

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

January 26, 1979

Chairman Mello called the meeting to order at 7:00 a.m.

PRESENT: Chairman Mello, Vice-Chairman Bremner, Mr. Barengo, Mrs. Cavnar, Mr. Glover, Mr. Hickey (late: 7:10 a.m.), Mr. Mann, Mr. Rhoads, Mr. Vergiels, Mrs. Wagner, and Mr. Webb.

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director; Jim Wittenberg, State Personnel Administrator; Roger Laird, Employer-Employee Relations Officer; Robert Gagnier, SNEA; John Buchanan, Director of Economic Development; Ed Fike, President, Nevada Development Authority (NDA); Tim Carlson, Executive Director, NDA; Sherman Miller, Past President, NDA; Donald Dawson, Coordinator of Henderson Industrial Trades; Carol Hawks, Four Corners Regional Commission; C. J. Hadley, Nevada Magazine; Bert Fitz, Chairman, Department of Public Works; Bill Hancock, Department of Public Works; Roy Nickson, Executive Director, Department of Taxation. See attached Guest List.

GOVERNOR'S PAY PACKAGE

Chairman Mello introduced Jim Wittenberg, State Personnel Administrator, and Roger Laird, Employer-Employee Relations Officer, to explain the Governor's pay package.

Mr. Wittenberg pointed out that this is the first time that the Employees' Association and the Administration have gone together to present the pay package to the Legislature. He said there were three main factors used in determining the recommended pay increases -- those being the annual wage and salary survey, the current inflationary increases, and the new Presidential guidelines.

Mr. Wittenberg stated that with the Governor's recommended salary increases of 8% effective January 1, 1979, and the recommended cost-of-living increase of up to 5.5% effective January 1, 1980, the classified employees would still be losing 3.5% of their buying power to inflation. Mr. Wittenberg explained that the recommended salary increases did not meet the projected inflationary increases because the administration did not want to exceed the Presidential guidelines, and that allowances for promotions and merit salary increases had to be made in the recommendations to avoid going over the guideline of 7% per year in a multi-year contract. He further explained that the cost-of-living increases in the second year could go to 6.5% if Federal inflationary guidelines are removed prior to or during 1980 and if the CPI is 6.5%.

After illustrating the formula used in determining the increases, Mr. Wittenberg concluded his presentation by saying the overall increases to State employees totalled 6.2% per year -- well below the 7% per year guideline established by the Federal government.

Assembly

Mr. Mann asked why the Governor's recommendation did not give the classified employees the remaining .8% to bring them to the total allowed under the guidelines. Mr. Wittenberg stated the primary concern was not to exceed the guidelines and that the variations of promotions, reclassifications, and merit salary increases could have moved the State over the guidelines had a 7% increase per year been recommended. Mr. Mann indicated that the classified employees would regret settling for less, especially if the rest of the nation did not also follow the guidelines.

Mr. Hickey stated that the rate of unclassified salary increases was inconsistent with what the Governor is recommending for classified employees' raises and that was not fair to the classified employees. Mr. Wittenberg said this was not necessarily the case because lower paid employees get annual merit salary increases which tend to accelerate people through the lower levels. He stated 70% of the promotions occur below Grade 35 or 37.

Mrs. Wagner requested a chart of the classified salary structure. Mr. Wittenberg distributed a chart (Exhibit "A") which explained how grades and steps work; however, he said he would supply a compensation schedule to Mrs. Wagner. The chart was intended to illustrate the fact that the compensation structure accelerates more at the lower levels.

Mr. Mann stated that Mr. Wittenberg was the first State manager who deserved his 40% pay raise because he had pulled off the biggest flim-flam ever seen. Mr. Mann went on to say that he would never know how Mr. Wittenberg sold the pay package to the State employees.

Mr. Rhoads asked for an explanation of the merit salary increases (MSI). Mr. Wittenberg explained that MSIs were originally designed to encourage good employees to remain in the State's employ, but that the current practice of making the MSIs almost automatic tends to foster mediocrity. He stated he does support a revision in the current system.

Mr. Glover inquired as to whether dropping the two holidays as recommended would effect productivity. Mr. Wittenberg indicated he thought not. He pointed out that State government used to grow at a greater rate than the State; however, growth in these two areas is now equal. He felt the fact that State government is increasing at a decreasing rate indicated more productivity in State employees.

Mr. Glover asked about the State turnover rate. Mr. Wittenberg stated the average rate is 18% and that turnover in the lower grades is somewhat higher. He indicated the rate in the State Personnel Division is 26%.

Chairman Mello asked what the purpose was in changing classified employees' titles, i.e., from a Clerk Typist to an Administrative Aide II, Range A, a title which is no longer descriptive of the duties of the position. Mr. Wittenberg indicated the primary reason for the change was that the people in the positions wanted the change; however, the substance to the study that resulted in the name change was to lower the minimum qualifications and to provide quicker acceleration through the lower classes. Upon further questioning by the Chairman, Mr. Wittenberg said the objective of the study was not to provide clarity for people who don't use the system and that the title change was only one facet of the study.

Mrs. Wagner requested job descriptions for all classes. Mr. Webb requested, in addition to the job descriptions, a schedule indicating the change in acceleration from previous schedules.

Mrs. Cavnar asked for an explanation of the change in insurance rates which was explained by Mr. Laird. Mr. Laird also explained the Federal guidelines for including insurance increases in the Federal guidelines.

Chairman Mello introduced Robert Gagnier, Executive Director of SNEA. Mr. Gagnier distributed a SNEA Salary Information Booklet to the committee and addressed his comments to the information contained therein. (This booklet is on file in the Fiscal Division.) Mr. Gagnier indicated the employees association was concerned with far more than the Presidential guidelines. He said the primary reason the Association

settled for the package was they felt it was the best they could hope to get approved by the Legislature. Mr. Gagnier further pointed out that the package represented a reasonable compromise that included realistic insurance increases as well as the sick leave and annual leave modifications.

Mr. Glover asked what the Federal sanctions for non-compliance with the Federal guidelines were. Mr. Wittenberg indicated impoundment of some \$200 million in Federal funds was the possible sanction. In addition, it was his understanding further authorizations for enforcement powers were being requested by the Federal government.

AB 104

Chairman Mello directed the Committee's attention AB 104. Mr. Bremner moved to "DO PASS"; seconded by Mr. Webb. Motion carried unanimously.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Chairman Mello introduced John Buchanan, Director of Economic Development.

Mr. Buchanan commented on the functions of this department -- that is, to promote diversified industries in the State.

Chairman Mello pointed out to the Committee that Mr. Buchanan's salary is recommended for a 17% increase. Mr. Buchanan replied that the increase was in line with other administrative heads around the State.

Chairman Mello requested Mr. Alastuey to provide the Committee with a list of the administrative heads everyone compares themselves with as soon as possible. Mr. Alastuey indicated that, although this request would take some time, he would see to it.

Mr. Barengo stated the position had been making \$19,375 in 1976-77 and was now being recommended for \$25,000 three years later.

Mr. Webb questioned the need for this department. Since the free-enterprise system in Nevada has already created an almost unmanageable boom, he did not see the necessity or feasibility of spending more money to attract more people to the State. Mr. Buchanan stated that there is a need for diversification of industry in the Southern Nevada area, especially in view of the threat of gaming in other states. He pointed out that rural areas, in particular, need help stabilizing their economies and because of insufficient local funds, need the assistance of a State agency.

Mr. Glover inquired as to the possibility of the department preparing a map of all Nevada airports for use by small aircraft pilots and others. Mr. Buchanan stated that the State Aeronautics Program, totalling about \$30,000, was left out of the Governor's budget.

Mr. Rhoads requested an explanation of what the \$9,824 in dues and registrations had been expended for in fiscal year 1977-78. Mr. Buchanan said he would find out and report back.

Mr. Barengo inquired as to what the duties of the Management Analyst I were. Mr. Buchanan stated the position mainly does research and statistical work and answers industrial questions in Carson City.

Mr. Bremner noted the large difference between the agency request of \$57,943 and the Governor's recommendations of \$58,000 in print duplicating and copy, and inquired as to whether Mr. Buchanan could live with the Governor's recommended budget. Mr. Buchanan indicated he would try.

Mrs. Wagner asked what was contained in the contract services line item. Mr. Buchanan said the amounts were to purchase services of consulting and advertising firms to do brochures used by the department in promotions. He further stated that \$50,000 shown in fiscal year 1977-78 expenditures had been transferred to Nevada magazine by the 1977 Legislature.

Chairman Mello reminded Mr. Buchanan that that transfer had been part of the Governor's recommendation.

Mr. Barengo inquired as to what had become of the Statistician II approved in the 1977-79 biennial budget. Mr. Alastuey suggested to the Committee that the position had probably been reclassified by State Personnel.

Chairman Mello introduced Ed Fike, President of the Nevada Development Authority (NDA); Tim Carlson, Executive Director of NDA; and Sherman Miller, Past President of NDA. The gentlemen presented budgetary information as outlined in Exhibit "B."

