

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

March 21, 1979

Chairman Mello called the meeting to order at 8:10 a.m.

MEMBERS PRESENT: Chairman Mello, Vice-Chairman Bremner, Mr. Barengo, Mrs. Cavnar, Mr. Glover, Mr. Hickey, Mr. Rhoads, Mr. Vergiels, Mrs. Wagner, and Mr. Webb

MEMBERS ABSENT: Mr. Mann

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director; Ms. Carol Vilardo, Employee Relations Management Board; Mr. John Capone, Commissioner of the Employee Relations Management Board; Mr. G. P. Etcheverry, Co-chairman Employee Relations Board; Mr. Ron Caya, Director, Nevada State Council of the Arts; Mr. Ogg, Member, Nevada Arts Council; Mr. Glen Griffith, Director, Department of Fish and Game; Mr. Glen Christensen, Chief of the Game Division; Mr. Jack Dieringer, Chief of the Fisheries Division; Mr. Bill Parson, Chief of Law Enforcement; Mr. Fred Wright, Chief, Administrative Services; Dr. Alfred Stoess, Director of Administration, University of Nevada; Mr. Vernon Bennett, Director, Retirement Board.

APPROVAL OF MINUTES

Motion to adopt the Minutes of February 13, 1979, made by Mr. Bremner; seconded by Mr. Glover. Motion carried unanimously.

Motion to adopt the Minutes of February 14, 1979, made by Mr. Bremner; seconded by Mr. Glover. Motion carried unanimously.

Motion to adopt the Minutes of February 15, 1979, made by Mr. Webb; seconded by Mr. Bremner. Motion carried unanimously.

Motion to adopt the Minutes of February 16, 1979, made by Mr. Webb; seconded by Mr. Bremner. Motion carried unanimously.

Motion to adopt the Minutes of February 20, 1979, made by Mr. Webb; seconded by Mr. Bremner. Motion carried unanimously.

Motion to adopt the Minutes of February 21, 1979, made by Mr. Webb; seconded by Mr. Bremner. Motion carried unanimously.

Motion to adopt the Minutes of February 22, 1979, made by Mr. Rhoads; seconded by Mrs. Wagner. Motion carried unanimously.

Motion to adopt the Minutes of February 23, 1979, made by Mr. Rhoads; seconded by Mrs. Wagner. Motion carried unanimously.

Motion to adopt the Minutes of February 26, 1979, made by Mr. Vergiels; seconded by Mr. Bremner. Motion carried unanimously.

Motion to adopt the Minutes of February 27, 1979, made by Mr. Vergiels; seconded by Mrs. Wagner. Motion carried unanimously.

Motion to adopt the Minutes of March 1, 1979, made by Mr. Vergiels; seconded by Mr. Rhoads. Motion carried unanimously.

Motion to adopt the Minutes of March 2, 1979, made by Mr. Rhoads; seconded by Mr. Bremner. Motion carried unanimously.

Motion to adopt the Minutes of March 5, 1979, made by Mr. Webb; seconded by Mr. Vergiels. Motion carried unanimously.

Motion to adopt the Minutes of March 6, 1979, made by Mr. Webb; seconded by Mr. Vergiels. Motion carried unanimously.

Motion to adopt the Minutes of March 7, 1979, made by Mr. Webb; seconded by Mr. Vergiels. Motion carried unanimously.

EMPLOYEE RELATIONS MANAGEMENT BOARD

Ms. Carol Vilardo, Board Member of the Employee Relations Management Board, introduced Mr. John Capone, Commissioner of the Employee Relations Management Board. Ms. Vilardo pointed out to the Committee two reductions in the budget. A projected Administrative Aide II position will be eliminated and secondly the new Commissioner will not receive longevity pay which results in a reduction of \$350.00 in 1979-80 and \$450.00 in 1980-81.

Ms. Vilardo further stated a request for the reduction in the Advisory Committee from 10 to 6 persons as is contained in AB 285 which would result in a reduction of \$300.00 in salary and \$420.00 in travel.

Mrs. Wagner asked why the Employee Relations Board is requesting a reduction in the Advisory Committee. Mr. G. P. Etcheverry, Co-chairman of the Employee Relations Board responded to Mrs. Wagner explaining that previously it was practically impossible to get 8 of the 10 members of the Committee to attend a meeting. The new law states that only 4 of the 6 members are needed to have a quorum.

Mr. Hickey asked if there was any rationale for the even number of Committee members. Ms. Vilardo responded that the law requires equal representation between labor and management.

NEVADA STATE COUNCIL ON THE ARTS

Mr. Ron Caya, Director, Nevada State Council on the Arts, stated that he recently assumed the duties of the Director and found many problems within the Council. Mr. Caya affirmed the fact that many of the problems are now being worked out specifically through a series of committees that have been appointed by the Council: Rural Touring Committee, Grants Evaluation Process Committee and Community Council Committee.

