

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

March 29, 1979

Verbatim Testimony

Chairman Mello called the meeting to order at 7:45 a.m.

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

ABSENT: Mr. Mann, and Mr. Barengo.

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director; John Reiser, NIC; Bob Haley, NIC; Peggy Glover, General Services; Don Bailey, State Printing; Frank Daykin, Legislative Counsel, Assemblyman Robinson, Jim Wadhams, Director, Department of Commerce; Stan Colton, State Treasurer; and Bob Cameron, Treasurer's Office.

Chairman Mello brought the meeting to order; declared there was a quorum present after the secretary called roll.

Chairman Mello:

If you recall, approximately two weeks ago, the NIC appeared before this Committee under subpoena and they had until 5 p.m. yesterday to deliver the documents that we asked for and they did not deliver them until after 5 and they didn't deliver all of them. Some of the legal opinions that they said they had were dated after the meeting. I am going to have Bill Bible cite from some of them here in just a moment. He hasn't had the time to go through all of them because there are quite a few of them. The other thing is, line item budget, which is extremely important to this Committee, there is a possibility that it will not be prepared for this Committee for at least four weeks. That means six weeks altogether, frankly I think that's entirely too long. I don't know if they are working overtime. Their excuse is they are rate-making right now and fiscal notes. Now any fiscal notes that they would have to do as far as the study that we had in the interim should have been done but that's one of the excuses they are using.

Mr. Webb:

Speaking of fiscal notes, in Labor and Management, all the NIC bills haven't had a fiscal note since the first of the Committee this session.

Chairman Mello:

What I think we ought to do is have Mr. Reiser come over here this morning and lay it on the line because I am prepared to go to the floor and put them in contempt.

Mr. Hickey:

I think I could support that position. It is time the director and the NIC organization be brought in.

Chairman Mello:

I personally feel that they have little or no regard for the legislature, that they feel that it will not be long and we will be home and they will not have to worry about us any longer until two more years. And I think it's about time we make an example out of some of these people that have this feeling about the legislature. Why don't you see if you can call that office and see if you can get Mr. Reiser over here, if somebody is there, have them call his home and tell him to come right over. The thing that troubles me is that they have had two weeks to start preparing on the request that we had and then we heard approximately two or three days ago from Leroy Bergstrom of Kafoury, Armstrong telling me that I guess they got him now to help them with their budget that they are not going to be able to have it prepared for at least four weeks. Now, say we wait four weeks, how do we know that they won't need four more or deliver them to us

the night before we sine die.

Mr. Webb:

I'm deeply upset that they have to go to go to Kafoury, Armstrong and pay more of our employer's money to have a budget prepared with the staff that they have. There is no way that any tax attorney or accountant is going to prepare a budget.

Chairman Mello:

We have a man here that could give them the format and Judy could help them with it. I would like to get him in here and I talked to him last night and frankly he gave me the impression that he could care less.

Mr. Glover:

What are the alternatives.

Chairman Mello:

We can go on the floor. Our legal counsel is here. Frank, I just explained to them what we have been putting up with. Maybe you can tell us what we can do.

Mr. Daykin:

Right at this point you could go on the floor -- ask the Assembly to cite Mr. Reiser or whom you choose. In -- to show why he should not be-- technically--why he should not be punished for contempt, but you've got a different situation with the failure to produce the budget then you would have with the failure just to produce that information because what I would do if I was defending him--is make to the House the same sort of argument. It's one way to get the argument out in the open into a bigger forum, but maybe you want to hear it here--the explanation here--before you drag it out on the floor.

Chairman Mello:

We have a call out for him right now.

Mr. Daykin:

O.K. but that essentially Dr. Vergiels is the alternative--either you listen to him here or you invite the House to listen to him. They can punish for contempt, but they would have to be convinced that it was a willful refusal rather than an inability.

Chairman Mello:

I'm not so sure that the House would not accept the first and not the latter.

Mr. Daykin:

They very well might, Don, it's not a facetious suggestion by any means.

Mr. Hickey:

If we use contempt--and he is cited for contempt then what happens?

Mr. Daykin:

All right--now, if you go the floor first, of course, they call him before the House to explain. If they decide that his action was willful and find him guilty of the contempt. Then the Sergeant At Arms takes him over to the County jail to be confined for such terms as the House may precribe--not longer than the duration of the session.

Chairman Mello:

I like that.

Mr. Daykin:

It may not produce a budget any quicker.

Chairman Mello:

I have a feeling we are not going to get it anyways.

Mr. Glover:

Frank, is that under that provision in the State constitution that allows the Legislature to have people detained until the end of the session or is that under NRS?

Mr. Daykin:

Well, the Constitutional provision is the basis of the NRS in Chapter 218 on Legislative investigations prescribed in detail--the detail was added in 1977.

Mr. Glover:

It's never been used though, has it?

