

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
MARCH 28, 1977

The meeting was called to order at 8:00 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 Analysis
Howard Barrett, Budget Director
Cy Ryan, UPI
John Meder, Chief, Parks Division
Charles L. Wolff, Jr., Warden, Nevada State Prison
Michael L. Medema, Business Manager, Nev. St. Prison
Lowell V. Smith, State Forester
Stan Warren, Nevada Bell

S.B. 355: Makes appropriations to Nevada State Prison for establishment of honor camps for employment of prisoners upon conservation projects.

Senator Lamb asked Senator Young if he had any comments he would like to make with reference to S.B. 355.

Senator Young said this was a modest program. It makes appropriation to the Nevada State prison for the purpose of establishing honor camps for the employment of prisoners upon conservation projects; and provides other matters and is a good chance for training. He said he had asked the Warden, Mr. Smith and Mr. Meder to indicate what type of work could be done. He said he would like to turn the meeting over to them so they could indicate what they felt would be the feasibility of this type of program.

Mr. Meder said basically what they would be looking at would be conservation and maintenance work at parks. He said he was talking about two 10-man crews, which would be a total of 20 inmates. He said their utilization of men for these programs was not all that much; Mr. Smith of Forestry would have much more than Parks.

Mr. Wolff said that basically what they were thinking about is the possibility of having available on an on-going basis about 50 inmates to be involved in an operation of this nature. They were thinking about gathering some experience by developing a site of this nature on the existing land that they have next to the medium security prison. Based on that experience, they will see where they go from there. This area is about 1100 acres and they felt that placing the facility adjacent to the prison would effect certain economies and facilitate the utilization of these people by the using agencies without any problem.

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Mr. Smith said they could utilize 30 men on a round-the-year basis. Senator Lamb asked if it wasn't possible to use more than 50 men out of the nearly 1,000 men in the two prisons.

Mr. Wolff said when they go into these type of programs, where they are starting to move them out of the traditional institution setting, they need to do two things. They need to develop staff to supervise and the program has to be structured. He said they felt they could keep 50 men employed on an on-going basis because the 50 men will turn over at least a couple of times a year.

Senator Lamb said he spoke for the Committee when he said that they have been interested in a program like this for a long time. This program used to be in force, so they are familiar with it. Senator Young asked if this type of program had not worked well in other states, such as Colorado and California.

Mr. Wolff said those states had had these programs for a number of years. Senator Gibson asked why the previous program had been discontinued. Senator Young said there was some impact as the result of a woman being raped in the Peavine area and Senator Lamb said they had prisoners cutting stone and the Unions objected. Senator Young said that what was planned under this bill should not be considered competitive with the Unions because otherwise the work isn't going to be done. Senator Lamb said it would be incumbent upon the prison officials to have good security.

Mr. Wolff said that was why they wanted originally to establish the site on the land adjacent to the institution. It is a controlled setting and will give them the experience they need to structure a program.

Mr. Smith said that the program that they have now, using 20 inmates from medium security on an on-going basis all the time, works well. It works a lot better under an honor camp circumstance because you have a better type of rapport with the individuals and you have better inmates involved. Most of their work programs are through the Division of Forestry and they supply crews for Fish and Game and other entities. The honor camp concept has worked well throughout the Western part of the United States. California has many, many honor camp programs all through their system.

Senator Lamb asked if those in the honor camp system got a time reduction. Mr. Wolff said they would, it would be in excess of what they would get if they were doing time in an institution. They get 15 days a month. That is five days more than anyone else can achieve, which is quite an incentive.

Mr. Smith said they also received pay for some of the work that they do, \$3.50 per day. Mr. Wolff said this was more than anyone makes in an institution. They are also trained as fire crews and this is a vital part of the program.

Senator Echols asked if there was any training involved that would help them when they returned to society. Mr. Wolff said that basically one of the things was that they were doing a useful service, but more than that they are being trained as a fire crew and more than anything else they are learning how to work, and they will have the ability to put in an eight hour day when they go out, which is a great asset.

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Senator Lamb asked about the dairy farm connected with the prison system.

Mr. Wolff said this was one of the things that they would be spending a great deal of time on during the next two years. One is to make it cost effective if possible and the other is to expand the operation so they start to employ larger numbers of people. He felt this was a very useful operation.

Senator Young asked if there had been any studies made on the effect these honor camps have on the rate of recidivism. Has there been a better success ratio for those who have gone through this? Mr. Wolff said there had been a number of studies; he said he was not sure of the effect of the honor camp system on an individual that goes back out. The studies that he was familiar with were those programs that take an individual out of an institutional environment prior to going back into the community. These usually have an effect in that he is less apt to return to prison.

Senator Lamb asked if a budget had been prepared covering the expenditures covered by the bill. Senator Young said he had some material and he could not find it before he came to the hearing, but he would put it together. He said that he had a detailed budget.

Senator Lamb thanked them for appearing.

Senator Lamb asked if the Committee wanted to take action on the bill. Senator Glaser said he thought it was a good program and moved that the bill be approved; Senator Echols seconded and the motion passed.