Mr. Miller indicated NDA had been responsible for bringing several large industries to Southern Nevada. Chairman Mello pointed out that Mr. Goodman (the previous Department of Economic Development Director) had taken credit for those industries coming into Southern Nevada. Mr. Miller stated that it had been a team effort, but that NDA was just happy to have the industries located in Southern Nevada.

Mr. Fike then requested the Committee to consider giving the Department of Economic Development a \$1.3 million budget for the biennium with \$300,000 being earmarked for NDA.

Mr. Bremner requested Mr. Fike to supply a copy of the requested budget to the Committee, which Mr. Fike said he would do.

Mr. Fike went on to explain that NDA is not duplicative of the Department of Economic Development, but rather works with the Department, and concentrates its effort in the Southern Nevada area.

Chairman Mello introduced Donald Dawson, Coordinator of Henderson Industrial Trades. Mr. Dawson addressed his comments to the information contained in Exhibit "C."

Mr. Ernie Newton also supplied the Committee with a handout from the Nevada Chamber of Commerce (Exhibit "D") expressing support for the Economic Development Department.

FOUR CORNERS REGIONAL COMMISSION

Chairman Mello introduced Carol Hawks, Deputy Director, Economic Development, who gave a presentation on the Four Corners Regional Commission detailing the \$1,544,455 in grants brought to Nevada through the Commission shown in Exhibit "E."

Ms. Hawks pointed out that, through the Four Corners Regional Commission, \$2 million in excess property had been made available to Nevada.

Mr. Bremner asked about the increases in both the in-state and out-of-state travel categories as compared to the work program amounts. Ms. Hawks explained that the fiscal year 1978-79 amounts shown in the budget were incorrect and that the correct amounts are now \$10,000 in out-of-state and \$4,700 in the in-state travel categories. She said the reason for the large amounts being expended in out-of-state travel was due to the Governor's appointment as the Chairman of the Commission. The in-state travel increases were attributable to more activity on behalf of the Commission.

Chairman Mello asked what had caused the large increase in the dues to the Regional Commission which went from \$20,000 in fiscal year 1977-78 to \$50,000 in both years of the biennium. Ms. Hawks explained the dues were for membership to two different sections of the Regional Commission. She said \$30,000 was for general membership to the Regional Commission, and \$20,000 was for membership to the Tourism branch of the Commission.

"NEVADA" MAGAZINE

Chairman Mello introduced C. J. Hadley, Publisher and Editor of Nevada magazine.

Ms. Hadley stated that when she took over the Nevada magazine in 1975, she was told to put it in the black, and, through increased subscriptions, advertising sales, and distribution, she has done just that. She pointed out that currently 50,000 people buy Nevada magazine and 150,000 read it. She has accomplished this through increased promotions; and that, as a result of this, higher distribution increased tourism dollars are coming into the State. She detailed the increase in revenues that she anticipates in fiscal year 1978-79, and stated that, at the time the budget was prepared, uncertain revenue projections caused her to prepare a conservative budget. Now, the revenue looks better and she would like to move to a bi-monthly publication, thereby increasing the competitiveness of her product.

She requested the Committee consider a General Fund appropriation to pay for the printing of the two additional editions to be produced under the bi-monthly concept. With the anticipated revenue from the sales of the magazine, she stated she could hire the additional personnel she needs and pay back the General Fund in ten years time. With increased revenues she requested she be allowed a \$200,000 reserve in her budget with the rest going back to the General Fund.

Mr. Mann inquired as to why Ms. Hadley was only requesting a \$78 increase for the next biennium in her salary. Mr. Alastuey explained that Ms. Hadley is in the classified service and the salary projection shown in the budget indicates she will reach the top of her grade in the coming biennium. Ms. Hadley stated she was not sure about the increases because she had requested but had never received a second budget hearing from the Budget Office.

PUBLIC WORKS BOARD

Chairman Mello introduced Bert Fitz, Chairman of the Public Works Board (PWB); and Bill Hancock, Manager, PWB.

Mr. Hancock handed out a schedule (Exhibit "F") which detailed the Board's statutory responsibilities and their project work load since 1969. Mr. Fitz requested the Committee review the unclassified salary recommendations for the Manager and Deputy Manager. He indicated both incumbents are registered architects, and said the Board did not believe the recommended salary increase compensated them adequately. He pointed to the work program year and indicated that three classified employees are currently making more than the Deputy Manager. Mr. Fitz compared the positions of the Manager and Deputy Manager to the local public works directors of Washoe County, Reno, Sparks, and Carson City, who all currently have annual salaries ranging from \$35,484 to \$30,143.

Mr. Glover asked if any of the classified employees were currently compacted by the 95% requirement. Mr. Hancock said currently the Supervising Architect lost \$592 annually to compaction and that amount would go to \$791 annually under the Governor's recommendation. He added that three additional employees would be impacted under the Governor's recommendation, each losing \$592 annually.

Mr. Hancock proceeded to explain his budget. He pointed out that should the new prison be located in Ely, an additional \$1,100 would be needed in in-state travel in fiscal year 1979-80, and \$2,700 would be needed in the second year of the biennium. He stated the recommendation would be sufficient if the prison were located anywhere else.

Mr. Hancock also explained the contract services line item includes lease of a Mag card typing system at \$3,000 per year, as well as a terminal connection to a life cycle costing data base in California.

He pointed out this information is necessary pursuant to legislative direction, and will assist in budget division operating estimates in future biennia.

DEPARTMENT OF TAXATION

Chairman Mello introduced Roy Nickson, Executive Director of the Department of Taxation.

Mr. Nickson addressed the one-shot appropriation request for the Senior Citizens Property Tax Deferral program. He stated that the program is based on similar programs in Oregon. He explained that deferrals would accumulate interest at the rate of 6% per annum, and that the counties would be reimbursed by the Department of Taxation to avoid tax loss of local funds.

Mr. Glover asked how the figure of \$5,350,000 was determined. Mr. Nickson said he was unsure because the proposal was developed by the Department of Administration. Mr. Glover said it was his understanding the program was not going well in Oregon, mainly because many older people do not want to have the deferral burden on their heirs. Mr. Nickson stated that he is confident of maximum participation in the program if it is properly explained to the senior citizens. He stated that the program is completely optional on the part of the senior citizens.

Chairman Mello stated he had heard diverse opinions on the success of the Oregon programs and requested the taxation subcommittee to check into how the program is actually working in Oregon.

Mr. Nickson then presented his budget to the Committee. His comments are detailed in Exhibit "G."

Mrs. Cavnar inquired about the discrepancies between the agency request of \$54,000, and the Governor's recommendation of \$31,000 for the other contract services line item. Mr. Nickson explained the line item was to pay for leases on word processors, Mag typewriters, dictaphone equipment, and answering machine. He indicated that it would be difficult, and transfers from other operating line items might have to be requested.

APPRAISAL SYSTEM ASSISTANCE FUND

With regard to the Appraisal System Assistance Fund, Mr. Nickson stated that monies in this fund are for the purpose of providing loans to counties that wish to computerize their appraisal programs per NRS 360.282. He said that no loans had been made, although Eureka County was going to request a loan until net proceeds of mines receipts in that county afforded them the opportunity to install the program without the loan.

Mrs. Cavnar asked if the money could not be better used in another area, since it was not necessary here. Mr. Bible explained that the monies in this fund are part of the State's investable cash if they are not being used.

SENIOR CITIZENS PROPERTY TAX ASSISTANCE

Mr. Nickson stated that an appropriation of \$1,650,000 is being requested for Senior Citizens Property Tax Assistance. Mr. Nickson directed the Committee's attention to the fiscal year 1977-78 expenditures for salaries. He said he felt that the salaries of the permanent employees who work on the program should be chargeable against the program. He continued that if the Senior Citizens Property Tax Deferral Program is passed, the additional funds would be placed in this account, as he reads the bill.

Chairman Mello questioned that approach indicating that these programs were two separate programs. He indicated that much confusion may result if the two are combined. Mr. Alastuey said that BDR 32-1071, which is currently being drafted, provides for the Senior Citizens Tax Deferral Program combination with this current program. Under the two programs, no one could claim the same dollar twice, and it is intended that the portion of property tax which is not rebated under the current property tax program may be deferred under the new program.

Chairman Mello thanked Mr. Nickson for his presentation and referred the Committee to the Minutes of January 17, 18, and 19, 1979, for approval. Motion for approval made by Mr. Bremner; seconded by Mr. Hickey. Motion carried unanimously.

Mr. Alastuey provided replies to some earlier questions (Exhibit "H").

The meeting was adjourned at 10:10 a.m.

DATE: February 26, 1979

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

John Buchanan

Econ. Development

Mary E. Whitson

SNEA

STAN MOSITER

SNEA

ANTHONY PALAZZOLO

SNEA

Alice McHarris

Ch. 8 TV - KVCB Radio

Bob Felton

SNEA

Sam Palazzolo

SNEA

Donna D. Grubbe

John Rice

AP

C. J. Hadley

Nevada Magazine

Michael Chambliss

Southern Nevada Economic Development C.

