

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
FEBRUARY 2, 1977

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

Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman  
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

OTHERS: Ronald W. Sparks, Chief Deputy, Fiscal Analyst  
Howard Barrett, Budget Director  
Cy Ryan, UPI  
Stan Jones, Labor Commissioner  
Sally Davis, Comm., Emp. Management Relations Brd.  
Dorothy Isenberg, Member  
John Gojack, Member  
Noel Clark, Chairman, Public Service Commission  
Heber Hardy, Commissioner  
David James, Internal Auditor  
Kelly Jackson, Dir., Consumer Div.  
Clarence Cassady, Administrative Officer, Dairy Comm

Senator Lamb introduced Stan Jones from the Labor Commission.

LABOR COMMISSION: Mr. Jones listed the responsibilities and duties of the Labor Commission. The State Labor Commission is responsible for the administration and enforcement of all labor laws of the State of Nevada, the enforcement of which are not specifically and exclusively vested in any other office, board or commission. The labor and industrial relations laws affect some 300,000 workers in Nevada and 20,000 places of employment. The following list comprises the several areas of major responsibility: Wages, hours and working conditions of employees; collection of unpaid wages; child labor laws; licensing and regulating of private employment agencies; Director of Apprenticeship and Training; predetermination of wages on all public works; mediation and conciliation service to labor and management (public and private sectors); on the job and apprenticeship training for veterans; and enforcement of the minimum wage law.

The Nevada State Apprenticeship Council is statutorily charged with establishing standards for apprenticeship agreements, issuing rules and regulations, and cooperating with program sponsors in the implementation of on-the-job and apprenticeship training. The Council is comprised of seven members with the Labor Commissioner as Secretary-Director for the Council. The apprenticeship program is open to young people, without regard to race, color, creed or other national origin to provide the opportunity to obtain training that will equip them for profitable employment and citizenship. This is a program of voluntary apprenticeship under approved apprentice agreements providing facilities for training and guidance in the arts and crafts of industry and trade. There are in excess of 150 registered program sponsors and approximately 1,500 registered apprentices.

There are two offices established to serve the needs of Nevada workers, one in Carson City, the administrative headquarters, and an office in Las Vegas.

He stated that the Commission had handled 69,000 complaints and claims in the last biennium. This was the justification

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for the requested new position of a Mediator Conciliator in Las Vegas, to help with the increased work load.

In answer to questions he explained how the Commission became involved in mediation and conciliation services; how the apprentice program was carried out and the percentage of time which he himself was involved in these activities.

In reply to a query by Senator Young he stated that the Labor Commission has no conflict with the Equal Rights Commission, as his division was solely concerned with the wages paid to a male or female doing the same work.

Senator Lamb asked if the Attorney General's office assigned a deputy attorney to the Commission and Mr. Jones stated that their budget was not sufficient to cover this expense. Instead they hired attorneys on a contractual basis with a monthly retainer.

There being no further questions on his operating budget, Senator Lamb thanked him and called the next division.

EMPLOYEES MANAGEMENT RELATIONS BOARD: Sally Davis, Commissioner of the Employees Management Relations Board introduced Dorothy Isenberg, Chairman of the Board and John Gojack, Vice-Chairman. This Board possesses jurisdiction in the following four basic areas: 1) The determination of what matters are the mandatory subject of negotiation within the limitations prescribed by NRS 288.150. 2) Appeals regarding the recognition, denial of recognition or loss of recognition of an employee organization pursuant to NRS 288.160(4); and 3) Appeals regarding the determination of bargaining units within a recognized employee organization pursuant to NRS 288.170(2); and 4) Complaints of prohibited practices within the scope of NRS 288.270. These are claims by employees.

The '75 session of the Legislature expanded the jurisdiction of the Board to encompass within the prohibited practices statute charges of discrimination. The Legislature also established a ten-member Advisory Committee to the Board which is required to meet at least semi-annually and file a report with the Legislature regarding the procedures under the provisions of the Chapter and making recommendations for desirable legislation affecting the Chapter.

Senator Lamb questioned the amount of the budget with only two people working on the Board.