A.J.R. 26: Proposes constitutional amendment to repeal certain pledges to state permanent school fund and to limit permissible investments of that fund.

Mr. Sparks reminded them they had previously decided not to amend the constitution to change the dedication of the penal fines for the permanent school fund. The only change the Committee wanted was to allow either the Legislature to determine the investment proceedings of the money or to spell out in the Constitutional amendment itself what they shall be invested for. The bill drafter has suggested this amendment which would leave it up to the Legislature to determine how those funds would be invested.

Senator Lamb read the amendments: Amendment #434A: page 1, line 16, delete the open and closed brackets; page 1, line 18, delete the open and closed brackets; page 1, line 26 delete "sources, in" and insert "sources [in"; page 2, line 2, delete the open bracket; in the title of the resolution delete lines 3 through 5 and insert "pledged for educational purposes by permitting the Legislature to determine the policies for investment of such revenues."

Senator Wilson moved that the Committee amend and do pass as amended; Senator Gibson seconded and the motion carried.

S.B. 144: Increases vehicle registration fees payable to agents.

Mr. Sparks said the Committee had instructed him to get with Mr. Lien of the Tax Commission to determine what amendments would be necessary or required to allow them to use DMV as a contract

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agent for the collection of sales and use tax. There are no amendments required to do that as the current law says "the Department of Taxation may designate the DMV as an agent for the collection of sales and use tax." On page 1, line 9, change 100,000 to 15,000; Section 2, page 1, line 24, delete \$6.50 and insert \$6.00. From there on out delete all new numbers and put back in the current existing rates for registration.

Senator Gibson moved the bill be approved as amended; Senator Wilson seconded and the motion passed.

S.B. 314: Authorizes state park system to accept Tule Springs for use as a state park.

Amend Section 1, page 1, delete line 1 and insert: "the state land registrar may accept"; Section 1, page 1, line 4, after Vegas insert "on behalf of the administrator of the state parks system"; Section 4, page 1, delete line 13 and insert "The state land registrar may acquire on behalf of the administrator of state parks system by"; page 2, amend the bill as a whole insert a new section to be designated as Section 5, following Section 4 to read: "Section 5. The state land registrar shall negotiate and execute land transactions authorized in this act before title to any of the lands may be accepted the state land registrar shall determine that the lands are free from encumbrances, except those to which reference is made in Section 1 of this act." Renumber Sections 5 and 6 as Sections 6 and 7, respectively. Amend the title of the bill, lines 1 and 2; delete "administrator of the state park system" and insert "state land registrar."

Senator Glaser asked how many deeded acres there were. Senator Lamb said there were over 800, subject to the lease.

Senator Young cited Section 4 which says "the state land registrar may acquire by lease or gift, from the U.S. BLM"; he asked if this was the property that was now under the control of the BLM that is contiguous? He suggested that the wording should be "by lease, purchase or gift". He said that sometimes when you express it one way, you exclude the other. He felt if it was possible to get the acreage from BLM by purchase, they should cover that in the bill. Senator Lamb asked Mr. Sparks to take the bill back to the bill drafter and have the word "purchase" inserted in Section 4, page 1, line 14.

Senator Young moved the Committee approve the amendment and do pass; Senator Echols seconded and the motion carried.

ECONOMIC DEVELOPMENT BUDGET: Senator Wilson moved for approval as recommended by the Governor; Senator Echols seconded.

Senator Gibson said that the Southern Nevada Industrial Foundation had asked the Committee to consider augmenting the budget to support their efforts in trying to develop some industry in the state. They are concerned with trying to diversify the fiscal base. He said they suggested that the Committee add an amount of money; at the present time they are supported by the Cities and Counties, but not to the extent that would allow them to pursue this program with the energy that they would like.

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Senator Gibson said that he and Senator Lamb had met with them and then talked with the Governor about their proposition and the Governor indicated that he did not want the money to come out of his budget. Senator Gibson was suggesting that the budget be augmented conditionally. They would have to raise \$125,000 or more in matching funds first before they would receive any state funds. This would be a commitment of \$250,000 for the biennium if they could come up with the matching funds first. This request was generally discussed. The Department had been making an effort to help the smaller counties in developing some industry, but it had not been too successful, so they wanted to try another approach. One of the concerns is that there is a trend in the country today to perhaps give the gambling industry in Nevada some competition. Nevada is a one-industry state and perhaps it would be wise to look ahead and make an effort to develop some other revenues for the State.

Senator Gibson said he felt the fact that they would have to come up with the matching funds before they got any money would serve as a brake to some of the problems that had been mentioned. Senator Wilson suggested that the Committee informally settle on the budget as it presently stands and reserve the question until they see where they are at the end. Senator Gibson suggested that they close the budget with that proviso. The Committee moved to close the budget.

SECRETARY OF STATE: Mr. Sparks said that the Secretary of State wanted some more money added if the Committee wanted to go along with printing the election results and the political history of Nevada. He was asking that \$5,000 be added the first year and \$18,337 the second year.