CAROL BAKER

" " " " "

Georgia Taylor

" " " " "

Nathaniel Jacob

" " " " Las Vegas

TIM CARLSON

NEV. DEV. AUTHORITY

Sherman Miller

" " "

B. R. Newton

Nevada State C of E Assoc.

John McFarlane

Four Corners General Association

Gene Butler

Four Corners Regional Commission

Donald McLawson

Henderson Industrial Traders

Ed Fike

N. D. A.

CONTENTS

- I. Introduction
- II. Budget Information
- III. Activity Outline
- IV. New Industry Profile
- V. Nevada's Return on Its Investment
- VI. What New Jobs Mean to Southern Nevada
- VII. What New Jobs Mean to Nevada Tax Revenues
- VIII. What is Happening in Other States

Tim Carlson
Speech for Nevada Legislature
January 26, 1979

Explicitly stated in its Articles of Incorporation, the Nevada Development Authority is a corporation "organized solely for the promotion and advancement of industrial activities in the state of Nevada and particularly in Clark County thereof, and for the benefit of such community as a whole."

Nevada Development Authority is an organization which has in essence been established for over twenty years. During most of that time, it was known as the Southern Nevada Industrial Foundation, and only during the last few years has carried the name of Nevada Development Authority.

The newly reorganized NDA performs a vital service to the growing needs of Southern Nevada by supplying industrialists with the professionalism they expect.

Through the vast experience within the 250 members of NDA, ranging from architects to retail merchants, and that of the professional staff which handles the day-to-day inquiries, no door is left unopened to the visiting client.

A little over two years ago, men such as Sherman Miller and Ed Fike, realized that the time had arrived to adjust the tempo of Southern Nevada's industrial growth. This action was brought about due to the reality that Southern Nevada will be faced with severe economic problems unless steps are taken to diversify our area's #1 industry, tourism. I predict that

within the next five years, gaming will be located in several other areas throughout the United States. Only last week, a bill was introduced in the California legislature encouraging gaming along the routes to Nevada. Someday legislation like this will pass. Southern Nevada is also faced with the reality of the Nevada Test Site seeing drastic changes in the number of employees, which at the present time is 5,000. With the simple signing of a document, Southern Nevada would be faced with a severe economic problem.

It is for this reason that we approach you today. To hopefully prove to you that economic growth is vital to each and every Nevadan and that private industry can work with government for a unified goal.

At this time, I would like to introduce to you Sherman Miller. Mr. Miller has been instrumental in the success of NDA during the past two years. Serving as its president during that period of time, he will be able to explain to you the development process which took place in bringing together a viable sales organization. After Mr. Miller has spoken, you will hear from Ed Fike, who presently serves as president. He will be confronting you with the facts of what the economic dollar really means to the people of Nevada.

Ladies and Gentlemen, thank you for your time.

EXHIBIT "B"
(page 3 of 13 pages)

BUDGET INFORMATION

1976/77:

Budget total of \$72,500.00

County)	\$20,000.00
City)	5,000.00
Private)	47,500.00

1977/78:

Budget total of \$181,337.00

County)	\$ 20,000.00
City)	14,400.00
Private)	110,937.00
State)	36,000.00

1978/79:

Budget total of \$218,500.00

County)	\$ 25,000.00
City)	22,500.00
Private)	153,000.00
State)	18,000.00

Marketing program:

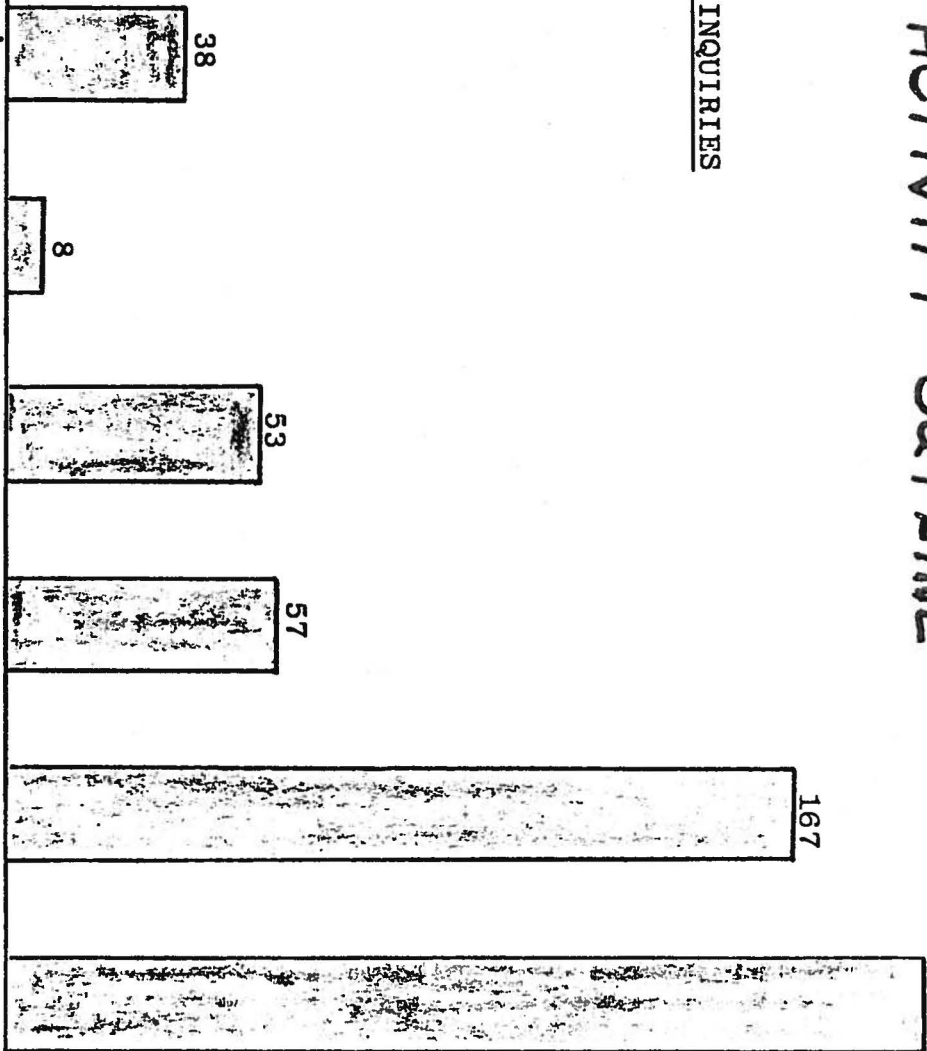
inflight ads
dioramas
display booth
brochure

Increase in staff from two people in 1976 to five in 1978.

EXHIBIT "B"
(page 4 of 13 pages)

NDA ACTIVITY OUTLINE

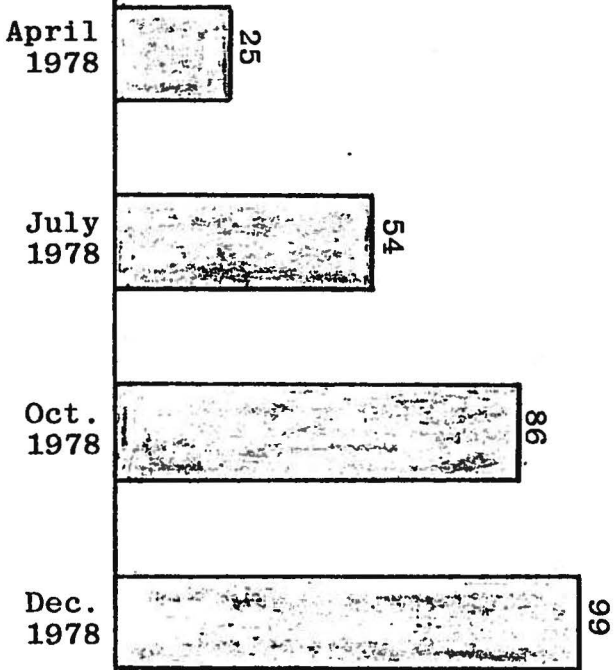
INQUIRIES



ACTIVE CLIENTS

NO RECORD

July '77
to
March '78



NDA ACTIVITY OUTLINE

Inquiries:

This graph represents the number of inquiries received from companies who are seriously seeking sites for expansion or relocation of an existing facility.

Active Clients:

An active client is a company which after receiving and examining an initial packet of information from NDA says, "yes, Southern Nevada would fit into our game plan. It has the qualities we are looking for."

This outline shows the dramatic increase in both inquiries and active clients which took place as NDA's marketing program went into full swing.