Mr. Dyakin:

Not in this regard to my knowledge. I wrote the thing in '73 and I've never seen it used.

Chairman Mello:

Mr. Bremner, did you have something to say?

Mr. Bremner:

I was just going to comment that we have 25% of the House on this Committee so they probably would accept it.

Chairman Mello:

You need a simple majority.

Mr. Daykin:

The House, yes, sir.

Chairman Mello:

O.K. I think we can arrange that.

Mr. Hickey:

My other question--there was a warning--is there a . . . warning, or censure before . . .

Mr. Daykin:

This would amount to a warning--you see, if you go on the floor now they are not going to vote him guilty of contempt--they cannot under the statute--they're going to set a date and time for him to appear before the House and show cause, if he has any, why he has not done what the Committee desired. And only after he has had that hearing would any vote be taken on whether he is to be punished.

Mr. Hickey:

I see--in other words, this still gives him the time to meet the Committee demands that . . .

Mr. Daykin:

Yes, he can purge himself of the accusation of contempt by meeting the Committee's demands.

Mrs. Wagner:

He hasn't met the Committee's demands.

Chairman Mello:

No, he has not.

Mr. Daykin:

No, but if he does so subsequently, Mrs. Wagner, I think that the House would excuse him. That's the usual practice. If he's not in contempt at the time--he probably would be excused. It's meant as a coercion to obtain the results rather than a coercion to punish the past acts.

Mr. Hickey:

What would be a normal time period to . . .

Mr. Daykin:

I would think that he ought to be given several days by the House in order to prepare his defense. There is no precedent in this State, and I imagine the precedence elsewhere--if there are any recorded--are pretty . . . I would say for example if you went out on the floor

today you hadn't ought to demand that he appear before about Tuesday or Wednesday of next week. . . .

Mr. Hickey:  
That gives us an idea.

Mr. Daykin:  
Yes, sir.

Mrs. Wagner:  
No, I was just listening to the time element here. If we did it today we could expect him by Monday or Tuesday . .

Mr. Daykin:  
You could, I would think, that Monday would be a little soon, Mrs. Wagner, because I think that reasonably he ought to be given a few working days--I know I work every day, but I don't know if the Assembly expects him to--the old criminal statute of 1865 in this State said that an accused was to be given two days in which to prepare his defense.

Chairman Mello:  
We haven't had the time to go through the transcript ourselves because they are very lengthy--verbatim. Bill has a couple of things here now that if we can go back through the transcript to see if, I think, perhaps they did not tell us the complete truth. But, we have look to make sure of that so we'll have to check against some of the answers to the questions in the transcript, but do you have anything there . . .

Mr. Bible:  
Well, I just went through the material very briefly this morning and there are a couple of things which just immediately came to my attention. The Committee requested a number of opinions concerning payment of professional association dues, and things of that nature and I have one opinion--payment of State Industrial attorney dues dated February 15, 1979--another one payment of professional association dues for NIC employees and I believe that one is more what the Committee had requested and that's dated March 28, 1979. I had the impression that when he appeared in here that the opinion had existed prior to their paying the dues. I could be incorrect. I did review the material fairly quickly and I may have missed something. I did not see an opinion in the material on their employment contracts, and I believe Mr. Barengo had a number of questions concerning the ability of NIC to engage employees under a contractual basis versus a regular state employee basis. On the budgets, I met with the accountant for the Nevada Industrial Commission at the Chairman's request on Monday of this week. And he indicated to me that the Nevada Industrial Commission because of--well the two problems--the rate-making and the problem with preparing fiscal notes that they were impacting greatly on their time. Their accounting system is apparently not very similar to the State's accounting system and he indicated to me that it would take probably four weeks to prepare a budget and a line item presentation similar to what we have in the Executive Budget--that is a list of actual expenditures, broken down in a similar manner, a list of work program employees and then employee projections for the next two fiscal years.

Chairman Mello:  
Do you recall the dates that he cites there were after the day that they showed up here--that was on the 14th they were here.

Mrs. Wagner:  
If they started or made an attempt to put together a line item budget --when you met with them on Monday had nothing been done at all.

Mr. Bible:  
I did not see any of the material--the accountant who comes from Kafoury, Armstrong, and Turner, a private accountant, not an Industrial Commission employee--indicated to me that they had prepared the

salary portion of the budget which would include, I assume, the work program salaries for the current Nevada Industrial Commission employees and a projection of those salaries for the next biennium. They apparently had not received all of the material yet from the various divisions within NIC to make budget requests for the next two fiscal years. They were in the process of reviewing those or gathering them apparently--then they would review them and consolidate the budget much as any State agency or Department would. He indicated to me that the major problem was that their accounting system accounts for data differently than does the State's accounting system. For instance, in the travel account they do not differentiate between in-state and out-of-state travel--instead they break the travel down by object of travel so if it's audit travel, it is just accounted for as audit travel without reference to where the audits were taken place.