Senator Lamb asked Mr. Barrett why the Secretary had not given this to him to put in the budget, instead of coming in late and requesting it. Mr. Barrett said they did not have a detailed list from the Secretary when they finished his budget. This request was discussed and it was determined that this was in no way connected with S.B. 2.

Senator Gibson moved that the money be added; Senator Echols seconded and the motion passed with Senator Lamb dissenting.

Senator Gibson moved that they take \$30,000 out of the second year on line item labeled punch card ballots; Senator Echols seconded and the motion carried. Senator Gibson moved that the budget be closed as amended, subject to S.B. 2; Senator Echols seconded and the motion carried.

The Supreme Court budget was next discussed. The Committee agreed that they did not feel comfortable with the budget. Mr. Barrett said they did not review this budget because of the separation of powers. Senator Lamb asked Mr. Sparks to go over the budget and bring in a recommendation. He told him to feel free to call on members of the Committee for help in any areas where he felt it was necessary. Senator Gibson said he was bothered about assuming positions of the LEAA. He was not convinced the Court could absorb all that.

BOARD OF PARDONS COMMISSION BUDGET: Senator Echols moved that the Committee go with the Governor; Senator Gibson seconded and the motion passed.

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DISTRICT JUDGES SALARY BUDGET: Senator Echols suggested that some differential be made between urban metropolitan judges and the ones in the rural counties. Senator Glaser said as he understood it, they are moving the judges around to where the work load is. Senator Lamb said that was true, they are keeping the rural judges busy in other areas.

Senator Gibson moved the Committee go with the budget; Senator Wilson seconded and the motion carried.

DISTRICT JUDGES AND WIDOWS PENSIONS BUDGET: Senator Gibson moved that the budget be closed; Senator Glaser seconded and the motion passed.

EMPLOYEES MANAGEMENT RELATIONS BOARD BUDGET: Mr. Sparks said there were a couple of adjustments, one is in state owned building rents. In the first year this amount should be reduced to \$3,072; and the other is that taxes and assessments should be removed all together. Their payroll assessment somehow got charged in operating; it should be removed from the total. He said these figures were adjusted in the final budget document. A.B. 169 is pending and this bill allows for payment for board salaries; this amount is in the budget.

Senator Echols moved the budget be approved with the adjustments; Senator Young seconded and the motion passed.

The Division of Mental Hygiene-Mental Retardation budget was discussed. Mr. Sparks said the Committee had asked him to develop some alternatives to the Governor's proposal on the Mental Health programs. He submitted a memo on this to the Committee. The total recommendations would represent about \$500,000 for the biennium.

Senator Hilbrecht said he noticed the geneticist was not mentioned. He said he kept looking at that \$31,000 a year position. Mr. Sparks said the position itself was approved by an earlier Legislature. The justification for the position was considered to be very good; he felt the problem Senator Hilbrecht was having was how it has been or is being used. Mr. Barrett said that at the present time he was only putting in half time and the other half was spent in instructing at the University. He said the program had not been geared up to what the Legislature thought it was going to do and what it should be doing. Senator Hilbrecht said he was questioning the fact that it said it was a full time position with a salary of \$31,570 for the first year of the biennium. Mr. Barrett said it was a full time position and it was budgeted full time, but the individual in the position was only working half time, so the money is reverting in that area.

Senator Young said he had a lot of heart for the recommendations. The program is increasing rapidly and he was concerned where they were going, as he did not see how they could support that growth financially. Mr. Sparks spoke in detail to his memo recommending the deletion of some levels of administration. Senator Wilson felt it might be prudent to have both Mr. Barrett and Mr. Trounday review the recommendations and then respond to them. It was agreed that Mr. Trounday would meet with Mr. Barrett and appear before the Committee on March 29, at 8:00 a.m. Mr. Barrett said he did not necessarily go with the recommendation as listed in the memo. He said he believed that certain programs are not now being coordinated and he felt that the level of service in the budget would serve to coordinate the local programs.

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FULL TIME PAROLE BOARD BUDGET: Senator Hilbrecht asked if the Committee was not considering reducing the salaries in view of the fact that in starting up they would not be able to justify the work load for full time. He thought someone had some information on that. Senator Lamb said he had talked with Mr. Hocker on the full time board. He said Mr. Hocker had told him that the logical number of cases to be reviewed would be 100 a month; there would be about 10 or 15 a day reviewed. At that rate they would be working about 15 days a month. Senator Lamb said that the Board felt they needed more time on some cases. He said that Mr. Hocker thought the Committee should not cut their salaries.

Mr. Barrett said this was a budget that the Governor felt very strongly about, as the Chairman knew. Senator Hilbrecht asked Mr. Barrett how they arrived at the \$20,000 figure. Mr. Barrett said there was nothing particularly magic about it. He said they did not want to get it up so high that it was a professional kind of a salary; they wanted to keep it down lower so that it was a lay kind of salary, so the people who were coming in to be reviewed would not be judged by professionals, but instead by lay kinds of people.

Senator Gibson moved the budget be closed, subject to action on the bill creating the Full Time Board; Senator Glaser seconded and the motion passed.