EXHIBIT "B"
(page 6 of 13 pages)

NEW INDUSTRY PROFILE FOR SOUTHERN NEVADA

FISCAL YEARS 1977/78 and 1978/79

EXHIBIT "B" f 13 pages (page

1 Group	2 Activity mfg/whs/dist	3 Facility size in sq. ft.	4 Value of facility	5 # of employees	6 Potential property tax receivable	7 Factor	8 New households	9 Value of new homes & apts. @ \$40,000.00
I								
Buster Brown Textiles	whs/dist	67,000	\$ 1,675,000	60	\$ 29,312.50	.5	30	\$ 1,200,000
Levi Strauss	whs/dist	300,000	7,500,000	275	131,250.00	.5	137	5,480,000
McDonnell Douglas	whs/dist	110,000	2,750,000	20	48,125.00	.8	16	640,000
II								
American Atomics	mfg	40,000	1,000,000	125	17,500.00	.4	63	2,520,000
Ennis Business Forms	whs/dist	*20,000	500,000	20	8,750.00	.4	8	320,000
Ethel M's	mfg/ /dist	70,000	1,750,000	40	30,625.00	.4	16	640,000
Flexible Tubing	mfg/whs/dist	*100,000	2,500,000	40	43,750.00	.8	32	1,280,000
G.E.C. Industries	mfg	*50,000	1,250,000	40	21,875.00	.8	32	1,280,000
G.T.E. Sylvania	mfg	*55,000	1,375,000	200	24,062.50	.7	140	5,600,000
J.C. Penney	whs/dist	1,850,000	75,000,000	2,250	1,312,500.00	.4	900	36,000,000
Panasonic	whs/dist	150,000	3,750,000	40	65,625.00	.5	20	800,000
Retired Persons Services	whs/dist	20,000	500,000	20	8,750.00	.2	4	160,000
Saluto Foods	mfg/whs/dist	100,000	2,500,000	50	43,750.00	.4	20	800,000
Total - Group I		477,000	\$ 11,925,000	355	\$ 208,687.50		183	\$ 7,320,000
Total - Group II		2,455,000	\$ 90,125,000	2,825	\$ 1,577,187.50		1,235	\$ 49,400,000
GRAND TOTAL		2,932,000	102,050,000	3,180	\$ 1,785,875.00 yr.		1,418	\$ 56,720,000

10. Potential property tax/employees: Group I - 128,100
 Group II - 864,500
 Grand Total - 992,600

* These companies anticipate expansion of plant or operation soon after completion of original construction.

A) Total value of construction (plants & dwellings) - \$158,770,000.00 (total of 4 & 9)

B) Total annual property taxes on (A) above - \$ 2,778,475.00 (total of 6 & footnote 10)

EXPLANATION OF NEW INDUSTRY PROFILE
CHART FOR SOUTHERN NEVADA.

Column 1: Divided into two groups showing those industries presently located in Southern Nevada within the past year and those companies who have committed themselves to a Southern Nevada location. (Presently active clients)

Column 2 & 3: This information comes from NDA's client files.

Column 4: Represents the dollar value of each facility as determined by applying a conservative figure of \$25.00 per square foot to the facility size in column 3.

Column 5: This figure again, comes from information in NDA's client files.

Column 6: The maximum tax rate of \$5.00 per \$100.00 of assessed value was applied to the valuations in column 4.

Column 7: Each of these factors were established by taking into consideration the type of functions which take place at each new facility and the kind of employees required to perform those functions. Companies which would be hiring more women than men would, as a general rule, create fewer new households.

Column 8: The number of new households created was determined by applying the factor in column 7 to the number of new employees in column 5.

Column 9: This value was determined by applying the number of new households to a household value of \$40,000 per unit.

Footnote 10: The potential property tax on employee property was determined by using the maximum tax of \$5.00 per \$100.00 of assessed valuation to the totals in column 9.

- A) The total value of construction on plants and dwellings is \$158,770,000 (total of column 4 & 9).
- B) Total annual property taxes on (A) above is \$2,778,475 (total of column 6 & footnote 10).

WHAT 3,180 NEW JOBS WILL MEAN TO SOUTHERN NEVADA



11,162
more people



\$32,944,800
more personal
income per year



\$17,967,000
more retail
sales per year



3,085
more families



\$15,582,000
more bank
deposits



32
more retail
establishments



2,162
more employed in
satellite jobs



\$102,050,000
new plant
construction



\$56,720,000
new home and
apt. construction

WHAT 3,180 NEW JOBS WILL
MEAN TO SOUTHERN NEVADA.

"When a new manufacturing plant goes up, there is a net addition to income in the local community. The new payroll dollars flow into the cash registers of local merchants and into the coffers of local banks. Since the plant may purchase locally many materials, utilities, and services, the local economy expands. This economic expansion is usually reflected in increases of population, school enrollment and other concomitants of general community growth."¹

In 1973, the Chamber of Commerce of the United States published a report entitled "What New Jobs Mean to a Community." Within this report was a table which showed the effect of 100 new jobs on a community. We have reproduced that table showing the effect of 3,180 new jobs rather than 100. In reviewing this information, remember, every industrial expansion is unique and no two communities experience the same effects from a new payroll. However, the report does provide a basis to examine the potential effects of new industry in Southern Nevada.

1. "What New Jobs Mean to a Community", page 1, published by the Chamber of Commerce of the United States, copyright, 1973.

EXHIBIT "B"
(page 10 of 13 pages)

WHAT 3,180 NEW JOBS WILL MEAN TO NEVADA TAX REVENUES ANNUALLY



\$1,785,857

property tax on
plant and equipment



\$992,600

property tax
on dwellings



\$628,845

additional
sales tax

NEVADA'S RETURN ON ITS INVESTMENT IN THE NEVADA DEVELOPMENT AUTHORITY.

$\frac{\$3,407,302}{54,000}$

return of \$63.10 per \$1.00 invested by the state.

$\frac{\$3,407,302}{3,180 \text{ jobs}}$

each new job produces \$1,071.48 in property and sales tax revenues.

EXHIBIT "B"
(page 11 of 13 pages)

WHAT 3,180 NEW JOBS WILL
MEAN TO NEVADA TAX REVENUES.

The effects of new industry on tax revenues can also be examined using the National Chamber's report, as well as, other criteria. It follows that new manufacturing plants or warehouses produce an increase in property tax revenues. Property taxes also increase when new employees purchase homes or when apartments are built for their use. (And increased retail sales produce increased revenues from sales taxes. Additional revenues arise from increased gasoline taxes and utility taxes.)

RETURN ON INVESTMENT

An increase of almost \$3.5 million will flow into government coffers as a direct result of new industry. This tax revenue will be an annual return on Nevada's investment in economic development.

EXHIBIT "8"
(page 12 of 13 pages)

WHAT'S HAPPENING IN OTHER STATES

<u>State</u>	<u>*Annual Budget</u>
Ohio	\$4,000,000.00
Texas	1,277,366.00
Colorado	1,304,000.00
New Mexico	1,741,000.00

* Information obtained from Industrial Development and tourism agencies of each state showing yearly allocations.

EXHIBIT "B"
(page 13 of 13 pages)



ASSOCIATION OF

Henderson Industrial Trades

107 Water Street, Henderson, Nevada 89015

Phone: (702) 564-1468 or 565-8951

January 22, 1979

Mr. John Buchanan, Director
Nevada State Department of Economic Development
State Capital Building
Carson City, Nevada 89710

Dear Mr. Buchanan,

We thank you for the opportunity to meet with you on January 19, 1979.

The Association of Henderson Industrial Trades is looking forward to working closely with both your Carson City and Las Vegas offices as we have in the past.

Henderson, Nevada is the new frontier for diversified industry. Our thousands of acres in industrial land will be an attraction for distribution centers, assembly and light manufacturing. The climatic advantages coupled with favorable industrial tax structure and the accessibility to the Western States Market provides a sales package envied by our neighbor states.

Levi Strauss, Buster Brown Textiles, Artex International and J. C. Penn along with our other industries are the stepping stones for a bright and productive future.

The Association of Henderson Industrial Trades is a field force for the productivity of your Nevada State Department of Economic Development. Without field force knowledge and technical ability toward local conditions throughout the State of Nevada, progress will be hampered.

Our association, via the Henderson Chamber of Commerce, has been financially supported by your department during the past two years in the amount of \$6,000.00 annually. The City of Henderson has also supported the organization in the amounts of \$2,000.00 and \$5,000.00 during the same period. We feel the past two years have been quite successful and the fruits of our efforts will begin in the near future with announcements of new industry location in Henderson, Nevada.

In order that we can conduct an effective promotional program, we ask that the State of Nevada, Department of Economic Development financially support this association, via the Henderson Chamber of Commerce in the amount of \$12,500.00 annually during the next two years. It shall be understood, the association will attempt to provide matching funds via the City of Henderson and membership dues.

106

EXHIBIT "C"
(page 1 of 2 pages)



ASSOCIATION OF

Henderson Industrial Trades

107 Water Street, Henderson, Nevada 89015

Phone: (702) 564-1468 or 565-8951

The Association of Henderson Industrial Trades of Henderson, Nevada is a non-profit organization dedicated to promote, attract and encourage clean compatible industry, warehousing, distribution centers and corporate offices to locate within and adjacent to its boundaries. Provide employment for its adult and youth and strengthen the economic base of the City, County and State of Nevada.

Again, we are looking forward to being a part of your team.

Sincerely,


Donald M. Dawson
Coordinator

EXHIBIT "e"
(page 2 of 2 pages)

January 26, 1979

ASSEMBLY WAYS and MEANS COMMITTEE:

I have been asked by Chuck Ruthe, President of the Nevada Chamber of Commerce Association to submit the following for your consideration.