Mrs. Wagner:

I was advised several days ago that one of those people who should have been asked to prepare a budget--whatever you're discussing now--has not even at that point in time been asked to do so.

Mr. Bible:

Let me address the budget units that they were talking about pre-paying for the Committee perhaps that will answer who is responsible for the preparation of the budget. They were going to prepare one budget for the administrative activities of Nevada Industrial Commission--a separate budget for the Las Vegas Rehabilitation Center--a separate budget for the Industrial attorney and a separate budget for the appeals division. So there would be four budgets within the Nevada Industrial Commission department.

Mrs. Wagner:

My comment is still ----- in other words, one of those divisions had not been asked . . .

Chairman Mello:

That's a good question to ask when he appears before us . . .

Mr. \_\_\_\_\_:

Is he coming over?

Chairman Mello:

He was called.

Mr. Bible:

I called his office he had not yet arrived and I asked his secretary to call him at home.

Chairman Mello:

Well, Frank, we don't want to detain you any longer. Would you like to be present when we have him back.

Mr. Daykin:

That is up to you, Mr. Chairman, I will be glad to return when you have him back if you would like to call me.

Chairman Mello:

. . . we did swear them in, so they were sworn in and we're going to swear him in when he comes back. O.K. we'll let you go then--thank you.

Mr. Daykin:

I'm not taking any other commitments while your hearing is in progress.

Chairman Mello:

O.K. Let's go to AB 6.

(Interruption at this point in verbatim NIC testimony for Mrs. Peggy Glover, Director, Department of General Services, to present her testimony on AB 6. The testimony and presentation for AB 6 will be at the end of the NIC Verbatim testimony.)

(Continuation of NIC Verbatim Testimony.)

Chairman Mello:

Mr. Reiser would you like to step forward. Go ahead, Bill.

Mr. Bible:

Will all individuals who intend to provide testimony, please stand and raise your right hand. Do you solemnly affirm that the evidence you shall give in matters pending before the Assembly Ways and Means Committee shall be the truth, the whole truth, and nothing but the truth.

Mr. Reiser:

I do.

Chairman Mello:

We received from you the information that we had asked for you, at least in part which was suppose to be here then no later 5:00 p.m. yesterday. It did exceed that time. Do you have any explanation for that?

Mr. Reiser:

Mr. Chairman, you instructed---called Mr. Bible approximately ten minutes til five o'clock and told him the material was on its way. J. R. Clark phoned me up at that time, and brought it over here, and his statement to me was that he did come in about 5:00 o'clock and it was no more than two or three minutes after five . . .

Chairman Mello:

5:15

Mr. Reiser:

Well, his statement was that he was in the building . . .

Chairman Mello:

You never received instructions not to call the Chairman and let him know you were going to be late. You received instructions that if you had any problems in preparing the data that was requested of you that you contact Mr. Bible--particularly in the area of budgets so let's get that straight right now. No, you did not do all of it. What are the reasons for you not having the budget prepared?

Mr. Reiser:

The line item budget is not something that the Industrial Commission has prepared in the past and its a long-term project . . . program orientated budget we presented to you . . line item budget. I believe Mr. Bergstrom has contacted both you and Mr. Bible . . .

Chairman Mello:

What does he have to do with the NIC?

Mr. Reiser:

He is the . . . auditor and re . . .

Chairman Mello:

He contacted this office approximately three days ago. You were in here on the 15th. What was the delay there?

Mr. Reiser:

We were trying to evaluate what was necessary to get that line item budget . . .

Chairman Mello:

You're not trying to stall for sine die . . .

Mr. Reiser:

No, we'll be glad to provide you with a progress report that we have on that . . .

Chairman Mello:

We want what we asked for.

Mr. Reiser:

I know you want that as Mr. Bergstrom told you it is not something we can provide in a matter of a few days. It is requiring several weeks

of work . .

Chairman Mello:

When did you contact Mr. Bergstrom to ask him for help in the preparation of your budget.

Mr. Reiser:

We asked him to review the progress with us and I don't recall the exact date . . .

Chairman Mello:

How long after you appeared before this Committee?

Mr. Reiser:

Again, I don't recall the exact date. I can go back and check that . .

Chairman Mello:

Was it the same day, the day after . . .

Mr. Reiser:

We began our internal study--began preparing the information for that budget and asked Mr. Bergstrom to come in and review it with us and to contact you and Mr. Bible for any other suggestions as to what . . .

Chairman Mello:

My understanding is that you have other reasons for not having the budget prepared, and that is, working on fiscal notes. Is that correct?

Mr. Reiser:

We have a number of things including fiscal notes and rate-making, and a number of other important . . . .

Chairman Mello:

How many of those fiscal notes are in regard to bills that were in the study--in the Interim study?