Chairman Mello gave Mr. Caya a copy of the Legislative Commission's recent audit and asked for a line by line explanation. Chairman Mello asked if anyone from the Arts Council was responsible for the exceptions found by the audit. Mr. Ogg, Chairman of the Executive Board, assumed some of the responsibility.

Mr. Caya reiterated for the Committee that the contents of the audit occurred before he became the Director.

Mr. Caya referred to an item in the audit in which an amount was reimbursed to the National Endowment inadvertently. After discussions with the Endowment, Mr. Caya stated it would be difficult to reimburse the General Fund; however, they said that the Council could charge the \$3,200 to the existing Block Grant this year. The money has now been reverted back to the General Fund.

Mr. Caya said the sub-granting process is in the developmental stage of creating a mechanism that will very thoroughly evaluate sub-grantees.

Mr. Caya observed that a change in the office procedure is in effect whereby all time is logged completely.

Chairman Mello asked why the above mentioned procedures were not followed before. Mr. Caya stated that he was not with the Council when these exceptions occurred and the members of the Council were not responsible for the administration.

Chairman Mello disagreed with Mr. Caya and commented that the members of the Executive Board of the Council are responsible for the administrative functions.

Mr. Ogg remarked that the infraction of the Open Meeting Law was reviewed by the Attorney General's office and stated that it was not the intent of the Council to be in violation of the law.

Mr. Caya commented on the out-of-state travel money that was improperly used. The previous administration was in violation by stating that a meeting was held in Nevada when actually it was held in Squaw Valley, California.

Chairman Mello asked if this discrepancy was brought to the attention of the Executive Board. Mr. Ogg clarified that the Executive Board was abolished. Chairman Mello asked who has jurisdiction over the operation of the office and Mr. Caya replied that the Chairman and the full Council do.

Mr. Vergiels noted that he thought the last Legislative session had eliminated many of the problems within the Arts Council.

Mr. Caya detailed for the Committee the objectives of the Council: Rural Touring Program, Artists in Schools, Community Development and the CETA Artists Program.

Mr. Caya stated that another objective of the Council is to create a strong liaison with other State agencies.

Mr. Caya remarked to the Committee that 5 months ago when he assumed the duties of the Director he found a budget that was a 300% increase over the budget presented today. He further noted the current budget is a 24% increase or, \$21,642.00.

Mr. Caya stated that the original agency budget dealt with the development of an additional office to be located in Las Vegas but he disagreed with that concept and that, although there was a lack of communication, an office would be far in excess of what was really necessary.

Mr. Caya commented that the objectives are being met through staff visits and newsletters.

Mr. Bible asked where the \$21,642.00 increase is reflected in the budget. Mr. Caya noted that there are no requests for additional positions, but that the position of Accounts Clerk was transitioned from CETA to the Council with the approval of the Budget Office.

He stated that \$8,000 of the increase is due to personnel costs. The out-of-state travel is increased \$2,000. Mr. Caya noted that operating costs have increased about \$6,800 which includes the costs of printing a newsletter.

Mr. Caya remarked that the funding sources for the Council are out of proportion with one another. At the present time, three-fourths of the funds are Federal; however, Mr. Caya questioned if the Federal government would be as generous in the future.

Chairman Mello asked Mr. Caya when he would answer Mr. Bible's question.

Mr. Caya said he thought he had and Chairman Mello asked him to reiterate the question.

Mr. Bible asked if the Senior Account Clerk position was being picked up in State funds.

Mr. Caya said the funds were partially State and partially Federal.

Mr. Bible noted an increase of only \$14,000 in all the operating expense categories and asked for an explanation of the difference

between that amount and \$21,662 increase. Mr. Caya said the difference is a Federal Block Grant.

Mr. Bible then asked if the State was picking up some Federal money and Mr. Caya answered that it was.

Ms. Jean Ross clarified that of the Basic Art Grant, \$75,000 can be used for administrative purposes which are billed into the operating categories.

Mr. Bible asked Mr. Caya to detail for the Committee where the \$21,662 will be applied. Mr. Caya said there was \$8,000 in personnel costs, \$2,000 in in-state travel and \$6,896 in operating expenses.

Mr. Bible noted a discrepancy in operating expenses pointing out that in 1978-79 they were \$24,996 and in 1979-80 are recommended to be \$23,232.

Ms. Jean Ross clarified that the \$24,000 in the work program year additional monies were picked up out of the basic Federal Grant so that reflects an augmentation of Federal funds.

Mr. Webb stated that all monies, regardless of the source, have to be reflected in the budget.

Mr. Webb asked if the Senior Account Clerk position was created by the Budget Department and Mr. Caya stated it was created in concurrence with the Arts Council.

Chairman Mello remarked that before 1973 the Arts Council did not receive General Funds; however, since that time the Council has been receiving General Fund appropriation with progressive increases.

Chairman Mello commented that in 1967 he helped create the Arts Council.