It is of great importance that the State Department of Economic Development be continued and strengthened. In years to come this department can provide necessary programs to insure economic diversification for the entire state.

At this stage the department and its advisors must set some long range goals and operating procedures to establish much needed continuity to reach both short and long term goals.

In the months and years to come it is essential staff positions include professionally trained economists and statisticians. This will be of particular importance to provide necessary services to smaller communities which do not have such expertise available. This will also provide a desirable working relationship between them and their counterparts in the larger communities.

We also believe that the statutory advisory boards to the department could be utilized to much greater advantage. There are many successful business people in our state from highly diversified areas of enterprise who could fill these positions.

....more

EXHIBIT "D" 108
(page 1 of 2 pages)

NEVADA CHAMBER OF COMMERCE ASSOCIATION
Assembly Ways and Means Committee
January 26, 1979

page 2

We believe regular meetings of the advisors with minutes of those meetings or a digest of recommendations and actions circulated through the state could be most beneficial.

We would be happy to have the State Chamber cooperate to assist with such distribution. As a final note, our State Chamber would welcome the opportunity to jointly sponsor with the State Department of Economic Development an annual seminar to analyze existing problems and help the department determine future needs and direction.

Thank you.

EXHIBIT "D"
(page 2 of 2 pages)

FOUR CORNERS REGIONAL COMMISSION

September 1, 1978

TECHNICAL ASSISTANCE GRANT EXPENDITURES
BY STATE AND FISCAL YEAR

NEVADA

<u>Project Name</u>	<u>Contractor</u>	<u>FCRC Grant</u>
<u>TRANSITION QUARTER</u>		
Regional Planning Coordination	Office of the Governor	\$170,071
Westside Development Plan	Nevada Department of Development	115,000
Westside Action Plan	Control Data Corporation	5,000
State Investment Planning	Office of the Governor	<u>45,000</u>
	Sub-Total, Transition Quarter	\$335,071

EXHIBIT "E"
(page 1 of 15 pages)

FOUR CORNERS REGIONAL COMMISSION

September 30, 1978

TECHNICAL ASSISTANCE GRANT EXPENDITURES
BY STATE AND FISCAL YEAR

NEVADA

<u>Project Name</u>	<u>Contractor</u>	<u>FCRC Grant</u>
<u>FY 1977</u>		
Carson Valley Aerial Mapping	Carson Valley Cons. Dist.	\$ 79,000
Tech & Admin Support	Office of the Governor	12,000
Alamo Water Study	Alamo Sewer & Water Dist.	9,000
Ely Arts & Crafts Demo.	White Pine Council of Arts	4,150
Tech & Admin Support	Office of the Governor	<u>50,000</u>
	Sub-Total FY 1977	\$154,150

EXHIBIT "E"
(page 2 of 15 pages)

September 30, 1978

TECHNICAL ASSISTANCE GRANT EXPENDITURES
BY STATE AND FISCAL YEAR

NEVADA

<u>Project Name</u>	<u>Contractor</u>	<u>FCRC Grant</u>
<u>FY 1978</u>		
Nevada Foreign Trade Zone Feas Sty		\$ 48,424
Reg Planning Coordination		94,633
Pioche Water System Study		10,000
So Nevada Econ Dev Council		82,000
Washoe County Water Study		15,144
Nevada Tech & Admin Support		15,862
Caliente Utility Master Plan Sty		28,050
Carson City Fire Fighter Trn Fac		170,360
Econ Dev of Indian Elderly on Reserv		104,898
Seismic Hazard Mitigation Prog & Plan		29,554
Pinon-Juniper Prod Market Feas Sty		19,054
Nev Cont Comp Econ Dev Plan Prog		66,243
Gabbs Water System		18,000
Gerlach Water Rehabilitation		36,665
White Pine County Econ Develop		100,000
Mineral County Public Works Imp		<u>38,047</u>
	Sub-Total FY 1978	\$ 876,934

September 30, 1978

SUPPLEMENTAL GRANT EXPENDITURES
BY STATE AND FISCAL YEARNEVADA

<u>Fiscal Year</u>	<u>Project Name</u>	<u>Basic Agency</u>	<u>FCRC Grant</u>
<u>1977</u>	Tuscarora Water Impr.	FHA	\$ <u>5,500</u>
<u>1978</u>	Alamo Sewer & Water Improvement	FHA	\$ 138,200
	Tuscarora Water Improvement	FHA	<u>34,600</u>
	Sub-Total, FY 1978		\$ <u>172,800</u>

RECAPITULATION

1977	\$ 5,500
1978	<u>172,800</u>
Grand Total	<u>\$ 178,300</u>

EXHIBIT "E"
(page 4 of 15 pages)

FOUR CORNERS REGIONAL COMMISSION
PROJECTS AND FUNDING

Office of the Governor
Regional Planning Coordination

T/A

\$170,071

Contract with Governor's Office of Planning Coordinator to develop the mechanisms needed to give Nevada an efficiently operating economic development planning process and to implement other mechanisms to resolve some of the State's key development issues.

Nevada Department of Economic Development
Westside Development Plan

T/A

\$115,000

Contract with Westside Comprehensive Community Economic Development for the development and implementation of an Overall Economic Development Plan for the West Las Vegas black area. This plan and its implementation will increase the employment, increased employment variety, better housing, increased industry, and more accessibility to federal funding.

Nevada Department of Economic Development
Westside Development Plan
(Control Data Corporation)

T/A

\$ 5,000

Contract with the Westside Comprehensive Community Economic Development to be incorporated into the present contract. Purpose, to interview persons in the Las Vegas area regarding joint action committee of different racial and ethnic backgrounds to plan and lead implementation to correct problems in the West Las Vegas area.

Office of the Governor
State Investment Planning

T/A \$45,000

This contract with the Department of Economic Development was to provide the necessary personnel, materials, travel and facilities to establish and maintain continuing and effective liaison between the Commission and the State of Nevada.

Carson Valley Conservation District
Carson Valley Aerial Mapping

T/A \$79,000

Contract with Carson Valley Conservation District to do photographic mapping on a scale of 1" = 400' of irrigated lands within the Carson Valley to supply local, county, state and federal officials with sufficient detail to formulate needed alternatives for planning of the Carson Valley River System.

Office of the Governor
Technical and Administrative Support

T/A \$12,000

Contract with Department of Economic Development. Increased funding for fiscal year to continue to provide necessary personnel, materials, travel and facilities to establish and maintain continuing and effective liaison between the Commission and the State of Nevada.

Alamo Sewer and Water District
Alamo Water Study

T/A \$9,000

Contract with Alamo Sewer and Water District to do preliminary engineering report to evaluate water facilities in Alamo area so that repairs and construction

could be implemented in the future.

White Pine Council of Arts
Ely Arts and Crafts Demonstration

T/A

\$4,150

Contract with White Pine Council of Arts and Humanities to demonstrate the use of indigenous clays and glazes in the craftsmanship program. To acquire equipment to test and develop the natural resources of the area.

Office of the Governor
Technical and Administration Support

T/A

\$50,000

Contract with Department of Economic Development for FY-77-78. To provide the necessary personnel, materials, travel and facilities to establish and maintain continuing and effective liaison between the Commission and the State of Nevada.

Latin Chamber of Commerce
Foreign Trade Zone Feasibility Study

T/A

\$48,424

Contract with the Latin Chamber of Commerce. A U.S. Foreign Trade Zone is an enclosed area physically located in the United States, but is considered outside U.S. Custom's Territory, however under Custom's Supervision. The study is designed to show that by developing a Foreign Trade Zone in Nevada there will be an increase in jobs, commerce and products in the State. That imports from foreign countries, such as Latin America, Japan, Phillipines and Spain can be increased and that new warehousing and light industry can be brought into Nevada.

EXHIBIT "E"
(page 7 of 15 pages)

Office of the Governor
Regional Planning Coordination

T/A

\$ 94,633

Contract with Governor's Office of Planning Coordinator.
A continuation of previous contract for the identification and analysis of problems within the State and the Resources available to solve the problems. To establish comprehensive economic development to plan the future growth of the State.

Lincoln County Commission
Pioche Water System Study

T/A

\$10,000

Contract with Lincoln County Commission to assess the existing problems in Pioche and Caselton regarding a deteriorating water system. Study will provide data, documents and research necessary for long range planning in connection with the development of water supplies and systems for the community.

Southern Nevada Economic Development Council
Westside Comprehensive Community Economic Development Plan
(Continuation of Project)

T/A

\$82,000

Contract with Southern Nevada Economic Development Council Inc. A continuation of the work completed under contract with Westside Comprehensive Community Economic Development Plan, and to implement the Overall Economic Development Plan. The process will leverage city, state, county and federal resources with private capital and resources for the creation of jobs for the resident population thereby improving the economic base of the "Westside Community".

Nevada Division of Water Planning
Washoe County Water Study

T/A

\$15,144

Contract with Nevada Division of Water Planning.