Mr. Reiser:

I don't know that.

Chairman Mello:

You don't know that.

Mr. Reiser:

We have a bill set of fiscal notes that we've got to provide you with to show what kind of work was involved in that budget . . .

Chairman Mello:

How far are you running behind the time the bills were introduced and the times the fiscal notes are delivered to the Legislature?

Mr. Reiser:

The last fiscal note, I believe, came in the day before yesterday and we have a fiscal note prepared on that. It depends on the difficulty of the fiscal note, Chairman Mello, some of them require considerable research; others are fairly straight forward and can be prepared in short order.

Chairman Mello:

Mr. Webb, you made some comments about labor and management committee begging for fiscal notes from NIC.

Mr. Webb:

How many fiscal notes have you prepared and delivered on bills before labor and management committee.

Mr. Reiser:

I haven't counted them, but there are a large number.

Mr. Webb:

I can't recall there were hardly any.

Mr. Reiser:  
Hardly any fiscal notes?

Mr. Webb:  
Yes.

Mr. Reiser:  
We'd be glad to provide you with copies of each one that has been delivered.

Mr. Webb:  
They weren't delivered to the committee were they?

Mr. Reiser:  
They were sent through the normal process, the fiscal notes through Howard Barrett's office and Ed Schwartz.

Chairman Mello:  
You're also working on rates.

Mr. Reiser:  
Rates have to be determined and filed on the first of May in order to go into effect on the first of July, and we have to depend upon you folks for what benefit increases might be passed; what changes in the system might be implemented; and so on, so yes we're working on rates and trying to anticipate what type of thing they have in this legislative session. What we will probably ask is that we'll prepare three sets of rates and depending upon what is likely to pass and we have to try to do that by the first of May in order to meet the guidelines that are included in bulletin #.04 that we discussed earlier. In other words, if you want benefits and rates to go into effect at the same time, we have to get those adopted by the first of May.

Chairman Mello:  
Those people who are working on the rates are the same people working on the budget.

Mr. Reiser:  
Yes.

Chairman Mello:  
Same people.

Mr. Reiser:  
Yes, they all work on both . . .

Chairman Mello:  
How much overtime are these people having?

Mr. Reiser:  
Generally, our senior management people are not receiving overtime.

Chairman Mello:  
You mean that you believe that the Legislature when they ask you for something that it doesn't deserve overtime work from your people to present it to us.

Mr. Reiser:  
It certainly does, if the people are entitled to overtime they are paid overtime.

Chairman Mello:  
How much time do you need to prepare these documents for us?

Mr. Reiser:  
That would depend, I think, is something we should . . . on the rate-making is a statutory priority and I think, one that is very important to the Legislature that we match our rates and . . . . I would say and most people would agree is a major priority.

Chairman Mello:  
You don't believe the request of this Committee under a subpoena is under statutory requirement.



Mr. Reiser:

That's why we asked Mr. Bergstrom to help us evaluate how this can be done within the present framework of the NIC.

Chairman Mello:

Are you going to work your people overtime from now on to get those documents prepared.

Mr. Reiser:

Everyone is working . . .

Chairman Mello:

You want us to hold you in contempt on the floor?

Mr. Reiser:

No, I don't.

Chairman Mello:

Well, we're prepared to do it. So what are you going to do to get those documents to us.

Mr. Reiser:

We'll do our best, as we are now.

Chairman Mello:

Well, I don't believe your best is good enough.

Mr. Vergiels:

Does Mr. Reiser understand what that means if he is held in contempt?

Chairman Mello:

Well that means you could find yourself in the County jail until the time we sine die.

Mr. Hickey:

My concern is the speed of these documents and some of the documents we have received are not what we asked for . . . let me finish .

Chairman Mello:

That's not correct, though, Tom.

Mr. Hickey:

Isn't it?

Chairman Mello:

No.

Mr. Hickey:

I thought that . . .

Chairman Mello:

We haven't had time to go through all these but we do have a couple of things I'd like for Bill. . . do you have those . .

Mr. Hickey:

You say it's going to take you four weeks to bring in--obtain the documents--prepare a budget.

Mr. Reiser:

I believe that's what Mr. Bergstrom estimated would be his shortest possible time if we weren't working on the rate-making and other things.

Mr. Hickey:

When are you starting to work on this budget?

Mr. Reiser:

We're working on it now, and we have been working on it ever since we got the request.

Mr. Hickey:  
It'll be about sine die.

Mr. Reiser:  
One of the problems--we did ask for a copy of the minutes and the draft minutes were provided to us at approximately 4:50 the day before yesterday. We went through those minutes yesterday and did try to answer as many of the questions as we could answer and get over to you. There are some on-going projects in that . . . request that will be provided to you as the work is completed and that includes the line item budget that we are working on.