CRIME COMMISSION-FEDERAL GRANTS BUDGET: Senator Gibson said this was a grant program. Senator Lamb asked if there were any state money involved. Mr. Barrett said the state appropriated 50% of the non-federal match for local governments.

Senator Gibson moved that the budget be closed; Senator Glaser seconded and the motion passed.

DEPARTMENT OF LAW ENFORCEMENT ASSISTANCE: Senator Glaser moved that the Committee go with the Governor; Senator Echols seconded. A general discussion on the budget followed. Senator Lamb asked for a vote and the motion did not pass. Senators Young, Echols and Glaser voted for the budget and Senators Hilbrecht, Lamb, Gibson and Wilson dissented.

Senator Lamb asked Mr. Sparks to review the budget and determine areas where cuts could be made and report back to the Committee.

P.O.S.T. Budget: Senator Glaser moved that the Committee go with the Governor's budget; Senator Echols seconded. Mr. Barrett said they recommended leaving the general fund dollars in there and if they get federal monies well and good. Senator Lamb asked for a vote and the budget was approved.

ID & COMMUNICATIONS BUDGET: Mr. Barrett explained that this budget and the next one, which is the federal dollars, was built upon receiving a certain level of federal dollars. The federal government indicated the state was not going to receive those federal dollars.

To reach a resolution of the problem it was recommended in the first year that \$26,500, or half of the communications appropriation, are to be put in this budget with general fund dollars and the other budgets stay as they are. The staff of the DLEA felt they could not get the federal dollars in the first year for the Communication Technicians and one of the Fingerprint people and the \$53,000 for their share of the Communications Board and assessments.

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In the second year the budget is based upon this budget receiving \$150,000 of the federal monies that come to the state and are discretionary with the state. So far as general funds are concerned there will be no change in the second year. Mr. Barrett said you have to look at the two budgets together because the first is state money and the second is federal money. The source of the federal money in the second one will be different but it will still be federal money. It will come from the state's discretionary allocation amount.

According to a meeting with the federal representatives held recently, the state will no longer get regular federal money for maintenance of the communications system, that is for the assessment to pay for their share of the communications system, nor can the state get it for communications technicians to operate the system. In the second year the state can only get it for enhancement, innovation and enrichment. He explained the allocation of dollars in the two budgets.

Senator Gibson moved that the Committee go along the Governor's latest recommendation; Senator Echols seconded and the motion carried.

ID & COMMUNICATIONS - FEDERAL BUDGET: Senator Gibson moved that the Committee go with the Governor's latest recommendation; Senator Echols seconded and the motion carried.

Mr. Barrett said there was another thing he should tell the Committee about the previous budgets. On the Communications Technicians, the budget office felt they could be continued on federal funds because they had assurances from the federal government that they would be covered through '78 - '79. Apparently there was a mistake between the agency and the regional agency and those assurances are not worth anything and they will not be covered on the regular grant. That is the reason they have to be switched over to this base discretionary amount that all the other state agencies compete for. He said the Governor wanted him to make sure that the Legislature understood that for the following biennium those positions would switch to 100% general fund dollars unless something changes in the federal procedures between now and then.

CRIME COMMISSION INVESTIGATION AND NARCOTICS DIVISION BUDGET: Senator Gibson moved that the Committee go with the Governor; Senator Wilson seconded and the motion carried.

Senator Lamb wondered about closing the budget. He said he had information from a law enforcement officer of 30 years. Mr. Sparks said that the proposal had been to reduce the narcotics and ID budget to a total staff of 12 from its current staff of 30. That would preclude them from going into Clark and Washoe Counties; they would only be involved in the small counties.

Senator Wilson asked if there was general criticism by Washoe and Clark with respect to the narcotics work or the other. Senator Echols asked who was presenting this information and Senator Lamb replied that it was Bart Jacka, Assistant Sheriff of Las Vegas, or Clark County. Mr. Sparks said that the only reason that state narcotics officers get involved in Clark and Washoe Counties is upon request or that narcotics do not stop at a county line. When they are tracking a narcotics case or following narcotics individuals, once they get into Clark and Washoe Counties they can't and do not stop that investigative case.

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Senator Lamb referred to an earlier hearing where they heard from the Chief of the Metro Police in Las Vegas, and their testimony was all opposed to this. Senator Young said he did not remember that there was any problem of coordination as he had directed questions to the men at that time on the subject. He said he did not see how they could cut down on law enforcement in this field, in view of the fact that they do not have a handle on it.

DAIRY COMMISSION BUDGET: Senator Wilson moved that they go with the Governor's recommendation; Senator Young seconded and the motion carried.

DIVISION OF WATER RESOURCES BUDGET: Senator Gibson moved that the Committee go with the Governor subject to the Department of Conservation's reorganization bill; Senator Young seconded and the motion carried.

FEDERAL LAND LAWS BUDGET: Senator Wilson moved the Committee go with the Governor's recommendation; Senator Echols seconded and the motion carried. (If this budget is affected by the reorganization, the budget will be adjusted.)