FCRC	\$15,144
Water Resource Council	7,500
Nev. Div. of Water Planning	7,500

Total project cost \$30,144

The project will assess the future water requirements of Washoe County and will investigate ways of easing the water shortage in the area. Supplemental water supply sources will be investigated and also water conservation procedures will be studied by land use and economic projection.

State Department of Economic Development
Technical and Administrative Support

T/A

\$15,862

This contract with the Department of Economic Development was to provide the necessary personnel, materials, travel and facilities to establish and maintain continuing and effective liaison between the Commission and the State of Nevada.

City of Caliente
Caliente Utility Master Plan

T/A

\$28,050

Master Plan for the City of Caliente to evaluate and assess the city's present and future growth patterns. Evaluate the water, sewer and flood systems and suggest ways to rectify areas of need.

Nevada State Fire Marshal
Carson City Fire Department and
Multi-County Training Facility

T/A

\$170,360

Submitted by the Nevada State Fire Marshal. A training facility to simulate and evaluate fire protection and preventive action measures related to life, safety and property protection. Facility will be made available to all counties.

Nevada Inter-Tribal Council
Cultural Enrichment and Development
for Indian Elderly on Reservations
in Nevada

T/A

\$104,898

Submitted by the Inter-Tribal Council. Will give the Indian elderly the opportunity to become substantially more financially independent by marketing their unique arts and crafts.

Governors Office of Planning Coordination
Seismic Hazard Mitigation Program

T/A

\$29,554

Submitted by Governor's Office of Planning Coordination. This program is to survey, review and make recommendations regarding earthquake hazard mitigation procedures and earthquake damage contingency planning within Nevada.

EXHIBIT "E"
(page 10 of 15 pages)

Nevada Division of Forestry
Pinyon-Juniper Products Market
Feasibility Study

T/A

\$19,054

Submitted by the Division of Forestry. Determine the economic feasibility of producing and marketing structural board products from Pinyon-Juniper in White Pine County, Nevada.

Governor's Office of Planning Coordination
Economic Development Planning Process Project

T/A

\$66,243

Submitted by the Governor's Office of Planning Coordination. Institutionalize an economic development planning process to the Executive Branch of the State's key economic issues and coordinate the allocation of its resources.

City of Gabbs
Gabbs Preliminary Water System

T/A

\$18,000

Submitted by the City of Gabbs. Collect data on water rights, inventory of existing water systems and evaluate alternatives for a storage and distribution system.

EXHIBIT "E"
(page 11 of 15 pages)

Washoe County
Gerlach Water Rehabilitation Project

T/A

\$36,665

Submitted by Washoe County. Additional water service to adequately handle an expanding tourism industry as well as improving the distribution to the retirement community.

White Pine County Development Corporation
White Pine County (Ely) Economic Development

T/A

\$100,000

Submitted by White Pine County Development Corporation. Feasibility study and implementation for industrial development and diversification.

Mineral County
Mineral County Public Works
Investigation and Pre-Design Engineering

T/A

\$38,047

Submitted by Mineral County. Prepare a pre-design report detailing the design criteria, design and construction recommendation, mechanics of system or facility operation, preliminary drawings for Mina, Luning and Hawthorne Industrial Park water supply.

EXHIBIT "E"
(page 12 of 15 pages)

Elko County
Tuscarora Water District

S/G

\$40,100

Contract with County of Elko, Tuscarora Water District.

FCRC	\$ 40,100
FmHA Grant	34,000
FmHA Loan	34,000
Local	13,500

Total project cost \$121,600

Construction and repair of the existing water system in Tuscarora. Construction of spring water collection system, storage tank, new mains, valves and 4 new fire hydrants.

City of Alamo
Alamo Sewer and Water Improvement District

S/G

\$138,200

Contract with Alamo Sewer and Water District

FCRC	\$138,200
FmHA Grant	194,800
FmHA Loan	400,000

Total project cost \$733,000

Project is the result of a previous Pre-Design Study funded by Four Corners Regional Commission. The Supplemental Grant is an implementation of that study. Grant will construct diversion box at Ash Springs, construct hypochlorinator, booster station, new mains, 49 new meters, head tank and 200,000 gallon storage tank.

Latin Chamber of Commerce
Foreign Trade Zone Application Phase II \$59,522

T/A

Contract with Latin Chamber of Commerce.

FCRC	\$59,522
Latin Chamber	20,067
In-Kind	2,650

Total project cost \$82,239

This phase will direct the Latin Chamber of Commerce in its application for a Foreign Trade Zone and its implementation.

Minor changes in the scope of work in Phase II are: to seek financial commitments for the zone and coordinate with the county with the Federal Foreign Trade Zone board.

City of Wells
Water Analysis and Study \$ 14,400

T/A

Contract with the City of Wells

FCRC	\$14,400
Division of Water Planning	2,000

Total project cost \$16,400

Analyze and define Wells' need to its water supply and distribution system. Help anticipated growth, fire protection and lower Wells' operation and maintenance costs. Wells will seek funding to finance improvements with local share by either assessments or revenue bonds.

EXHIBIT "E"
(page 14 of 15 pages)

County of Esmeralda
City of Goldfield Water Study \$18,200

T/A

Contract with Esmeralda County

FCRC	\$18,200
Esmeralda County	800

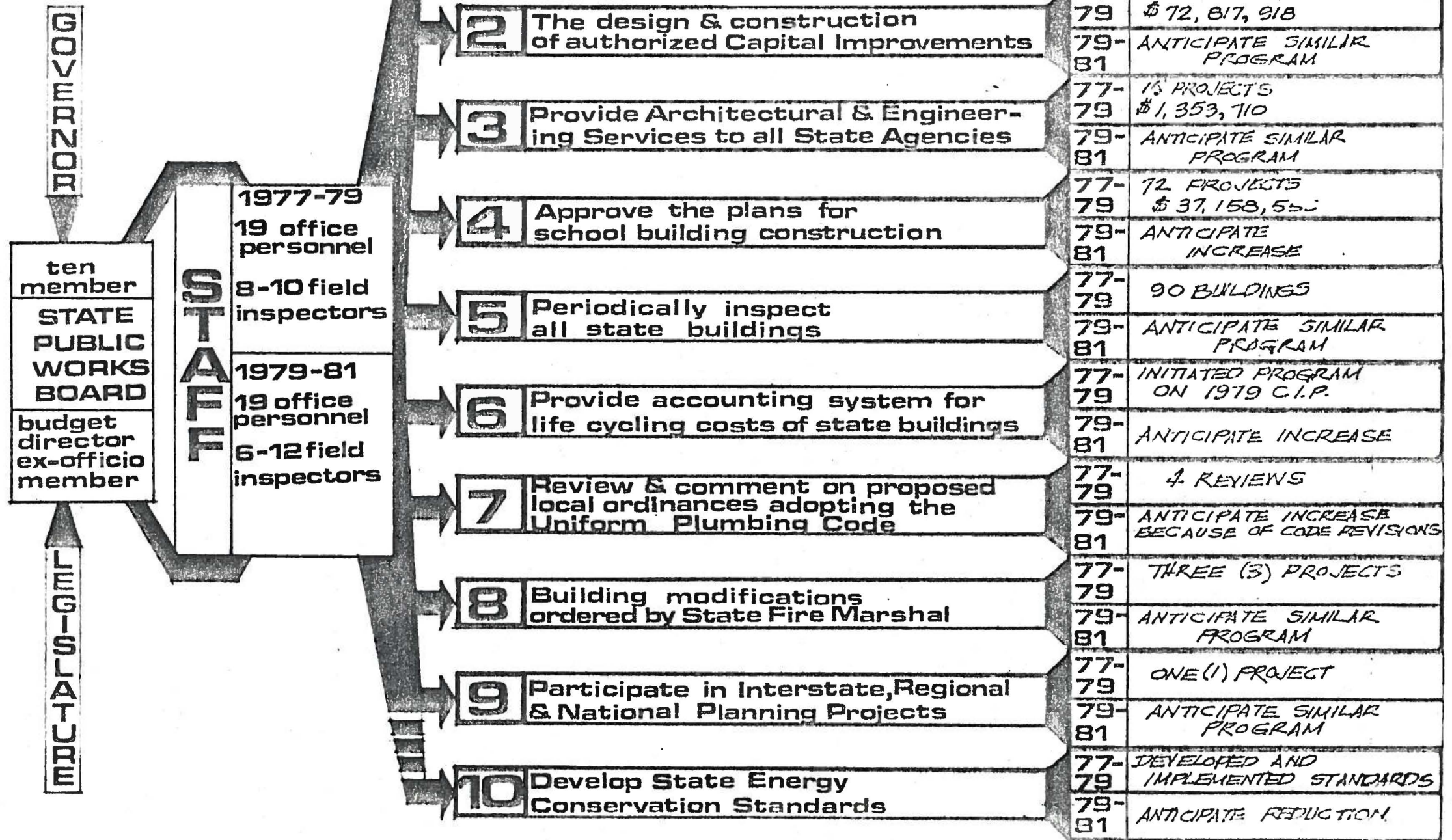
Total project cost \$19,000

Engineering study of the City of Goldfield of existing water system, inventory of existing facilities and recommendations to correct deficiencies. Esmeralda will seek funding to finance improvements with FmHA Loan and Grant, HUD, FCRC and local revenue or general obligation bonds.