Mr. Vergiels:  
I received a phone call yesterday relative to what NIC pays for prescription drugs, and my understanding is that if I walk into a pharmacy and order the same drug I get it for less than what you're paying for it. Is that true?

Mr. Reiser:  
I don't know the answer to that--you're saying you could walk in and get it for less . . .

Mr. Vergiels:  
. . . than what you pay presently.

Mr. Reiser:  
I would have to have some specifics on that to answer your question.

Mr. Vergiels:  
If I find this is the case would you lower what you pay for prescription drugs.

Mr. Reiser:  
There's been a lot of prescription drugs out of here . . .  
I need to know what your specific is on that . . . in order to answer that question.

Mr. Vergiels:  
I'm researching it right now and I'm pretty sure you're paying more than the average person who walks into the pharmacy and orders a drug.

Mr. Reiser:  
What type of drug?

Mr. Vergiels:  
I'm going to get you a whole list. I'm going to go right down through the thing and I'll have that shortly.

Mrs. Wagner:  
Thank you, Mr. Chairman, did I understand you to say Mr. Reiser that not only is the budget not presented here but also other documents will take you a longer period of time to complete.

Mr. Reiser:  
I believe it was one of your questions about the discharge information from the Nevada State Medical centers that we have people going through . . . it is quite an involved process. . .

Mrs. Wagner:  
Well I'm interested in having my question answered but certainly I was also interested in what other documents . . .

Mr. Reiser:  
We would appreciate your review of what is in there because it does have a format that we're going through each individual case and if you have any suggestions or additional information.

Mrs. Wagner:  
I don't quite understand yet why it was not possible to present all that information.

Mr. Reiser:

If you'd look at the file I think you'll see there is a large number and each one's file had to be reviewed and the information taken out of it. That's an on-going project.

Mrs. Wagner:

Is that the only other thing that is not here besides the budget? That was asked for that day.

Mr. Reiser:

I believe so but again we will be providing anything else that you want . . . . .

Mrs. Wagner:

How long, how far are you in terms of having your budget presented to . .

Mr. Reiser:

We've been working on it but as I said we asked Mr. Bergstrom to review what we had done up to this point and to help us estimate how long it will take. His estimate is that if we didn't do anything else like the rate-making, it would take approximately four weeks to do that as I understand. I believe he is right and he and Mr. Bible discussed the fact that . . .

Mrs. Wagner:

That's four weeks . . . . .

Mr. Reiser:

As I understand it that's his estimate.

Mrs. Wagner:

If you have other things to do as you described this morning so what time period are you looking at realistically.

Mr. Reiser:

I would want to talk to our staff who are working on that and Mr. Bergstrom again . .

Mrs. Wagner:

We're not going to be here forever.

Chairman Mello:

Why didn't you have that--why don't you know this. Now, you know that this was suppose to be here yesterday, why aren't you prepared to appear before this Committee and answer our questions.

Mr. Reiser:

. . . . . something over four weeks.

Chairman Mello:

Something over four weeks. You haven't really done anything up to this date or what you have done has been wrong.

Mr. Reiser:

No, what we have done is agreed to by . .

Chairman Mello:

That's not what Mr. Bergstrom told me over the telephone when he talked to me personally.

Mr. Reiser:

Then I'll ask Mr. Bergstrom to come down because I don't think I can speak for him . . Mr. Bible. I think we should have him come down and speak to you on that subject.

Mr. Bremner:

What do you normally do? What does NIC normally do? Don't you prepare some kind of a budget?

Mr. Reiser:

Yes, you have that budget.

Mr. Bremner:  
Could you give us that?

Mr. Reiser:  
Yes, you have it.

Chairman Mello:  
We want a line item budget.

Mr. Bremner:  
You don't prepare a line item budget--no one reviews it--you just do whatever you want; make it up.

Mr. Reiser:  
We prepare . . .

Mr. Bremner:  
You spend what you want

Mr. Reiser:  
. . . acceptable to accounting principles called for--monetary fund  
. . . to operate on a fixed dollar budget, and this is the kind of thing that Mr. Bergstrom has explained in writing to you and we'll be glad to have him discuss it.

Mr. Bremner:  
Does anyone else--does anyone review your budget. Anyone who is a labor management relations advisory board--does anyone review your budget at all?

Mr. Reiser:  
The rate-making process determines what the budget will be--normally--and that is reviewed with the labor management.

Mr. Vergiels:  
I can't understand it either, you know. I look at these line item budgets and I can't understand why you don't have the material retrievable on data processing now some place. Why couldn't you get a print-out and have yourself. . . you got your salaries; you know what they're making; you know what their fringe benefits are; you know what's in your travel; you know it's an in-state, out-of-state. It seems to me that to take four weeks to make up a budget is really ludicrous. I can't believe it. I think, really, what you're doing is you're trying to wait til we get out of the session so you'll have two more years to do what you did before and we don't want you to do that.