Mr. Caya stated that the Federal Block Grant request is \$316,000, and of that amount, \$230,000 will be sub-granted. Approximately \$12,000 will be used in the grants development program which deals with the evaluation and educational process which the Council provides to sub-grantees. Mr. Caya continued that within that grant \$25,000 will be directed toward State administrative over-head. The remaining amount in the grant will be for the Rural Touring Program.

Mr. Bremner noted the increase in operating expenses and asked if any member of the Council or its employees made personal out-of-state calls. Mr. Caya said that to his knowledge, none had been made.

Mr. Bremner asked for a breakdown of out-of-state calls made within the last 4 months.

Mr. Bremner brought to Mr. Caya's attention a list of telephone calls noting calls made to a California residence and some to a trucking company in Arizona.

Chairman Mello asked Mr. Caya if he had any affiliation with a business outside the State of Nevada. Mr. Caya said that he did not.

Chairman Mello then noted numerous calls made to Lafayette, California and asked Mr. Caya if he had a residence there. Mr. Caya said he did and explained that calls were made to his home to get information from files, etc. relative to his work with the Nevada Arts Council.

Mr. Caya said calls to Arizona were relative to information about their private statewide endowment program.

DEPARTMENT OF FISH AND GAME

Chairman Mello asked Mr. Glen Griffith, Director, Department of Fish and Game to address the Committee regarding the Capital Improvements in the amount of \$427,000. Mr. Griffith explained the improvements

to the Las Vegas included a radio shop and storage building, the remodeling of the existing annex, a boat storage shed and miscellaneous site work.

Mr. Webb asked if the \$211,000 for the construction costs was the total amount for the expansion or just the Department's portion, and how much square footage is involved.

Mr. Griffith stated that \$211,000 was the total cost. Mr. Fred Wright, Chief, Administrative Services, further remarked that the expansion is a metal building 30 feet by 90 feet.

Mr. Webb asked for the exact bid on the metal building and commented that he recently built a 5,000 square foot metal building for \$46,000.

Mr. Griffith gave the Committee an over-view of the functions of the Department of Fish and Game detailing the goals and policies within the Department (Exhibit "A").

Mr. Glen Christensen, Chief of the Game Division, stated the paramount duty of the Division is to formulate, organize and direct efficient and effective management in research programs in relation to big game, fur bearers, water fowl, non-game and upland game species and also administer all the State owned and leased wildlife management areas.

Mr. Christensen stated that in 1977-78, 83,000 hunter-days were expended on big game species, 232,000 hunter-days on small game and water fowl; based on 46,000 licensed hunters.

Mr. Christensen remarked that a good example of cooperation between the Fish and Game Department, Forest Service and livestock operators is the "Elk Transplant" that was just completed in February, which released 50 elk in the Table Mountain area.

Mr. Rhoads referred to a letter written to Rex Cleary, District Manager of the BLM in Susanville from Mr. Christensen. Mr. Rhoads pointed out to the Committee there are 15 Environmental Impact Statements in the State of Nevada. He then referred to the Cowhead Massacre area in which 50% of the livestock has to be removed from the ranges. Mr. Rhoads stated that comments made by the Fish and Game Department are crippling the livestock industry in the State of Nevada.

Mr. Christensen responded that the Department of Fish and Game had a meeting with the Livestock Association regarding the above mentioned letter. He further stated that meetings were held with different special interest groups relative to the values each wants to preserve. He pointed out that the Department of Fish and Game is working for the best possible circumstances for the wildlife. The BLM is going to put all this information together and make decisions for the best interests of all concerned.

Mr. Rhoads pointed out that a copy of the letter was not sent to any livestock organization. Mr. Rhoads expressed concern over some of the recommended changes which prescribed cattle grazing only if deemed necessary to retain the desired vegetative type and wildlife would be recognized as the dominant use in certain areas. He said the theme of the letter is for single-use in many areas.

Mr. Rhoads commented that if the present trend continues in the next 14 Environmental Impact Statements, the livestock industry in Nevada would be in trouble.

Mr. Christensen said he felt that the Department of Fish and Game has been very cooperative with the livestock industry. Mr. Rhoads suggested that the Department of Fish and Game is against the BLM objective of maintaining a viable livestock industry.

Mr. Christensen responded by clarifying that the letter was to Mr. Cleary who is the District Manager in Susanville, California.

Mr. Hickey said that it was reasonable for the citizens of Nevada to ask for cooperation from the Department of Fish and Game.

Mr. Glover asked what the projected \$6,000 will be used for from Pheasant Stamps. Mr. Griffith responded that the Pheasant Stamp money will be used for a habitat development program in the Mason Valley near Yerington.

Mr. Glover asked for an explanation of the difference in the work program and the Governor recommends under Licenses and Fees. Mr. Wright stated that SB 333 requires that the money that is now on deposit from this year's income be deposited in the General Fund after July 1, 1979. The income collected next year from hunting and fishing licenses will also be deposited in the treasury. The total amount is reflected in the 1980-81 Governor recommends column as a balance forward in the amount of \$1,864,000.

