yes.

Senator Echols asked if there were any thoughts about hiring lay people in lieu of brokers.

Mr. Melner said that would come under the State Board.

Mr. Melner said the State Governors Planning Office has planned to restrictive state boards includes the Real Estate Advisory which would substitute two lay members for two broker members on the board.

The meeting adjourned at 10:35 a.m.

RESPECTFULLY SUBMITTED:


HENRI VALENIA, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN

January 27, 1977

FACT SHEET
NSCA PROPOSED BUDGET FY 78

<u>EXPENDITURES</u>	<u>Council's Request</u>	<u>Governor's Budget</u>
Personnel:		
Existing Positions	\$ 45,166	\$ 41,972
New Positions (Grants Officer, ½-T. Sec'y)	16,674 ^{1a}	-0-
Overtime	1,410	-0-
Fringe	<u>10,018</u>	<u>6,148</u>
Total Personnel	\$ 73,268	\$ 48,120
Out-of-State Travel	\$ 2,500 ^{2a}	\$ 500 ^{2b}
In-State Travel	12,000 ^{3a}	8,500 ^{3b}
Operating		
Supplies	1,250	500
Communications (Phone, Postage)	4,000	3,000
Printing, Duplicating, Reports & Publications	3,600 ^{4a}	600 ^{4b}
Contracts Services	6,100	10,750 ^{1b}
Rent & Bldg. & Grounds	9,568 ^{5a}	5,636 ^{5b}
Other Operating	<u>2,800</u>	<u>750</u>
Total Operating	\$ 27,318	\$ 21,236
Equipment & Furniture	2,286 ^{6a}	-0- ^{6b}
Sub-Grants (Federal Funds)	215,000 ^{7a}	200,000 ^{7b}
Special Projects (Federal Funds) Including A.I.S., Program Development, Museum Services (Projected)	100,000 ^{8a}	100,000 ^{8b}
Flow-Thru Grants (Federal Funds)	50,000	50,000
State Program Funds WSAF, A.I.S., Community Development, Conference, Performing Arts	<u>110,000</u> ^{9a}	<u>30,000</u> ^{9b}
TOTAL BUDGETS	\$ <u><u>592,372</u></u>	\$ <u><u>458,356</u></u>
<u>REVENUES:</u>		
State Appropriation	\$ 227,372	\$ 88,356
Basic-State Grant (Federal)	215,000	215,000
Special Grants & Grants (Federal)	100,000	105,000 ^{1b}
Flow-Thru Grants (Federal)	<u>50,000</u>	<u>50,000</u>
TOTAL REVENUES	\$ <u><u>592,372</u></u> ^{10a}	\$ <u><u>458,356</u></u> ^{10b} 113

FACT SHEET

Points

Council's Request

Governor's Budget

- | | | | | |
|----|----|--|----|---|
| 1. | a. | The Council has requested 1½ positions, a Grants Development officer and a half-time secretary; plus a small amount for overtime payments. | b. | The Governor's budget provides \$5,000 for a contract position with no travel or administrative for that position support. |
| 2. | a. | The Council requested funds for 5 long trips and 5 short trips annually for staff and council out-of-state. | b. | The Governor recommends one long and one short out-of-state trip, annually, for the agency. |
| 3. | a. | The Council requested in-state travel for six council meetings annually, and in-state travel for 3 professional positions. | b. | The Governor's budget will allow four council meetings annually with reduced staff travel from the current year. |
| 4. | a. | The Council requested a total of \$3,600 for all printing and duplicating, including the Governor's report, which is required by statute. | b. | The Governor's budget requests \$600, and nothing for the Governor's report. |
| 5. | a. | The Council requested a doubling of agency space to include room for the two new positions and an area for a small library section. | b. | The Governor's budget provides for some rent increase, but no buildings and grounds increase. |
| 6. | a. | The Council requested the standard furniture and equipment for the new positions. | b. | The Governor's budget, not recommending the positions, did not recommend funds for furniture and equipment. |
| 7. | a. | The Council requested that the state pick up all administrative funds, which would free \$15,000 of the basic state grant for additional sub-grants funds. | b. | The Governor's budget requires the continued use of these funds for administration. |
| 8. | a. | Based on the existence of a grants development officer, the Council projected \$100,000 in special projects grants and \$50,000 in flow-thru grants to state arts organizations. | b. | The Governor's budget recommends these funds, too; but without the grants development officer, those projections are unrealistic. |
| 9. | a. | \$50,000 of the Council's \$110,000 program request was for assistance to our professional performing arts organizations to help them serve wider portions of the state and to raise the level of their performance. It could also assist in the formation of a state orchestra. | b. | The Governor's budget recommended a \$10,000 increase from last year's budget for all programs. |

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Points

Council's Request

Governor's Budget

10. a. The Council's total (Federal and State) budget revenue request was \$592,372.
- b. Without the new positions, the Governor's revenue budget total should be reduced to \$408,356. (See 8b.)