Mr. Reiser:  
Why don't we bring the people in and review this and show you what we have done and discuss with you the . . .

Mr. Vergiels:  
Why would you have to hire someone when you have all those employees to do a line item budget that maybe no more than two or three pages for each one of those programs.

Mr. Reiser:  
Because the budget is really a planning process that involves everyone. I think if you'll look at the process that the other State agencies go through it starts with a line item budget back many, many months ago and goes through a several month process of developing.

Mr. Vergiels:  
It seems to me that it would be a very simple process for you and your testimony indicates that your staff is competent and want to continue with what you have. It's hard for me to believe you can't come in here with something to show us what it is and what will be. That almost indicates that you don't have any plans for two years and now we're forcing you to plan and do what you should be doing as part of your normal job.

Mr. Reiser:

You do have the budget and I think you do need an explanation of the rate-making process so you can see how insurance operations develops rates and then develops the budget within that rate limitation. And I think that's important for you to understand. We'd be glad to present that to you if you're interested.

Mr. Hickey:

My problem with this follows along with the problems of the Committee. When we issue subpoenas we want immediately all the information that the subpoena covers. When we ask questions that require an answer or information we got partial delivery of that information. Now the real question is raised is the one the Committee members right now is to hold you in contempt and allow you seven days to answer that contempt. That would give you seven days to deliver that material. Now, that's what we're looking at, and it appears there is a lack of cooperation between the NIC and the Legislature. What I say to this fact . . .

Mr. Reiser:

I believe what we need to do is give you an explanation of why . . .

Mr. Hickey:

I think that the first explanation is why we didn't get full delivery of what we asked for.

Mr. Reiser:

Right, the budget information, I think you do need a discussion with Mr. Bergstrom--he has expressed willingness to come in and explain that to you.

Mr. Hickey:

I think you're the one under the pressure. You're going to have to talk to Mr. Bergstrom to put the fire under him. I'm not to sure that we should back off on our thinking on the contempt.

Mr. Glover:

Mr. Chairman, and maybe too Mr. Bible, why was it that the University could come up with a budget in two weeks--line item--and NIC can't?

Mr. Bible:

From my discussion with Mr. Bergstrom apparently their system is not compatible with the normal State system of accounting. The State operates on a cash basis; they also operate out of an insurance fund basis. The University also operates on a cash basis. The University had already prepared most of that documentation as part of their regular budget process anyway. The Nevada Industrial Commission has apparently never been required to prepare and present budgets on a two year cycle.

Mrs. Wagner:

Thank you, John is the person who is helping you from the accounting firm--what's he being paid to do this? Extra, or . . .

Mr. Reiser:

Mr. Bergstrom does on-going auditing of our accounts and this was simply a matter of coming down and taking a look to see if what we were doing is in conformance with what is expected. He did come over and meet with Mr. Bible, as Chairman Mello suggested, to be sure that what we had prepared so far and that what we're doing is what the Committee is requesting.

Mrs. Wagner:

What is his role in this--just an over-sight role?

Mr. Reiser:

That's right.

Mrs. Wagner:

I'd also like to ask another question if I may. Do you notify all the people involved in--have you notified them by last week that they

were suppose to submit the information from their own separate agency division--whatever you want to call it--on terms of preparing this line item budget.

Mr. Reiser:

The answer to that is yes. I asked that Bob and J. R. Clark help them gather this information, and help them as they were . . .

Mrs. Wagner:

When were they notified?

Mr. Haley:

I believe it was Monday.

Mrs. Wagner:

What Monday?

Mr. Haley:

A week ago Monday

Mrs. Wagner:

What was the date of that--what would be the number . . .

Mr. Haley:

I don't have a calendar with me.

Chairman Mello:

You notified them two days after you appeared before this Committee?

Mr. Haley:

That's right.

Chairman Mello:

You're certain of that--you notified everyone that would be working on these documents.

Mrs. Wagner:

Mr. Bible, would you read the list again this morning that you read of the people that would be notified.

Mr. Bible:

Well, it's not really a list. In my discussions with Mr. Bergstrom he indicated that you would prepare four budgets: one for the administrative section of NIC; one for the Las Vegas Rehabilitation Center; one for the State Industrial attorney; and one for the appeals officer division.

Chairman Mello:

Just a moment. I don't want--were you here when we first started.

Mr. Haley:

No.

Chairman Mello:

Well, then I want you to stand. We're going to swear you in.

Mrs. Wagner:

I'd like to ask Mr. Reiser to answer the question.

Chairman Mello:

Then we'll ask some of the same questions again then that we've already asked.

Mr. Bible:

Do you solemnly affirm that the evidence you shall give on matters pending before the Assembly Ways and Means Committee shall be the truth, the whole truth, and nothing but the truth.

Mr. Haley:

Yes.

Chairman Mello:  
Now, you've notified all these people have you.

Mr. Haley:  
Yes.