Miss Davis stated that the only basic new funding was a request for \$3 or \$4 thousand to support the travel required of the new Advisory Committee as established by the '75 session of the Legislature. Also \$2800 for board salaries because she felt that people on the board deserved some compensation from the state the same as other boards attached to state agencies.

Senator Young asked about the procedures that were followed in the classroom teacher disputes. Miss Davis said they were called in because the School Board was refusing to bargain in good faith and that was a prohibited practice. In another instance the board was called in because the School Board charged the teachers refused to negotiate in good faith. She stated the board functioned very much like a court with a counsel for each side and they called witnesses. The board makes the decision and it is the Commissioner's responsibility to formalize it into a written decision.

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Senator Young stated that he felt sometimes a board lacked the expertise to deal with the problems they were asked to decide upon. He thought possibly it would be better not to have the boards and attendant travel expenses and rather have the expertise of a hearing officer. Miss Davis said that she questioned the advisability of putting a group at the mercy of one person in an area as important as this.

In response to Senator Lamb's query she stated there were three members on the Board and 10 members on the Committee.

Miss Isenberg stated, in justification of the amount involved in the budget, that although there were only two members on the staff of the board, the work was accomplished by many hours of overtime on weekdays and weekends also. She outlined in detail some of the duties which Miss Davis fulfilled.

Senator Hilbrecht asked if she felt the committee might be superfluous and she replied that ten members was unwieldy particularly when five represented management and five represented labor. She did not feel it was working out as it should. Miss Davis wrote the report that the advisory committee submitted to the board and it had to be, necessarily, innocuous so that all the committee would sign. The senators expressed interest in seeing the report. Miss Davis stated that she had only one copy with her and she gave that to Senator Wilson. There being no further questions, Senator Lamb thanked the board and introduced Noel Clark from the Public Service Commission.

PUBLIC SERVICE COMMISSION: Mr. Clark introduced members from his division who were with him: Commissioner Heber Hardy, Internal Auditor David James and the Director of the Consumer Division Kelly Jackson. Mr. Clark stated that the only increases they had asked for in the budget were the normal increases brought about by inflation. For instance air fare had increased by 15% and they had asked for a 15% increase in their out-of-state travel fund.

They had also asked for a substantial increase in the in-state travel. This was partly due to the fact that they were contemplating moving all their audit staff out of the Las Vegas office into the Carson City office and this would entail increased in-state travel costs. Also the Consumer Division of the Commission was just getting started and they expected a substantial amount of travel there.

He explained changes in the staffing and the purpose of internal reorganization in the department. He said that it had been recommended that the audit staff be moved for greater efficiency in operation. This was a practice in many other states as well as the federal government; all the audit functions being carried on under one roof.

Senator Lamb asked about the new position of Director of Transportation and Mr. Clark explained this would consolidate the activities of rail, air and motor carrier. They were abolishing two positions so that this was actually a trade off.

In answer to a question by Senator Hilbrecht, Mr. Clark stated that there should be no confusion regarding the duties of the Motor Carrier Inspectors in the Motor Vehicle Division and the Inspectors in the Public Service Commission. Those in Motor Vehicle were tax collectors while the people in the PSC were very highly and selectively picked and were trained very specifically in regulatory functions. They were investigators, an arm of the Commission.

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Senator Wilson inquired about the duties of the Executive Director and the Consumer Affairs Director. Mr. Clark said the Executive Director was concerned with hiring personnel and acting as general manager of the office. The Consumer Division handles all complaints. They are a group that are trained to examine complaints, investigate complaints and in the event that they can't satisfy them in that division, take them on through the Commission. This is not an overlap with any other agency. There is no one else in state government who can handle these specific complaints which are received at PSC. It serves as a worth while function. The Consumer is entitled to know what his rate structure is and what is going on in the utility as far as to what he is paying for in the product.

Senator Gibson said he could not resolve the difference between the balance forwarded from the old year. He asked if they could adjust that rapidly enough to be sure that you aren't carrying this excessive balance?