Mr. Glover asked what is the price of hunting and fishing licenses.

Mr. Wright stated that AB 365 will restore the resident hunting license fee to \$10.00 which will result in an estimated \$110,000 income.

Chairman Mello pointed out that the budget is predicated on at least two pieces of legislation.

Mr. Jack Dieringer, Chief of the Fisheries Division, stated the responsibility of the Fisheries Division is to enhance the fishing resources in Nevada. Mr. Dieringer listed the five production facilities: Verdi Hatchery, Washoe Rearing Station, Gallagher Fish Hatchery, Spring Creek Rearing Station, and Lake Meade Hatchery. Mr. Dieringer commented that the drought caused a decrease in license sales.

Mr. Bill Parson, Chief of Law Enforcement, stated there are three areas within the division: statewide law enforcement, statewide boat and safety, and communication.

Mr. Parson remarked that twenty full-time Fish and Game Wardens carry out the law enforcement phase of the program. In the last biennium, 3,535 citations were processed and \$128,200.00 in penalties were collected and deposited in the State Permanent School fund.

Mr. Parson explained that the State's boating safety program incorporates the vessel numbering system, titling system and other contents in the Model State Boat Act including boat operation and equipment and also provides boating safety education.

Mr. Parson said that the Communications Division provides communication service to all the divisions in the Department of Fish and Game.

Chairman Mello asked if there were any requests in the budget to be brought to the Committee's attention.

Mr. Griffith noted one non-game position requested by the Governor's office to augment the two-man non-game program which is presently funded from the General Fund. Another position request is for a Conservation Field man for the Carson City and Reno area to rescue birds from cats and dogs.

Mr. Bremner noted that under the Non-Game Management Program the agency requested nothing and the Governor recommended \$33,400 in 1979-80 and \$28,300 in 1980-81.

Mr. Griffith pointed out that this is the position recommended by the Governor as previously mentioned. The increase in 1979-80 is reflected in the acquisition of a piece of equipment.

Mr. Alastuey clarified by stating that the position of the Conservation Field Man that is involved in rescuing animals is shown in the salary category. Mr. Bremner asked if the Conservation Field

Man is mandated by the Federal government. Mr. Wright explained that it is not mandated and elaborated on the Conservation Field Man position stating he would be further involved with stream pollution, beaver complaints, transplanting quail to the fields and survey work.

Mr. Bremner asked for an explanation of "beaver complaints." Mr. Christensen explained that during the spring beavers dam up the irrigation ditches causing problems.

Mr. Glover asked why there was a request for a third pilot's position. Mr. Wright explained that during the last fiscal year three aircraft operated 1,475 hours which averages about 61 hours per month per pilot. Because of the techniques developed by the Fish and Game Department and to implement the management quota system, contract pilots have been used for about \$13,000 per year. Mr. Wright further noted the demands on the pilots are excessive.

Mr. Hickey asked if there were any existing positions not filled at the present time, and also what is the turn-over in the Department.

Mr. Wright stated that 139 authorized positions are filled, however, one resignation was received within the last two weeks. Mr. Wright further said that 67% of the employees in the Department are at the top of their grade.

Mr. Hickey noted that there are 41 people in the Reno headquarters and three more are requested; there are 35 people in the Fallon headquarters and three more are requested. Mr. Hickey said there is the appearance of the bureaucracy in the Reno area.

Mr. Griffith explained that all the accounting, licensing, record keeping, data processing, and engineering work is done out of the Reno headquarters.

Mr. Hickey noted further that points of service are located in Fallon, Elko, Las Vegas and Reno but over half of the employees are located in Reno.

Mr. Griffith stated he would supply the Committee with a detailed list of positions in the Reno office. Mr. Griffith pointed out that people in the Fallon region are located in Winnemucca, Lovelock, and various other places.

FISH AND GAME NEVADA BOAT ACT

Mr. Griffith explained that this program is administered for boating safety, registration, and titling. Funds are received from the Coast Guard to augment the registration fees.

Mr. Griffith noted that they have had numerous requests for more boat patrol on Lahontan Reservoir and Lake Tahoe.

Chairman Mello commented that people voted 3 1/2 to 1 for Question 6 to hold down government spending. He said you can't have increased services and cut taxes.

Mr. Bremner noted that under Boat Registration in 1979-80 the Department requested \$170,000 and the Governor recommend is \$350,000. Mr. Griffith said that is relative to SB 333 whereby deferred income and direct income is involved.

AB 475

Dr. Alfred Stoess, Director of Administration, University of Nevada System addressed the Committee regarding AB 475. (Exhibit "B")

Dr. Stoess pointed out that he was not critical of the Retirement System. Dr. Stoess then expressed to the Committee his views of the bill and stated that there is no guarantee upon employment that an individual will not vest. However, there is a real problem

for the older worker. He said that the individual who is over 60 knows that he or she cannot vest unless employment continues past age 70, and there is no guarantee that this will occur. On the other hand, that individual does know that a retirement deduction will be taken from his or her check and that the employer will also be contributing to PERS. Dr. Stoess indicated that the individual also knows the possibility of receiving retirement benefits are minimal. This situation appears to be unfair to the employee and the employer, and any solution the Legislature has would be appreciated.