Chairman Mello:  
You notified them two days after we met.

Mr. Haley:  
Yes.

Chairman Mello:  
That was--that will be the 17th.

Mr. Haley:  
Yes.

Mrs. Wagner:  
Thank you, I just want it for the record.

Mr. Vergiels:  
I just wondered if John if we held you in contempt and threw you in the County jail, would your staff get it prepared more rapidly to get you out or would they just leave you there. You might find out where it's at--you might be in there for a long time. They might delay the whole thing just to keep you out of the office.

Chairman Mello:  
They might delay the session too.

Mr. Vergiels:  
Would you work faster if--would the staff work more rapidly on this project if we threw John in jail so that you could get him out and get him back over to the good offices.

Mr. Haley:  
Is that a serious question?

Mr. Vergiels:  
Oh, you'd better believe it's serious before you got here we were thinking of throwing you in jail. . .

Chairman Mello:  
I'm going to tell you something this is a very serious matter. We asked for those documents and we want those documents. Now, Leroy Bergstrom when was he called and asked to come in. I think you'd better get serious. We're extremely serious. When did you notify Leroy Bergstrom.

Mr. Haley:  
I didn't . .

Chairman Mello:  
Who notified him?

Mr. Reiser:  
I notified Mr. Bergstrom when I told you I would provide you with that date. I don't recall the exact date at this point.

Chairman Mello:  
You haven't got a very long memory.

Mr. Reiser:  
I apologize.

Chairman Mello:  
Your memory is very convenient for yourself but not for this Committee. You sit in here and you can't answer anything; you can't remember the dates of anything.

Mr. Reiser:  
You have asked that the budget give accurate information and I'll do my best to give that.

Chairman Mello:

And it had better be accurate. Would you come over here and get this document for a moment and tell me what this document is and whether or not the Committee asked you for this document and who is the gentleman who signed it?

Mr. Reiser:

This is a document for current payment of professional association dues for NIC employees. It is signed by Skip King who is New York Counsel for the Industrial Commission.

Chairman Mello:

Was that question asked of you? Did you tell us that you had a legal opinion on that before.

Mr. Reiser:

Yes, and there is a legal opinion in addition to this one, that --- information is, I believe, provided to you.

Chairman Mello:

You appeared here on the 15th and what's that date there?

Mr. Reiser:

This date is March 28th-- and there is another legal opinion dated prior to this on the same subject.

Chairman Mello:

You felt we needed two?

Mr. Reiser:

I had a question that came up from Mr. Barengo, I believe, that is general rather than specific so . . .

Chairman Mello:

Are there any legal opinions in here -- in answer to any questions that we had that you told us you had legal opinion prior to and now you have one that is dated after the meeting.

Mr. Reiser:

We had one prior and I asked for this one to be specific . .

Chairman Mello:

This is the only one?

Mr. Reiser:

No.

Chairman Mello:

There are several then that you told us that you had legal opinions?

Mr. Reiser:

There is a prior opinion that deals with a similar subject -- professional dues.

Chairman Mello:

There are no other opinions in here, though, that were dated after you appeared before this Committee.

Mr. Reiser:

Yes, I know.

Chairman Mello:

Are there any other questions? I want you and the people you feel are necessary to appear before this Committee April 3 -- 7:30 a.m. Subject matter will be line item budgets for NIC. The Committee does not feel that you present a sufficient case to wait for four weeks -- we will go to the floor and move for contempt.

Thank you gentlemen.

Mr. Reiser:

We'll be here at 7:30.

Chairman Mello:

We'll move contempt on all of them.

Mrs. Cavnar:

--- budget with



Chairman Mello:  
I can't hear you. I'm sorry.

Mrs. Cavnar:  
I understand that you are suppose to have a budget with them.

Chairman Mello:  
Can't have a budget with them if it's not prepared. They are going to be in here to explain to us why they cannot have it prepared. If we feel it is not just we will move for contempt. And I'm going to find out if we can move for more than just one--maybe "Smiley" there too. There were three of them. They all thought it was quite funny. O.K. Let's go to a more serious note -- let's go to AB 85.

Chairman Mello:  
Before we start the presentation from Mr. Wadhams, I would like the approval of the Committee to subpoena Mr. Bob Haley, NIC Coordinator and enclosed in the language of that subpoena will be what's in the record of what this Committee asked for. That he be here on April 3 at 7:30 a.m. May I have a motion. A motion was made by Mr. Glover; seconded by Mr. Bremner. All in favor say "Aye." All opposed say "No." The "Ayes" have it.

(End of verbatim NIC testimony. Pages following this one cover the rest of the business of the hearing.)