TAHOE REGIONAL PLANNING BUDGET: Mr. Barrett said the department head had asked for guidance on what budget adjustments would have to be made in the event Tahoe Regional Planning Agency is abolished. Mr. Barrett said their recommendation was that they write in the Appropriation Act that in the event there is a change that the \$50,000 be then allocated to Nevada Tahoe Regional Planning, which agency would replace the Tahoe Regional Planning Agency. Senator Young moved that the budget be approved; Senator Hilbrecht seconded and the motion carried. (This is contingent on TRPA.)

DIVISION ON STATE LANDS BUDGET: Senator Hilbrecht moved that this budget be approved; Senator Young seconded and the motion carried. (This budget is subject to S.B. 153.)

Senator Lamb said that at a hearing earlier he had asked the Communications Department to get back to the Committee with some answers. He said he had received some answers, but they were not the ones he wanted. So he had asked Stan Warren to take the answers and bring him back some explanation of them.

Mr. Warren of Nevada Bell distributed copies of the letter from the State Communications Board, also a copy of his letter analyzing their responses. (Copy attached.)

Mr. Warren said that the use of "hot line" was not a true designation. He said that a hot line as originally discussed was to link radio dispatchers together and he said he had reconfirmed this fact with Col. Lambert just a week or so ago. You have a dispatcher with a microphone that is paging cars and now the dispatcher should be able to talk with another dispatcher in another location. That was his analysis of the intent of what "hot line" was.

Now the term "hot line" is strewn all through their requirements. One of the agencies, LEAA, shows 21 "hot lines" and he didn't feel they were a major radio user and he felt there needed to be a better understanding of what "hot lines" are.

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Also he felt that data services are being provided presently by the state and perhaps they should be provided by the telephone industry. He said he would like to have a fair comparison as that was the only thing that was truly going to tell. He said that the telephone industry in the state had contacted the Governor and the Chancellor of the University and asked for permission to take a look at communications needs for the state. This was done nearly two years ago. He said they had done that and he had a copy with him of the recommendation. He had a feeling that the plan was to go ahead and use the Communications System to meet future data needs. He said a considerable part of the study made by the industry dealt with data needs.

He said that he felt that the Committee's question about the System's future use still needed answering. The representatives of the System had used an estimated \$1.5 million as the cost of the system to date. When he appeared before a legislative committee in 1975 they said then there was \$1.5 million in the system. He cited additional figures of \$82,000 in A.B. 161 last session, \$140,000 that was in S.B. 140 and an LEAA grant for \$600,000 plus; he felt the true figure was closer to \$2,349,000. He said he was not sure that was totally the investment, but it was the best he could determine.

He felt that the estimated annual circuit charges billed to the state agency should be analyzed by the Counsel Bureau's fiscal analyst for accuracy. In the letter from the State Communications Board they recommended that the Office of Research and Fiscal Analysis of the Legislative Council Bureau be appointed to assure compliance with the intent of NRS 233.080. He said he felt this was a good recommendation. It would also prove or disprove the cost figures that the System is using on a per circuit basis. He said he still did not know when the system was going to be completed.

These remarks, along with comments in his letter, give his summary to the letter which he was asked to review. He thanked Senator Lamb for the opportunity to analyze the letter. Senator Lamb thanked him for his efforts.

SENIOR CITIZENS PROPERTY TAX ASSISTANCE BUDGET: Mr. Sparks said that S.B. 113 was the administration bill to implement the budget. He said there were four or five other bills pending. Senator Lamb said that the budget could be closed and the budget adjusted if the legislation affected it. Senator Gibson moved that the budget be approved subject to whatever the bills would finally require; Senator Hilbrecht seconded and the motion carried.

Senator Hilbrecht introduced his father, Norman Hilbrecht, a structural engineer who retired 2 years ago. He said he had asked his father to look at the foundations of the Capital Building. If the Committee had a few minutes, he said he was sure his father would be glad to tell them what he had already told Senator Gibson. Senator Lamb asked Mr. Hilbrecht to speak.

Mr. Hilbrecht said he made what might be called a cursory look at the existing structure and he was much impressed by the way the building has stood up through the years. It has resisted what could apparently be called a sizable earthquake, about a 6, and this is getting into the high damage area. He understood that it was in the early 50's.

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Mr. Hilbrecht said that was not the only one there had been, but in view of what the building has stood he thought it had stood up very excellently. The building could be reinforced further on the inside if it was feared that you would get something more damaging than has been. He said that what had been proposed, to gut the entire building, is entirely feasible and could be done, but you would spend an awful lot of money and still not accomplish what a person would want to.

One point is that Carson City is on a major fault and when a person considers that and what has happened, he felt that the structure that is presently in existence could be reinforced to make it adequately safe against heavier stuff that might occur and probably at an acceptable amount of money. Whereas, the other program to completely gut that building is tremendously expensive and he believed that even though they have an estimate of about \$6 million, it might even run way more than that by the time they got into it. He said he felt they could, for a much smaller expenditure, reinforce the building enough to keep it for its historical value perhaps more than anything else.