Mr. Vernon Bennett, Director, Retirement System, stated to the Committee that since 1969 the Retirement System and the University have been in disagreement over whether University professional staff would be involved with PERS or TIAA CREP and in most cases, the University has elected TIAA CREP.

Mr. Bennett explained that under "Prohibited Membership" are members of the professional staff of the University of Nevada System who are employed on or after July 1, 1977. Therefore, the University has opted at their own discretion to go TIAA CREP.

Mr. Bennett stated that there is a Federal law which provides that you cannot mandatorily remove a person from employment before age 70. Mr. Bennett said he was advised by the Attorney General's office that to place an age restriction on membership would create discrimination with the Federal guidelines.

Mr. Bennett said there are 117 agencies involved and 116 have no problem with the situation as written. He further commented that the University is concerned with 2 or 3 people they want to terminate at age 65; the University can continue their employment until they vest and solve their problem.

Chairman Mello asked Dr. Stoess if Mr. Bennett's statements were true. Dr. Stoess suggested a search of the records which would reveal people who could possibly reach age 70 without vesting.

Chairman Mello asked for a list of people affected. Mr. Bennett and Dr. Stoess replied that they would supply the Committee with such a list.

Mr. Bennett reiterated Dr. Stoess's statement that there is no guaranteed vesting in the system, and he doesn't see any difference between a person working from age 20 to 27 and not vesting than a person working from age 60 to 65 and not vesting.

Mrs. Wagner asked if Dr. Stoess was referring not only to new employees but people already in the system who did not know this would occur.

Dr. Stoess stated he was not concerned with the future employees because they would go into TIAA CREP unless they have had service in the State system.

Mr. Bennett said he was confused because Dr. Stoess is objecting to a section in the law that deals with people who are prohibited from membership, but now, he is talking about a problem not with future employees but with those presently employed. Present employees have a problem with employment and vesting, not membership, as they are already members of the system.

Dr. Stoess pointed out that at the time the people came into the system there was a law that said anyone over age 55 had to join and for some reason they chose PERS.

Mrs. Wagner asked for an explanation of a previous proposal by Mr. Bennett. Mr. Bennett explained that the proposal would have provided that any member who is enrolled would be eligible to retire at age 65 regardless of the amount of service, provided there was no break in service. However, when the Board reviewed the proposal they decided for various reasons not to put it in the package.

Mr. Bob Gagnier, Executive Director, Nevada Employees Association pointed out several objections to the bill. He referred to Section 2 where a new unclassified position within the Retirement Board staff is requested. Mr. Gagnier stated this was already accomplished and what they are trying to do in the law is to make it legal.

Mr. Gagnier stated the Employees Association questioned the legality of the position and commenting that the reason they unclassified the position was to provide adequate pay. Mr. Gagnier suggested raising the pay for the Administrative Secretaries and not making their positions unclassified.

Mr. Gagnier pointed out the second objection is a proposal that the staff of the Retirement System would be under the employer-pay concept. Mr. Gagnier stated that this is a breach of faith as it was decided previously that State employees would go under the employer-pay program as a group.

Mr. Gagnier commented that this was another step to have the Retirement System separate from other State agencies.

Mr. Bennett stated that he agreed with Mr. Gagnier that there was a problem in the State with secretaries. He reiterated the importance of an administrative secretary and the difficulty in finding one.

Mr. Bennett confirmed that he was notified by State Personnel they were entitled to the additional unclassified position and felt it was necessary to keep his secretary.

Mr. Bennett said that he feels there would be no difficulty to the State payroll system if the Retirement System staff changes to the employer-pay program. He pointed out that by a vote of 29 to 1 the staff voted for the employer-pay and it would result in a savings to the Administrative fund of \$35,300 per year.

Mr. Alastuey referred to Mr. Gagnier's first concern regarding the unclassified position and stated that the personnel law includes a provision that says that "at the discretion of a State agency administrator" the unclassified service can include a deputy and a chief assistant.

Mr. Glover asked what was the salary of Mr. Bennett's secretary. Mr. Bennett said she went from a Grade 25 to Grade 28.

Mr. Barengo asked how employer-pay saves money for the taxpayer. Mr. Bennett explained that under the regular contribution rate a member pays 8% and the employer pays 8%; under the employer-pay method the employer pays 15% and 1% of the PERS payroll is approximately \$35,000 a year.

SB 183

Mr. Glover addressed the Committee in support of SB 183 stating the remodeling of the Octagon Building behind the Capitol would be beneficial as it would consolidate the elected officials. A "DO PASS" motion made by Mr. Glover; seconded by Mr. Webb. Motion carried.