Mr. Clark replied that it was essential that the Commission carry a rather high level of safety or margin there, a cushion. The money that is incorporated in that total amount included the money that is going to be allocated for the next fiscal year. So in reality it is not as big as it appears to be.

Senator Gibson asked about instituting the additional 1/2 mill, for instance right now, which you begin to collect next July. Mr. Clark stated that there was a six months to a year lag. However if there was a substantial decline, if the conservation begins to take over, which it is going to have to do if we are going to exist in these United States with the facilities and ability to produce energy, there is going to have to be a cutback in usage, and that cutback in usage is going to cut our funds down and we are still going to have to maintain the same level of personnel; so we are going to have to maintain that high level or cushion and we are going to have to keep our eyes down the road just as far as we can. He explained that there were two new men coming into the Commission who were expert in this work. He felt the Commission would be in a much better position to project within two years and they would be able to tell a much better story then than it was possible to tell at the present time.

Senator Gibson stated that in looking at the revenue projections he could not resolve the difference between the balance forwarded from the old year. The Commission showed \$108,000 and the budget showed \$944,000. Mr. Barrett explained that the budget office had gone back and updated the work program for this year after Noel had filed his budget request in September. The work program was updated in December, so it is based on what we now think is going to happen and the Commission's projection was based upon what they thought might happen when they filed their work program in July of 1976.

Senator Gibson asked if Mr. Barrett agreed on the revenues produced from the mill tax. The budget is actually about \$1.7 million. He stated he still had a hard time seeing why they had to carry that cushion which amounts to about 1/2 of their budgeted expenditures. What would happen that would change this situation?

Mr. Clark said that a substantial reduction in the usage of energy the utility produces would substantially affect the system and it would take 6 months to a year to pick it up. So it was necessary to have that cushion to carry them during the interim.

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Senator Gibson stated that they charge the utilities and then we receive the interest on that. It is money we take from them. Mr. Clark replied that the money is in the General Fund. Senator Echols asked who managed the fund and Mr. Barrett said it was on deposit in the regular state bank account and the interest from it goes into the General Fund. Senator Lamb asked them to move on to the next budget.

STATE ENERGY RESOURCES ADVISORY BOARD: Mr. Clark stated that the Commission had a responsibility for energy management and this Board had been very helpful in bringing comments and suggestions from people in all walks of life. He stated there were no requests for increases in the budget except for small amounts and these had been brought on by inflation. He said they had an education program in this area and Kelly Jackson outlined this briefly. Mr. Clark stated that this educational program had been supported by a \$25,000 commitment from the utilities and other smaller commitments and the Energy Board had committed \$5,000 for the Energy and Man's Environment program. He stated they believed one phase was best accomplished in the lower school levels where the children are impressionable and would carry the message home to their parents. Mr. Clark stated that there is a real problem in Nevada because this is one of the few states in the United States that does not produce anything in the way of energy. Only about 8% of the power generated from Hoover Dam is used here. He was hoping that the Congress would pass a program that would give direction to the states.

Senator Young suggested that perhaps the state should come up with a program and not wait for the federal government to come in. He stated that people objected to interference from the federal government but when they did not go forward themselves, the federal government was forced to take the lead.

Mr. Clark stated that the Board had advised in what areas the state should be looking to for future development of any energy sources within the state, namely geo-thermal and solar. Through this Board they have brought in people from federal agencies and have been able to sit down with groups from utilities, mining, agriculture and the general public to develop ideas as to what is to be done for the future in this state in the conservation and generation of new energy sources.

WESTERN INTERSTATE NUCLEAR COMPACT: Mr. Clark stated that there are presently three agencies in the Western United States that are representing the government. These three agencies are going to be consolidated into one agency, one of them being Western Interstate Nuclear Board. The budget is \$15,000 annually and there has been occasion to call upon the Interstate Nuclear Board to assist in the evaluation of nuclear waste and storage in Southern Nevada. Mr. Clark is the Acting Chairman of WINB at the present time. The Board felt that the \$15,000 was well spent, that the product received in the way of reports and assistance, and which they will continue to receive, is probably in excess of the \$15,000 that the state has put into the group.