Functionally it is limited, of course, to what it is now, but he felt if the balance of the money were spent somewhere else, they could make a building that would satisfy their purposes. He recognized that the people in Nevada have an interest in this building from an historical standpoint, and within the amount of money they are willing to spend, it can be reinforced to the extent that it would resist collapse way more than it would in its present condition, even under heavier earth disturbances. He said he would have to do a lot more cutting than had been done to make a further study and he didn't feel it would change his evaluation that much.

Senator Hilbrecht said that he would like the record to reflect that his father felt that \$6 million was a very conservative figure and he would estimate the cost to be a great deal more to effectuate the project that is supposed to be done by the State Public Works Board. Mr. Hilbrecht verified these facts and said that considering what would have to be done in there, he would not be surprised if they ultimately came up with a real higher figure if they got right down to wanting to do the job.

Senator Young asked how high he felt it could go. Mr. Hilbrecht said maybe a couple or three million more. If they made a close estimate figure on it they might find an awful lot more work that would have to be done, in piece meal fashion, all costly, way more costly than original construction would be. Senator Lamb thanked Mr. Hilbrecht for looking at the building.

The meeting adjourned at 10:30 a.m.

RESPECTFULLY SUBMITTED:


MURIEL P. MOONEY, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. J. R. 26

ASSEMBLY JOINT RESOLUTION NO. 26—COMMITTEE ON
GOVERNMENT AFFAIRS

FEBRUARY 23, 1977

Referred to Committee on Government Affairs

SUMMARY—Proposes constitutional amendment to repeal certain pledges to state permanent school fund and to limit permissible investments of that fund. (BDR C-23)



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

ASSEMBLY JOINT RESOLUTION—Proposing to amend section 3 of article 11 of the constitution of the State of Nevada relating to sources of revenue pledged for educational purposes by permitting the legislature to determine the policies for investment of such revenues.

- 1 *Resolved by the Assembly and Senate of the State of Nevada, jointly,*
2 That section 3 of article 11 of the constitution of the State of Nevada be
3 amended to read as follows:
4 **[Section]** *Sec. 3.* All lands, including the sixteenth and thirty-sixth
5 sections in any township donated for the benefit of public schools in the
6 act of the Thirty-eighth Congress, to enable the people of Nevada Terri-
7 tory to form a state government, the thirty thousand acres of public lands
8 granted by an act of Congress, approved July second, A.D. eighteen hun-
9 dred and sixty-two, for each senator and representative in Congress, and
10 all proceeds of lands that have been or may hereafter be granted or appro-
11 priated by the United States to this state, and also the five hundred thou-
12 sand acres of land granted to the new states under the act of Congress
13 distributing the proceeds of the public lands among the several states of
14 the union, approved A.D. eighteen hundred and forty-one; provided, that
15 Congress make provision for or authorize such diversion to be made for
16 the purpose herein contained; all estates that may escheat to the state;
17 all of such per centum as may be granted by Congress on the sale of lands;
18 all fines collected under the penal laws of the state; all property given or
19 bequeathed to the state for educational purposes, and all proceeds derived
20 from any or all of said sources shall be and the same are hereby solemnly
21 pledged for educational purposes, and shall not be transferred to any other
22 funds for other uses; and the interest thereon shall, from time to time, be
23 apportioned among the several counties as the legislature may provide by
24 law; and the legislature shall provide for the sale of floating land warrants
25 to cover the aforesaid lands, and for the investment of all proceeds derived



CARSON CITY, NEVADA 89710

RECEIVED
LEGISLATIVE COUNSEL BUREAU

MAR 14 1977

March 11, 1977

OFFICE OF FISCAL ANALYSIS

M E M O R A N D U M

TO: Ron Sparks, Chief Deputy Director, Office of Fiscal Analysis

FROM: Wm. D. Swackhamer, Secretary of State

SUBJECT: Budget requests for printing and duplicating for
F. Y. 1977-78 and 1978-79.

The office of the Secretary of State has requested the amount of \$30,000.00 for each of the fiscal years 1977-78 and 1978-79 for printing and duplicating expenses. We have also indicated that should the Legislature desire the printing for distribution of additional informational pamphlets, money should be appropriated over and above those amounts requested. The following estimates are based on last known costs, and a contingent per centum has been added for anticipated increases.

For Fiscal Year 1977-78:

Corporate Law Digest	\$ 1,793.73
Non-profit Corp.	727.45
Nevada Securities Act	241.41
Uniform Commercial Code Act	727.45
Notary Commission Phamplet	241.41
Ethics Commission	1,000.00
Lobbying Disclosure	2,400.00
	<hr/>
	\$ 7,131.45
Plus 20% contingent	1,426.29
	<hr/>
	\$ 8,557.74
Plus operating costs:	
Forms, certificates, photostat, & duplicating supplies, etc.	21,406.00
TOTAL F. Y. 1977-78	<hr/>
	\$ 29,961.00
ROUNDED:	\$ 30,000.00

For Fiscal Year 1978-79:

Election Regulations	\$ 2,216.22
Election Law Digest	1,841.29
Campaign Practices	1,677.24
Constitutional Amendments	414.72
	<hr/>
	\$ 6,144.47
Plus 20% contingent	1,228.84
	<hr/>
	\$ 7,373.31
Plus operating expenses:	
Forms, Office supplies, Duplicating & Photostat supplies, etc.	21,447.00
TOTAL F. Y. 1978-79	<hr/>
	\$ 29,820.00
ROUNDED:	\$ 30,000.00



CARSON CITY, NEVADA 89710

March 11, 1977

M E M O R A N D U M

TO: Ron Sparks

FROM: Wm D. Swackhamer

Page 2

Over and above these anticipated expenses would be the estimated cost of the following publications should the Legislature desire the publications to be distributed:

For F. Y. 1977-78:

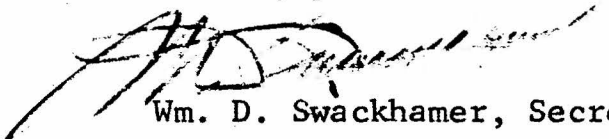
Political History of Nevada \$ 5,000.00

For F. Y. 1978-79:

Primary Election Results 4,848.00
General Election Results 8,489.00
\$18,337.00

It might be noted that the allocation for printing and duplicating in the current F. Y. 1976-77 is \$25,000.00. Expenditures to date thru the end of February, 1977 are \$22,697.33. Encumbered or obligated is an additional 2,905.62, the total of which already will exceed the allocated amount with four months remaining in the fiscal year.

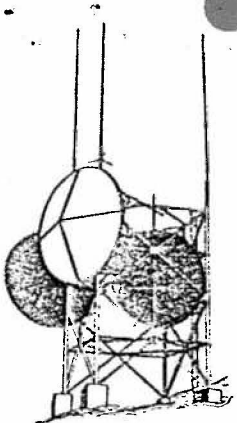
Should you need further information, please call.


Wm. D. Swackhamer, Secretary of State

STATE OF NEVADA
STATE COMMUNICATIONS BOARD
CARSON CITY, NEVADA 89710



GOVERNOR MIKE O'CALLAGHAN



March 25, 1977

BOARD MEMBERS

DIRECTOR

DEPARTMENT OF
MOTOR VEHICLES

Senator Floyd Lamb
Nevada State Legislature
Carson City, Nevada 89710

STATE HIGHWAY
ENGINEER

DIRECTOR

COMMISSION ON
CRIME, DELINQUENCY
AND CORRECTIONS

Dear Senator Lamb:

DIRECTOR

CIVIL DEFENSE AND
DISASTER AGENCY

The following information is provided as requested at the Committee Hearing of April 24, 1977. I have stated your questions, as I understand them, and have provided the relative information below each question.

DIRECTOR

DEPARTMENT OF
CONSERVATION AND
NATURAL RESOURCES

With reference to the issue on "expansion" of services and facilities, I would like to recommend that the Office of Research and Fiscal Analysis of the Legislative Council Bureau be appointed to assure compliance with the intent of NRS 233 F.080. I have spoken with several of our Board members on this issue and none of them have opposed any restrictions you may put on them as far as justifying the use of the State Microwave System.

DIRECTOR

DEPARTMENT OF
GENERAL SERVICES

DIRECTOR

DEPARTMENT OF
FISH AND GAME

1. HOW MANY STATE AGENCIES USE THE SYSTEM, HOW MANY CHANNELS DO THEY HAVE AND HOW DO THEY PROPOSE TO USE THEM?

Highway Department

Number of Channels

for: Remote Control of Radios	17
for: Hot Lines	6
Total	23

Division of Forestry

for: Hot Lines	2
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Department of Fish & Game

for: Hot Lines	2
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Department of Motor Vehicles

for: Remote Control of Radios	19
for: Hot Lines	14
for: Data Circuits	7
Total	40

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Crime Commission

for: Remote Control of Radios	11
for: Hot Lines	21
for: Data Circuits	21
Total	<u>53</u>

2. HOW MUCH MONEY HAS BEEN SPENT ON THE SYSTEM SO FAR?

State Highway Fund (1968-1974)	\$ 430,000.00
Federal matching funds from	
Civil Defense (1969-1974)	350,000.00
Federal Grant (LEAA) (1974-75)	609,000.00
Legislative Appropriation (1975-76)	<u>201,381.00</u>
TOTAL	\$1,590,381.00

3. HOW MUCH EXPANSION IS FORECAST FOR THE SYSTEM AND WHAT WILL IT COST?

<u>State Agencies</u>	<u>Estimated Amount</u>
-----------------------	-------------------------

Highway Department	
8 Hot Line Circuits	16,000.00
7 Data Circuits	17,500.00

Other

Spurs into the following communities will only be put in if funding from these counties is provided for construction. These spurs would provide channels for law enforcement and Civil Defense in those communities.