AB 498

Mr. Alastuey stated that the bill was drafted containing an appropriation for \$23,700 but in checking the Budget Office's bill request a fiscal note said the impact would be \$23,700 but the need could be met with salary savings and no appropriation would be required. Mr. Alastuey reiterated that the appropriation is not necessary.

Motion to amend by deleting Section 2 made by Mr. Bremner; seconded by Mr. Vergiels. Motion approved. "DO PASS, AS AMENDED" by Mr. Hickey; seconded by Mr. Vergiels. Motion approved.

The meeting was adjourned at 11:00 a.m.

REPORT TO LEGISLATURE

The Department of Fish and Game was established by statute in 1947 for the preservation, protection and restoration of wildlife. Later statutes added responsibilities for firearm safety training, administration of the Motorboat Safety Act and litter enforcement.

The following goals are developed to guide the Department's efforts. Each divisional program is large, complex and collectively strive to attain these established goals of the Department.

1. Maintain all species of the state's wildlife and their habitats for their intrinsic and ecological values as well as their direct and indirect benefits to man.
2. To provide for diversified recreational use of the State's wildlife resources.
3. To provide for an economic contribution of wildlife resources in the best interests of the people of the State consistent with the long-term welfare of the several species.
4. To provide scientific, educational and esthetic uses of the State's wildlife resources.
5. Attain safe boating use on all waters of the State.
6. To promote the safe and responsible use of firearms and principles of sound resource management.

To achieve these goals the Department has 139 employees operating within three program divisions and service and support functions.

With me are the division chiefs. Each has direct responsibility for large, complex program efforts under overall authority and direction of myself.

We operate in concert with a policy and regulatory nine-member commission and in cooperation with the 17 three-member county game management boards.

Basic operating revenues are derived from sale of licenses, tags, stamps, sale of surplus crops, grazing fees on management areas, boat registration fees, sale of surplus property, sale of illegal pelts and other miscellaneous income.

The state's 113,000 resident regular buyers subsidize the reduced fee or free license privileges of Senior, Junior, Servicemen, institutional permits and Indians.

This revenue is augmented by Pittman-Robertson and Dingle-Johnson funds derived from the 11% excise tax on firearms/ammunition and fishing equipment. The funds are collected by the Federal Government and allocated under established formulas to the states for those programs accepted under the terms of the Act.

As stated among our several goals is one to provide diversified recreational use of the State's wildlife resource. For example, based upon the last full year of license sales there were 136,539 resident hunting and fishing licenses sold. Discounting those who both hunt and fish, we estimate that 109,200 individual Nevada residents hunted and fished. This is 16.2% of the projected state's population for 1978.

During 1977, resident hunters and fishermen expended 1,591,000 days in pursuit of their recreation. It is estimated they contributed \$17,837,600 to local economics in their hunting and fishing activities. This money entered the State's economy through purchases of hunting and fishing supplies, fuel, food, lodging, etc. Not included is the expenditures of nonresidents, or those who are non-consumptive users of wildlife — such as birdwatchers.

The Department's work program has increased 39% compared to a 120% growth in state government overall and our staff has increased 24% over that

nine-year period. New programs added since 1970 included boat titling (at the request of lending institutions), hunter safety education, a non-game program, the addition of a five-man trout hatchery of 200,000 lb. capacity and environmental influencing input responsibilities. A new and significant trapping industry has developed with an annual estimated value of some \$1½ million that requires added time and travel expense to monitor and administer.

In an effort to meet the added demands it has been necessary to establish an economically unsound program of vehicle replacement, and forego all but emergency maintenance to building, grounds and facilities.

Employees are donating in excess of 12,000 man-hours of volunteer time in interest of their particular wildlife assignments with the expectation that the situation will be ameliorated.

The Department pays in-lieu-of-taxes of \$9,871.00 on lands acquired for wildlife management areas, fish hatcheries, fishery reservoirs, etc.

The biennial budget as presented is basic. It does reflect restoration of the \$10 fee for hunting licenses. This fee was reduced to \$7.00 in 1977 when the legislature made the fishing licenses a calendar year document.

Mr. Chairman, we would like to have the division chiefs give a quick overview of their programs for your Committee's information.

STATEMENT TO ASSEMBLY WAYS AND MEANS COMMITTEE ON A.B.475
MARCH 21, 1979

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS ALFRED W. STOESS, DIRECTOR OF ADMINISTRATION, CHANCELLOR'S OFFICE, UNIVERSITY OF NEVADA SYSTEM.

I ALSO SERVE AS A LIAISON OFFICER TO THE RETIREMENT SYSTEM.