Senator Lamb thanked him for his presentation.

DAIRY COMMISSION: Senator Lamb introduced Clarence Cassady from the Dairy Commission. Senator Lamb referred to the bill introduced by Assemblyman Jacobsen, A.B. 152, and asked how much this would affect the budget. Mr. Cassady stated that the budget had been computed to take in consideration of those things that are in that bill. He explained that there are three positions added on the basis that the Commission would

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get the additional revenues contemplated in that bill. The bill would also change the composition of the committee from 8 to 3. But the work they are requesting would necessitate additional staff.

Senator Wilson asked what the bill did and Mr. Cassady said that it did many things.

He continued that the budget is basically the same as it has been in the past with the exception of what has been computed for the possibility of three new staff. These additions came about as the result of the Interim Legislative Committee as well as the audit reports by the legislative accounting staff. They decided there should be more audits, including out-of-state audits. They have not been done with the frequency they should in the past because of lack of staff. This is the justification for the new positions and the increased out-of-state travel money.

Senator Wilson asked if other bills affecting the Dairy Commission could possibly affect this budget, and if it would be desirable to postpone action on the budget until the Legislature had taken action. Mr. Cassady explained that so far as A.B. 152 was concerned, that was already adjusted in the budget and under the other two bills the Commission would be abolished and they would not need a budget.

Senator Lamb inquired about the money collected in fines. Mr. Cassady stated that under the law, now, the funds revert to the Dairy Commission and can be used by the Commission. The present fund of \$100,000 or so has not been used pending the decision of the Legislature.

There were no further questions relative to the budget. General discussion followed of the problems on the dairy industry in the state. Senator Lamb thanked Mr. Cassady for appearing.

Senator Lamb then asked the committee to determine a time when they could meet for possibly two evenings each week. It was decided to hold additional meetings on Tuesdays and Thursdays from 4:00 p.m. until 6:30 p.m.

The meeting adjourned at 10:20 a.m.

RESPECTFULLY SUBMITTED:



MURIEL P. MOONEY, SECRETARY

APPROVED:



FLOYD R. LAMB, CHAIRMAN

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ASSEMBLY BILL NO. 152—ASSEMBLYMAN JACOBSEN

JANUARY 25, 1977

Referred to Committee on Agriculture

SUMMARY—Changes various provisions relating to state dairy commission.  
(BDR 51-101)

FISCAL NOTE: Local Government Impact: No.  
State or Industrial Insurance Impact: No.

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

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AN ACT relating to the state dairy commission; altering the composition and duties of the commission; changing the duties of the executive director; making it discretionary for the commission to establish minimum prices for certain milk products; requiring the commission to adopt certain regulations; changing the penalty provision; requiring notice of public hearing to be sent to the consumer affairs division of the department of commerce; increasing certain assessments; appropriating to the state general fund moneys received for certain penalties; repealing, effective July 1, 1979, all provisions relating to the state dairy commission; and providing other matters properly relating thereto.

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

- 1 SECTION 1. Chapter 584 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 and 3 of this act.
- 3 SEC. 2. *The commission shall adopt regulations establishing proce-*  
4 *dures for:*
- 5 1. *Its administration and government;*  
6 2. *The formation and adoption of stabilization and marketing plans;*  
7 3. *The conduct of its public hearings; and*  
8 4. *The manner in which cost information required of producers, dis-*  
9 *tributors, producer-distributors and retailers is determined and presented*  
10 *to the commission.*
- 11 SEC. 3. 1. *Written notice of any hearing held by the commission shall*  
12 *be mailed to the consumer affairs division of the department of commerce.*  
13 2. *The division may file with the commission any statement concern-*  
14 *ing the proposed action and may appear at the hearing to give evidence*  
15 *concerning the proposed action.*
- 16 SEC. 4. NRS 584.390 is hereby amended to read as follows:  
17 584.390 The production and distribution of fluid milk and of fluid  
18 cream is hereby declared to be a business affected with a public interest.  
19 The provisions of NRS 584.325 to 584.690, inclusive, and sections 2 and