Eureka	48,420.00
Hawthorne	47,504.00
Yerington	60,368.00
Fallon	64,836.00
Pioche	87,296.00
Battle Mountain	75,607.00

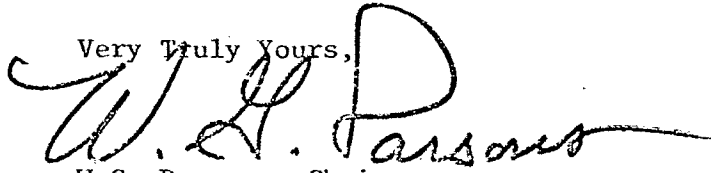
4. HOW MUCH DOES IT COST TO MAINTAIN A CHANNEL ON THE STATE MICROWAVE SYSTEM TODAY AND HOW MUCH IS THE FORECASTED COST GOING TO BE IN THE FUTURE?

Presently the annual maintenance charge per channel is \$1,276.00. This charge remains constant no matter where in the state the channel goes. This charge will rise proportionate to the cost of running our agency. i.e., increase in salaries, manpower increases, inflation, etc. We hope to offset some of these increases however, by increasing the use of our system which will generate more revenue and in turn offset any inflation factors. We feel

that we will, in any instance, be well under the cost of comparable services from the telephone industry.

We sincerely hope that we have answered all of your questions. If you need further clarification on any of the above or have additional questions we will be very happy to oblige in assisting you. Also enclosed, for informational purposes, you will find a copy of a report made to Governor O'Callaghan.

Very Truly Yours,

A handwritten signature in cursive script that reads "W.G. Parsons". The signature is written in dark ink and is positioned above the typed name.

W.G. Parsons, Chairman

WBP/cb

enclosure: copy of report to Governor O'Callaghan, July 30, 1976



Nevada Bell

645 E. Plumb Lane
Reno, Nevada 89505
Phone (702) 789-6102

E. S. Warren
Administration Manager
Public Affairs

March 28, 1977

The Honorable Floyd Lamb
Legislative Building
Carson City, Nevada 89710

Dear Senator Lamb:

Thank you for the opportunity to analyze the State Communication Board's response to your request for a statement of the intended use of their system. They were also to advise you of their current investment and the total future investment of this system, and they were to have explained when the system was planned to be completed.

Some of the above questions have been answered and some have not. The following are my summary replies to answers given to the four questions:

Question #1. Who uses the system, and for what purposes: The term "Hot Line" was originally intended to mean a circuit that would link mobile radio dispatchers together for a single agency - i.e.: Nevada Highway Patrol, Reno - Carson City - Las Vegas, etc. I reconfirmed this with Colonel Lambert on Tuesday, March 22, 1977. In answer to question #1 in the Board's letter, there is, collectively shown, 46 "Hot Lines." One agency, the Crime Commission, shows a use of 21 Hot Lines. Since they are not recognized as a major radio user, I feel more should be known about their needs. Are these telephone lines, radio dispatch lines, or what?

Also, in answer to this question, I noticed the use of 28 data circuits. Nevada Bell, until now, has met the State's data needs. To my knowledge, no comparison of costs have been made as to who can provide these needs most economically, nor has the Interim Finance Committee approved of these services being provided by the State rather than the telephone industry.

In general, the reply to question #1 only answers the question of circuit use and does not address itself to the future and ultimate plans for the system as you asked.

Question #2. Relates to system investment. It was stated in the 1975 Government Affairs hearings that there was already \$1,500,000 invested in the system. That same year SB 140 was passed which allocated another \$119,000 and also received that year, was \$648,000 from an LEAA grant. This, coupled with \$82,500 allocated in AB 161 of the last session, equals a total system investment of \$2,349,500, and does not include any monies that may be spent this year. The agency said in their response to this question, they have \$1,590,381 invested. It would appear that their estimate of investment is off about \$1,000,000. I personally feel the investment in this system is even greater than my calculations indicate.

Question #3. Related to system expansion, and was answered with the statement that there will be another 8 "Hot Lines" and 7 data circuits added. Again, I question the term "Hot Lines." And may I remind you that no comparisons have been made in meeting the State's data needs with an industry proposal.

Question #4. Delt with their prorated annual costs for individual circuits. I don't recall this question being asked, but I agree with their preliminary suggestion that the Counsel Bureau's fiscal analyst should be appointed to assure compliance with NRS 233F.080, and by doing so they could determine the accuracy and accountability of this annual figure to determine if it is competitive or not.

In summary: I believe the term "Hot Line" is being used to disguise the true use of telephone circuits.

I feel data services are being provided by the State, and perhaps they should be provided by the Telephone Industry. Only a fair comparison will tell.

I feel your question about the system's future use still needs answering. What will this communications system ultimately be used for?

I feel the system's investment figures are incomplete. (By (\$1 million)

The estimated annual circuit charges billed to State agencies should be analyzed by the Counsel Bureau's fiscal analyst for accuracy.

When the system is to be completed is still unclear to me.

I know this is a cumbersome, and highly technical matter with which to deal, and I appreciate your concern. May I suggest another possible solution to this thorny problem might be that you ask the Communications Board to place Nevada Bell on their mailing lists for copies of all correspondence and notices of meetings. This would be a step in the right direction. If we knew more of their plans, perhaps we wouldn't be opposing their efforts.

I would appreciate meeting personally with you to further discuss the contents of this letter.

Sincerely,


Administration Manager