HERE TODAY TO SPEAK ON A PROBLEM WITH A.B. 475. I AM NOT HERE TO CRITICIZE THE RETIREMENT SYSTEM BECAUSE THEY'VE TRIED TO SOLVE THE PROBLEM SEVERAL TIMES. IT IS NOT A NEW PROBLEM BUT ONE THAT HAS EXISTED FOR YEARS. IN SECTION 9 OF A.B.475 ON PAGE 6, LINES 14-18, THERE IS A DELETION. THE DELETION MEANS THAT EMPLOYEES WHO ARE AGE 55 OR MORE AT TIME OF EMPLOYMENT WOULD BECOME ELIGIBLE FOR MEMBERSHIP IN PERS. THIS WOULD MEAN THAT THE LAW WOULD BE CHANGED BACK TO WHAT IT WAS IN 1977.

THIS IS FINE AS LONG AS THOSE EMPLOYEES ARE ABLE TO BE EMPLOYED FOR 10 YEARS AND VEST.

THE PROBLEM OCCURS IF THE EMPLOYEE DOESN'T WORK FOR 10 YEARS BECAUSE HE IS REQUIRED TO RETIRE.

AN EMPLOYEE ENTERING STATE SERVICE OVER 60 IN THE CLASSIFIED SERVICE WOULD HAVE TO BE GRANTED PERMISSION ON A YEAR-TO-YEAR BASIS TO CONTINUE ~~PAGE~~ AGE 70 IN ORDER TO VEST. IF THAT PERMISSION TO CONTINUE WERE NOT GRANTED, THE EMPLOYEE COULD NOT VEST.

STATEMENT TO ASSEMBLY WAYS AND MEANS ON A.B. 475
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THE PROBLEM, THEN, IS THAT BOTH THE EMPLOYEE AND EMPLOYER ARE FORCED TO CONTRIBUTE TO PERS. IF THE EMPLOYEE IS FORCED TO RETIRE BEFORE VESTING, WHAT HAPPENS?

1. THE EMPLOYEE RECEIVES HIS CONTRIBUTIONS BACK WITHOUT INTEREST AND HAS NO RETIREMENT PLAN.
2. THE EMPLOYER PAYS TAX DOLLARS INTO PERS BUT RECEIVES NO REFUND.
3. THIS IS BENEFICIAL TO THE RETIREMENT SYSTEM AND OTHER MEMBERS OF PERS.
4. IT APPEARS TO BE WASTE OF PUBLIC FUNDS WITH NO BENEFIT TO THE EMPLOYEE WHO WAS SUPPOSED TO BE AIDED AT TIME OF RETIREMENT.

THIS IS A PROBLEM FOR NEWLY HIRED EMPLOYEES. BUT IT ALSO CREATES A PROBLEM FOR SOME INDIVIDUALS ALREADY EMPLOYED. A SPECIAL PROBLEM EXISTS FOR THE UNIVERSITY AND SEVERAL UNIVERSITY FACULTY MEMBERS. THE UNIVERSITY PRESENTLY HAS A POLICY THAT TENURED FACULTY ARE TO RETIRE AT AGE 65. AS YOU KNOW THE FEDERAL AGE DISCRIMINATION AND EMPLOYMENT ACT OF 1977 PROVIDES AN EXEMPTION FOR UNIVERSITIES TO THE AGE 70 PROVISIONS OF THE ACT BY ALLOWING UNIVERSITIES TO REQUIRE MANDATORY RETIREMENT OF TENURED FACULTY AT AGE 65 UNTIL JULY 1, 1982. WHAT THIS MEANS IS THAT IF THE UNIVERSITY OF NEVADA SYSTEM WISHES TO IMPLEMENT THE EXEMPTION FOR TENURED FACULTY, SOME INDIVIDUALS WOULD BE RETIRED AT AGE 65 WITH LESS THAN 10 YEARS SERVICE IN PERS. THESE INDIVIDUALS WERE EXPECTING POST-RETIREMENT

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EMPLOYMENT AT THE UNIVERSITY IN ORDER TO VEST, BUT NOW BECAUSE THE UNIVERSITY HAS TAKEN NO ACTION TO ACT OTHER THAN IN ACCORDANCE WITH FEDERAL LAW, THEIR OPPORTUNITY TO VEST IS UNLIKELY UNLESS THEY CAN SECURE OTHER EMPLOYMENT WITH THE STATE OF NEVADA. THE UNIVERSITY HAS THE ISSUE UNDER STUDY AND HAS THREE OPTIONS AVAILABLE.

1. FOLLOW FEDERAL LAW WITH EXEMPTION TO RETIRE TENURED FACULTY AT AGE 65.
2. RETIRE ALL EMPLOYEES, BOTH TENURED AND NON-TENURED AT AGE 70.
3. OR, HAVE A POLICY OF NO MANDATORY RETIREMENT AGE.

THE PROBLEM IS TWO-FOLD:

1. WHAT HAPPENS TO NEW EMPLOYEES WHO CANNOT VEST? AND
2. WHAT HAPPENS TO THOSE INDIVIDUALS ALREADY EMPLOYED WHO CANNOT VEST?