ORGANIZATION

FUNCTIONS

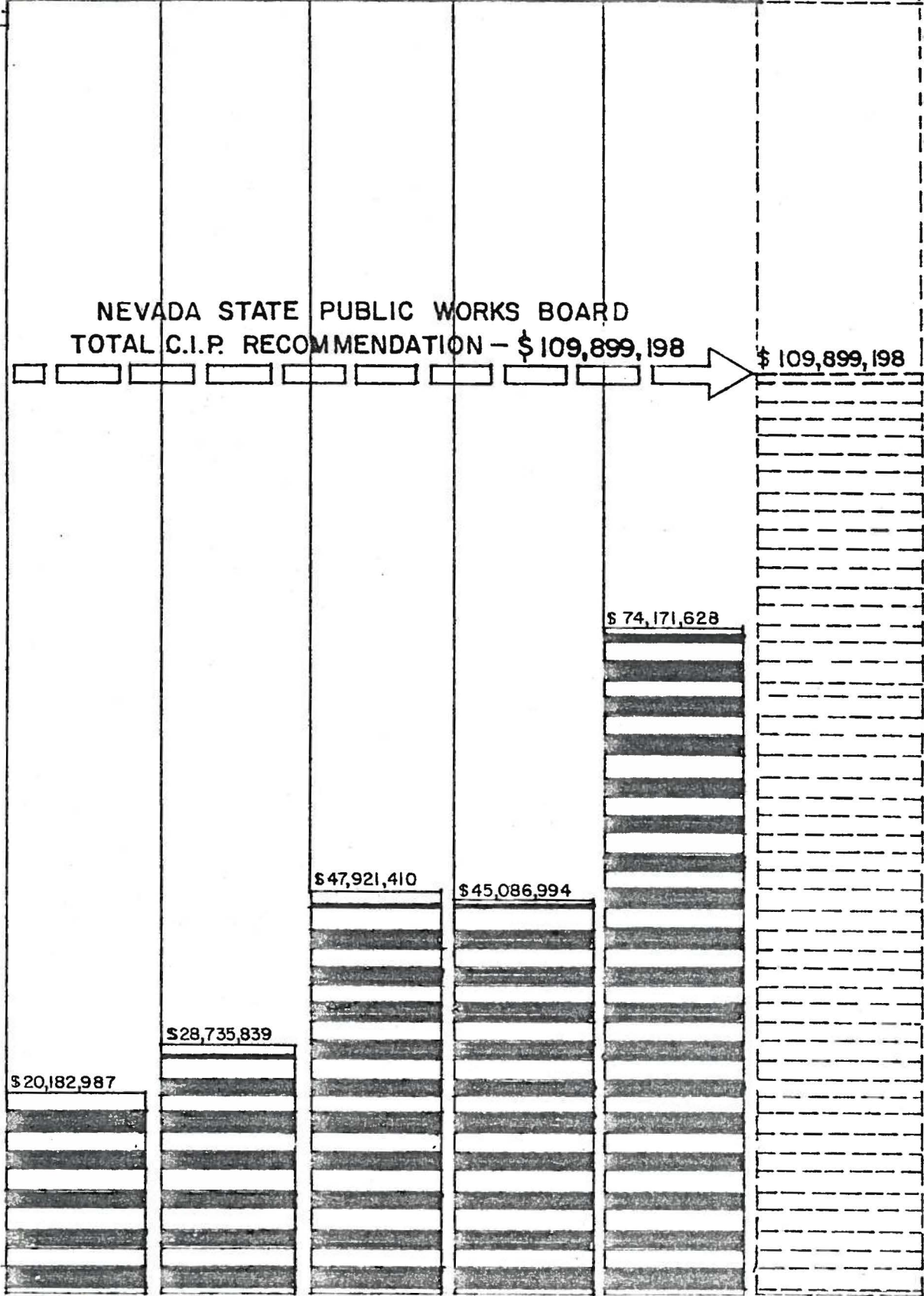
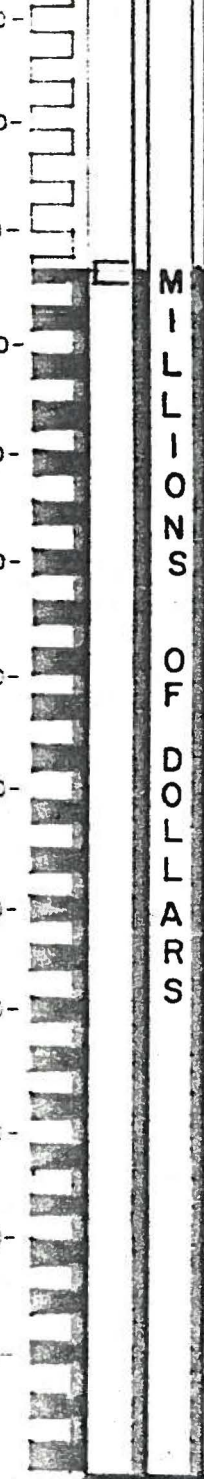
PROGRAMS



STATE PUBLIC WORKS BOARD

69 - 71 71 - 73 73 - 75 75 - 77 77 - 79 79 - 81

BLDG. PRGM.

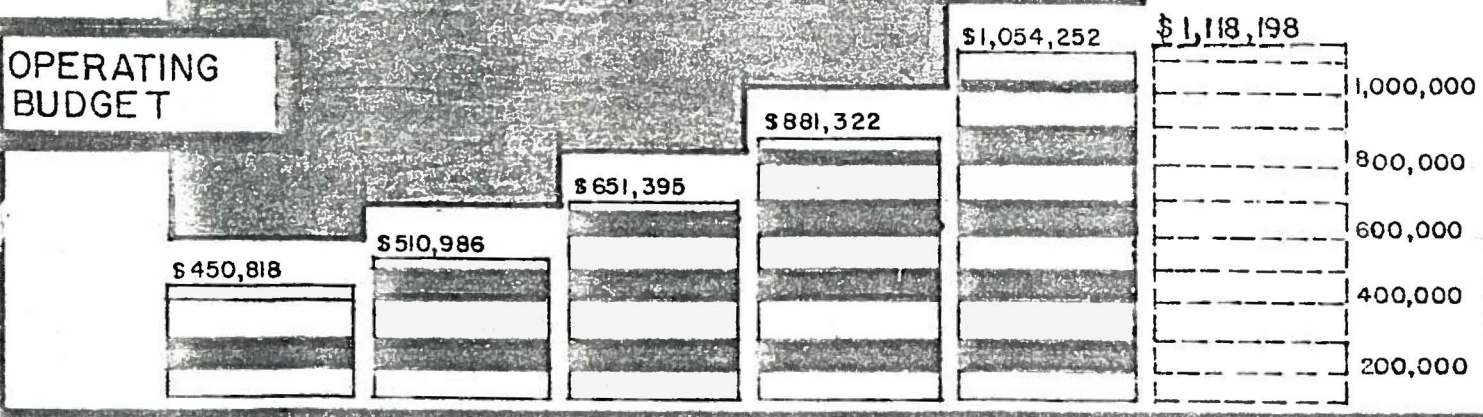


BUILDING PROGRAM/STAFF/OPERATING RATIO

STATE PUBLIC WORKS BOARD

STAFF	15	14	14	16	17	19	19
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OPERATING BUDGET



Department of Taxation

CARSON CITY, NEVADA 89710

In-State Toll Free 800-992-0900



XXXXXXXXXXXXXXXXXXXX
 Robert List, Governor

XXXXXXXXXXXXXXXXXXXX
 Roy E. Nickson, Executive Director

January 24, 1979

DEPARTMENT OF TAXATION

The Department of Taxation's budget for the coming biennium requests a total of 130 employees - a decrease of 8 positions from current staffing. The decrease is based on recommendations of a productivity study of the Department. I am told that a report of this study is to be submitted to your committee in the near future. I concur with the results of the study and am taking actions through a freeze on new hires and retraining of affected employees to insure that reductions are made through attrition. A memorandum, copy attached, from Howard Barrett recognizes that the reductions are to be accomplished through attrition even though the budget provides for no salaries for these employees in the coming biennium.

The study eliminates the following positions:

Executive Division:

One Senior Accountant (Budget) \$20,143.00

One Administrative Secretary \$14,603.00

Support Services Division:

One supervisor of Central Services \$21,102.00

One Administrative Aid II \$8,379.00

Division of Assessment Standards:

One Principal Accountant \$16,737.00

One Property Appraiser III \$22,104.00

One Property Appraiser II \$14,387.00

Three Engineering Technicians II \$34,645.00

The study recommends the addition of the following positions:

Executive Division:

One Administrative Services Officer \$17,524.00

127

AN EQUAL OPPORTUNITY EMPLOYER

EXHIBIT "G"
 (page 1 of 4 pages)

Division of Assessment Standards:

One Supervisor of Appraised Property \$17,524.00

The net reduction of 8 positions provides a dollar savings of \$117,052.00.