For further information, please contact:
The Nevada State Council on the Arts
560 Mill Street
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Two years ago, the Nevada Legislature provided the Arts Council with an increase in State funding of 318%. This ^{was} the second highest ^{% increase} of any State Arts Agency in the country! Never mind that it came off a previous year of only \$17,000; the increase was mightily appreciated. It provided a modicum of staff, and for the first time, state program funds. Those funds cut us loose from absolute ^{program} dependency on the federal basic state grant. They permitted us to develop effective programs in Artists-in-the-Schools and Community Development. We presented our first state arts conference ever in 1975, and it was those same program funds that enabled us to start pulling our weight in the Western States Arts Foundation.

Perhaps mistakenly, this large increase suggested a continuum of growth to us. We thought we could continue adding programs as needed, and that we would have the time, the strength, ^{and} the energy to keep adding.

That has not been the case. In the current fiscal year, we ^{have already} learned the limitations of our staff and funds. The extra weight of the 17-County Bicentennial Art Project that should have been finished in fiscal 1975, had not even begun by the end of ^{that} the year. We had to go into every county to show them how to decide on a project, ^{how} to select an artist and commission him. It required a thorough-going education program that we had never anticipated when we first announced that every county could have \$750 for commissioning a bicentennial work.

The Community Development Program required matching funds from the cities and counties. It was perhaps the first time a statewide program had so many communities participating in the arts. Yet the time required in developing proposals, getting on ^{local} agendas, and appearing separately before each town council and county commissioners took a tremendous amount of time and energy. ^PThe Artists-in-the-School program is a success wherever it goes. The schools need the arts experiences and we get considerable visibility from the program. Yet every school must be contacted, residencies scheduled, budgets drawn up, and artists introduced to their new communities. The time has come, ^{ladies & gent-} ^{lemen,}

when we can get more federal funds than we can properly administer in added programs.

In ^a other words, we have begun to halt our growth and examine where we can do less and do it better. We are consolidating our efforts and placing limits on them.

What is the staff that manages what has become ^{almost} a million dollar program? An executive director, who, in addition to being agency supervisor, has primary fiscal responsibility, ^{and} ~~is~~ chief grants officer and bookkeeper. He develops and oversees all public information on the arts, ~~that the Arts Council distributes,~~ and functions as administrative secretary to the council ^{itself} ~~members.~~

He is assisted by a program director who takes care of all details connected with the Artists-in-the-Schools Program and ^{who} is primary liaison with the Community Development Program and with other programs distributed by the Western States Arts Foundation. The program director is, of necessity, the primary field representative, while the job also requires numerous administrative and budget control functions ^{related to these programs.}

Our principal clerk-typist has responsibility for the day-to-day administration and pay-out of the grants program, maintains budget control on the grants program, is chief agency typist and file clerk, and has responsibility for satisfying state administrative requirements on a day-to-day basis.

The Council has requested one and one-half additional positions for the next biennium; the grants development officer and a half-time senior clerk-typist. The Governor did not endorse these positions but he did recognize that we had made our case for them. He proposed, instead, that we attempt to get ^a federal grant for the grants development program, since its main purpose is to reduce our reporting back-log and to generate additional grants which would more than pay for the program. I can certainly support the Governor's plan, if he wants to go that way. At the same time, however, we have to recognize that the additional \$5,000 provided for this purpose will barely take care of the position itself, and will do little to provide necessary secretarial, travel and administrative support for the program. In other words, we are currently without the space and means to accept another employee, even on a contract basis, and have wondered whether, in fact, we ^{can} afford

such a grant, assuming we could get it.

We believe the arts can do much more in Nevada. In addition to the current programs, we need an intensive program of outreach to the institutionalized; the aged, the sick and incarcerated. We need better information services and communication with the smaller communities all around the state. We need to be developing federal grants from all ¹⁴ ~~twelve~~, and not just two or three offices of the National Endowment. We need to provide more constant attention to the southern part of the state and we need some specific programs to assist museums and the visual arts in general.

Finally, much in the sense of economic development, we need to think about the arts and tourism. There is no more affluent tourist than the arts tourist. Think about Seattle and Santa Fe; Tanglewood and Salzburg, Austria. We already have the musicians, while they are dying in the clubs and ~~we~~ continue ^{to} to organize one chamber group after the other, in order to maintain their skills, if not their sanity.

We have an opera company in Reno and a dance company in Las Vegas. Both are growing professionally. We could tie this package together with ⁹ ~~the~~ symphony orchestra and professional theatre. It wouldn't take much to give us the means of attracting to Nevada a whole new segment ^{for Nevada} ~~the~~ tourist market; the arts tourist. The dividend in this case, is that such performances would provide us with needed community arts services, as well.

The Council has requested \$50,000 per year ^{of the biennium} to develop these services. It cannot be done with less. The Governor has not recommended these funds, but the state is easily in the position to provide them. Certainly, it is always a question of priorities, but we cannot think of many investments that provide such wide and positive ramifications as a highly developed system in the state for the delivery of ~~the~~ quality performing and visual arts services, both for a new tourist market and for the quality of our own lives. Thank you.