I DON'T HAVE A SOLUTION. AT ONE TIME I THOUGHT PERS HAD A SOLUTION (SEE PAGE TWO OF OCTOBER 26, 1978, PERS MEMORANDUM), BUT PERS ELECTED NOT TO TAKE THIS APPROACH. I'LL DEFER TO MR. BENNETT AS TO THE PROBLEMS INVOLVED WITH THAT PARTICULAR APPROACH.

IN SUMMARY, THERE IS NO GUARANTEE UPON EMPLOYMENT THAT AN INDIVIDUAL WILL NOT VEST. HOWEVER, THERE IS A REAL PROBLEM

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FOR THE OLDER WORKER. THAT INDIVIDUAL WHO IS OVER AGE 60 KNOWS THAT HE OR SHE CANNOT VEST UNLESS CONTINUED PAST AGE 70, AND THERE IS NO GUARANTEE THAT THIS WILL OCCUR. ON THE OTHER HAND THAT INDIVIDUAL DOES KNOW THAT A RETIREMENT DEDUCTION WILL BE TAKEN FROM HIS OR HER CHECK AND THAT THE EMPLOYER WILL ALSO BE CONTRIBUTING TO PERS. HOWEVER, THE INDIVIDUAL ALSO KNOWS THAT THE POSSIBILITY OF RECEIVING RETIREMENT BENEFITS ARE MINIMAL. THIS SITUATION APPEARS TO BE UNFAIR TO THE EMPLOYEE AND THE EMPLOYER, AND ANY SOLUTION THE LEGISLATURE HAS WOULD BE APPRECIATED.

ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

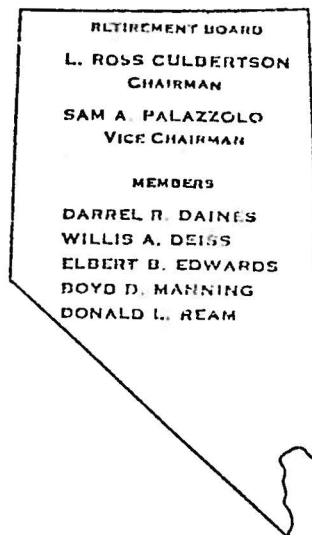
STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

October 26, 1978



ADDITIONAL NONFISCAL LEGISLATIVE CONSIDERATIONS

Please refer to III - 0, Sub-part 2:

1. Refer to items o. through s. Under NRS 286.300, Section 5, Line 7, place a period after retirement and delete the remainder of Line 7. Delete Line 8 and the words "disability retirement" on Line 9.

COMMENT: Technical correction to eliminate interpretation confusion. This service cannot be purchased until retirement, therefore, it could not be credited until retirement. Many members are confused with this wording because they assume it applies to all of NRS 286.300 rather than just to Section 5.

2. Refer to NRS 286.321. Add a new Section 3 as follows: 3. Persons who are employed, elected or appointed in accordance with Sections 1 and 2 above, on or after July 1, 1979, regardless of age.

COMMENT: This will eliminate the conflict and possible discrimination with the new Congressional legislation which prohibits mandatory termination of employment or retirement until age 70.

3. Refer to NRS 286.330. Add a new Section 9 as follows: 9. Persons assigned in intermittent or temporary positions for 90 days or less in any fiscal or calendar year.

COMMENT: This should alleviate the concern of most public employers who wish to retain the requirement that an employee must receive all regular employee benefits to be eligible for membership in PERS. They seem to be confused about the fact that membership is eligible only for regular positions. The major objection seems to be based on a fear that this will require membership for intermittent employees. This provision would specifically prohibit such employment in the System and should resolve most of their concerns. Therefore, it will not resolve Sheriff Lamb's concern regarding school crossing guards.

EXHIBIT

1109

4. Refer to NRS 286.510. Add a new Section 5 as follows: 5. Any member initially enrolled on or after July 1, 1979 under the provisions of NRS 286.321, Section 3, shall be eligible to retire at age 70, regardless of the years of service credit, provided the person has had no break in service from date of enrollment until attainment of age 70.

COMMENT: This should eliminate once and for all the constantly confused situation regarding eligibility for membership and retirement for persons who are employed at an older age. It provides guaranteed retirement eligibility at age 70, the date set by Congress, if the person remains continually employed. In effect, you are providing to these people vesting of time of employment from the date of employment to age 70 if they remain continually employed. This will be applicable only to persons newly enrolled on or after July 1, 1979.

ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



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COST IMPACT
SECTION 1 OF SENATE BILL 258

BASE BENEFIT	CURRENT PLAN			PROPOSED AMENDMENT		
	AMOUNT INCREASE	NO. PEOPLE	ANNUAL COST	AMOUNT INCREASE	NO. PEOPLE	ANNUAL COST PROPOSED
0-100	20	349	83,760	20	349	83,760
101-200	15	1003	180,540	15	1003	180,540
201-300	5	936	56,160	10	936	112,320
301-500	3	1742	62,712	5	1034	62,040
501 & up				3	708	25,488
		<u>4030</u>	<u>383,172</u>		<u>4030</u>	<u>464,148</u>