One unclassified Deputy Executive Director will assume additional responsibilities that are now performed by the Senior Accountant for budget. This individual will also be responsible for research and statistics.

The Administrative Services Officer will perform the duties now accomplished by the Supervisor of Central Services plus assuming some of the work load of the Management Assistant to provide more efficient and expeditious services to the Department and to equalize the current work load.

The Supervisor of appraised property will assume duties as head of the Utility Section and Mine Appraisal Section. In essence it is the re-establishment of a position that existed in the Department for many years. For reasons unknown to me, the position had been abolished and three equal level positions had been established in the Utility Section. This created an untenable situation where there was no supervisory responsibility and, as a result, a lack of coordination in the determination of values of centrally assessed properties. This position replaces that of the Principal Accountant.

The other reductions will result from a realignment of duties and organizational changes and the statutory expiration of a major county mapping assistance program undertaken by the Department. (NRS 361.189) I do note that this program for White Pine County will not be completed by the statutory date. The capabilities remaining in the Department will permit assistance to White Pine County.

The total payroll for fiscal year 1979-80 is 2 1/2% LESS than the work program for fiscal year 1978-79. In the fiscal year 1980-81 payroll exceeds fiscal 1978-79 work program by but \$1,685.00.

The total operating expenses for fiscal year 1979-80 are 4 1/2% or \$23,802 LESS than the work program for fiscal year 1978-79. In the fiscal year 1980-81 expenses exceed the fiscal 1978-79 work program by but 2.55% or \$13,411.

The Multistate Tax Commission appropriation includes a new provision for a \$35,000 deposit for participation in nationwide audit programs conducted by auditors of the

Multistate Tax Commission. Audit charges are guaranteed not to exceed five cents for each \$1.00 of liability discovered. Thus, the \$35,000 deposit should approximate the expenses for a recovery of \$700,000 estimated. This could be a most beneficial program for Nevada. However, if actual results do not warrant its continuance in fiscal year 1980-81, Nevada should withdraw from participation. The program would supplement but not replace our own out-of-state audit program this biennium. It may well be that, if sufficient revenues are generated through the Multistate program, that the Department's auditors could be limited to in-state audits. This decision should await the fiscal year 1981-83 biennium.

The county assessor training program and the county appraisal programs are, basically, wash entries with actual expenditures dependent on county participation and reimbursement. The mapping system assistance revolving fund also depends upon requests for loans by the counties on a reimbursable basis. The renewable resource tax allowance has had but 22 claims totaling \$1,400.89 during the current year. It is anticipated that additional demands will be made on this fund as more and more residences utilize alternate energy sources for heating and cooling.

I would point out that the Budget Office and the Department of Taxation concur that the data processing appropriation should be increased by \$22,848.00 for each year of the biennium. Thus, the \$227,000 for fiscal year 1979-80 should be \$249,848 and, for fiscal year 1980-81, the \$202,000 appropriation should be \$224,848. This addition is required for continuance of 14 existing terminals and 6 existing printers in the Department of Taxation. The Department has, in the past, paid the Word Stream Corporation a direct fee of \$2,500.00 per month for these terminals and printers. The Budget Department was not aware of this contractual arrangement and had assumed that all charges were included in the basic Central Data Processing billings. When this matter was brought to the attention of the Budget Division, subsequent to the printing of the budget, they concurred that the appropriation should be increased. However, Central Data Processing will now make the payments and, through a master contract, will actually save the State \$7,152.00 per year in charges for the equipment.

The total agency expenditures for fiscal year 1979-80 will now be \$3,440,202.00, a reduction of 5% from the current year's work program, and will total \$3,524,182.00 for fiscal year 1980-81 - a reduction of 3% from the current year's work program.

EXHIBIT "G"
(page 3 of 4 pages)

RESOURCE DEVELOPMENT
& TRAINING

JAN 24 1979

MEMORANDUM

TO: Jim Wittenberg
State Personnel Administrator

FROM: Howard Barrett
Director of Administration

DATE: January 19, 1979

SUBJECT: Process for Eliminating Positions Which Occur
as a Result from Productivity Studies

In response to your memorandum of January 23, 1979, the following policy is established relative to the elimination of positions which result from productivity studies.

1. Any position that is recommended for deletion in the finalized operations analysis report which is vacant will be eliminated immediately.
2. Any position that is recommended for deletion in the finalized operations analysis report which is currently filled by an employee will be eliminated through attrition.
3. In cases of attrition it is the responsibility of the State Personnel Division to assist the agency involved in any way possible to transition employees into other positions for which they might qualify. This assistance is intended to expedite the process of eliminating the position in the most cost efficient way possible.
4. The agency being studied has the responsibility to cooperate in every way possible to expedite position cut-backs. In the event of procrastination by the agency involved, the State Personnel Division has the authority to transition agency employees in to other vacant positions for which they qualify or can be qualified in a relatively short period of time.

HEB:akb

cc.: Resource Development & Training Section

EXHIBIT "G"
(page 4 of 4 pages)

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

MICHAEL CALLAGHAN
Governor
HOWARD E. BARRETT
Director

January 22, 1979

MEMORANDUM

TO: Assembly Ways and Means Committee
FROM: Budget Division
SUBJECT: Recommended One-Shot - Lincoln County School District - \$225,000

On June 6, 1978, the Lincoln County School District passed a \$1,500,000 bond issue for a secondary school facility in Alamo and a gymnasium at Panaca. The dollar estimate was based on prevailing wage rates in the Lincoln County area. It was later determined that the applicable prevailing wage rate was that for the Las Vegas area and not for Lincoln County where the construction is to take place, creating a sizeable difference between the estimated and required expense for labor on the projects.

The Lincoln County School District is not now at their bonded indebtedness limit, but the voters approved only \$1,500,000 and any additional indebtedness would probably be at a rate of interest much higher than the 5% which is available under the \$1,500,000 construction loan from Farmer's Home Administration. The School District's bond consultant had estimated up to a 9% rate of interest if the FHA construction loan had not been made available.

MRA/md

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

ROBERT LIST
XXXXXXXXXX
Governor
HOWARD E. BARRETT
Director

January 25, 1979

MEMORANDUM

TO: Assembly Ways and Means Committee
FROM: Budget Division
SUBJECT: \$100 One-Shot Appropriation - Gaming Control Board, Vehicle Damage

Mr. Art Hill, a Gaming Control Board Auditor, was ordered to participate in a surprise cash count at a casino. No State vehicle was available for his use and he was authorized to use his private vehicle for himself and two other agents. He parked his automobile in the public parking area of the casino. The left front fender was damaged. The estimated cost of repair was \$187.42. His automobile insurance policy allowed payment of \$87.42, leaving the employee to pay the \$100 deductible. Under current State statutes, State employees are reimbursed at 17¢ per mile travelled in their personal cars if the travel is for the convenience of the State. The 17¢ rate is based on the cost of regular vehicle operation and does not take out-of-pocket expenditures for vehicle damage into account.

Since the damage was incurred in the transaction of State business and was not the fault of the employee, the reimbursement of the \$100 deductible is recommended to be made via special legislative appropriation.

MRA/md

EXHIBIT "H"
(page 2 of 4 pages)

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

MARK O'CALLAGHAN
Governor

HOWARD E. BARRETT
Director

January 25, 1979

MEMORANDUM

TO: Assembly Ways and Means Committee
FROM: Budget Division
SUBJECT: Terminal Leave - Gaming Control Board

A question was asked at the meeting of the Ways and Means Committee on January 18, 1979, as to the allotment of \$60,000 for fiscal year 1980 and \$75,000 for fiscal year 1981 for terminal leave in the Gaming Control Board account, page 605 of the 1979-81 Executive Budget.

Since the Board of Examiners' Statutory Contingency Fund can allot funds to State agencies for this purpose, terminal leave was not intended to be budgeted in the agency accounts, including the Gaming Control Board.

MRA/md

EXHIBIT "H"
(page 3 of 4 pages)

133

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

Robert List
~~MEMORANDUM~~
Governor
HOWARD E. BARRETT
Director

January 24, 1979

MEMORANDUM

TO: Assembly Ways and Means Committee

FROM: Budget Division

SUBJECT: Sr. Citizens Property Tax Deferral - \$5,350,000 Special Appropriation, Page A-16 1979-81 Executive Budget

The recommended appropriation is intended to cover a fifteen year property tax deferral program for persons aged 62 and over. In fiscal year 1977-78, there were 2,100 participants in a similar program in Oregon. Dividing that number of participants into Oregon's population of approximately 2,400,000 yields a percentage of .0875%.

Applying this percentage to Nevada's estimated 1978 population of 694,932 gives an estimated 608 participants at the outset of the program in fiscal year 1979-80. The number of participants is estimated to increase at 4% per year so that by 1993-94, it is anticipated that 1,051 households will be in the program.

MRA/md

EXHIBIT "H"
(page 4 of 4 pages)
134