#####

#####

#####

#####

#####

#####

AB 6

Mrs. Peggy Glover, Department of General Services, explained that two years ago a request had been made by the Department to up-date the printing office and that the Legislature had been told then that the up-date would be in two phases. She said that AB 6 provides an appropriation of \$151,000 to complete the second phase of updating the State printing plant and installing computerized printing systems. She said that an additional \$198,000 appropriation is requested to modernize the plant with new equipment and she pointed out that there would be a payback to the General Fund. Mr. Don Bailey, State Printer, said that they are doing 75% of the legislature work on computer now. Mr. Bailey added that the first amount of \$151,983 is for an appropriation to continue the automated type set plus adding to the word processing techniques to supply total State services to all State agencies. He said that the additional amount of \$198,500 is for purchase and installation of major equipment.

AB 85

Chairman Mello introduced Assemblyman Robert Robinson, Chairman of the Legislative Interim Subcommittee to Study Uniform Disposition of Unclaimed Property.

Assemblyman Robinson said that AB 85 is modeled after the Revised Uniform Disposition of Unclaimed Property Act which was approved by the National Conference of Commissioners on Uniform State Laws and the American Bar Association in 1966. Assemblyman Robinson said that this bill came about from the Interim Study Committee over the last year and a half. The members of that Committee were: Chairman Robinson, Paul Mays, Peggy Westall, Lawrence Jacobsen, and Norm Glaser. Assemblyman Robinson furnished the Committee with background information concerning AB 85 which is included as "Exhibit A." He said that uniformity in disposition of unclaimed property was desirable for three reasons, those being: elimination of multiple liability being imposed upon the holder of unclaimed property who is subject to the jurisdiction of two or more states; the elimination of the race of diligence between jurisdictional entities trying to get to unclaimed funds first; and the establishment of the benefits of reciprocity.

He added that there were numerous examples of large sums of money being lost to Nevada due to not having reciprocity. Assemblyman Robinson cited one case in which \$15,000 was lost to the treasury of New York because Nevada did not have reciprocity on unclaimed property. He said that since the company involved was based in New York, even though the purchasers of the money order lived in Nevada, the money was returned to New York. He explained that in states having uniform disposition laws money orders are purged from the records of issuing companies after fifteen years and the money is turned over to the state where the purchaser lived, and that upon passage of AB 85 Nevada would be entitled to retain such funds in the future.

Assemblyman Robinson pointed out that one important section of AB 85 wherein the rights of the museum and Historical Society are reserved to claim any property that has an historic value.

Assemblyman Robinson said that the appropriation was being cut and that the amendments provided administration of the Act from the Department of Commerce that although the State Treasurer's office was also interested in administering the bill. He said Commerce was chosen because the areas involved in uncalimed property, i.e. insurance, real estate, etc. are regulated by the Department of Commerce. Mr. Robinson added that the average return to states having uniform property disposition act is between \$3 and \$6 per resident annually which would amount to a very large windfall to Nevada.

Mr. Robinson also said that the State would make a much more diligent effort to locate the owner of these properties than the holders of these properties have been doing in the past.

Chairman Mello said that most important points for the Committee's consideration are the value of the concept and if the return is worth

the amount of money that will be expended in administering the Act.

Mr. Glover asked if accrued interest on dormant accounts would also belong to the State. Assemblyman Robinson said that in unclaimed property cases, the State stands in the shoes of the owner of the property. He pointed out that most companies no longer pay interest where accounts are transferred to dormancy and that sometimes these companies charge special handling fees for such accounts.

Mr. Hickey asked for an estimate of the possible return to Nevada of the unclaimed property act. Assemblyman Robinson gave an approximate figure of \$2 million per year, and added that the administrative program would probably be self-supporting after two years. Assemblyman Robinson said that an important provision of this act is that the State tries to restore the property to the owners of these funds of properties.

Chairman Mello made the suggestion that this legislation be "sun-setted." Assemblyman Robinson said that it would take about three years before this program would be completely self-supporting. Chairman Mello suggested the "sunset" date of July 1, 1983. Assemblyman Robinson said that by that date the original appropriation should be recovered and more. Mr. Bremner asked for information as to the impact of this program on Clark County. Assemblyman Robinson said that the adverse testimony originally from Clark County related to about \$15,000 that accrues in accounting for the sales of share evidence and he said that this bill does not affect this area.

Assemblyman Robinson pointed out that the bill provides for the administrator to case aside recovery of very small amounts of property. Mrs. Wagner asked the meaning of this provision. Mr. Robinson said that for \$15 in unclaimed property it would cost more to advertise to locate the owner by mail and advertising in newspapers than the value of the recovery would return to the State or the owner. These types of properties could--at the discretion of the administrator--be cast aside.

Mr. Vergiels complimented Mr. Robinson on the thoroughness of his preparation. Mr. Robinson replied that the Interim Study had been a very interesting project and a similar act in California was called the "great treasure hunt."

Mr. Wadhams, Department of Commerce, spoke in support of AB 85 and said that Nevada is not getting money that otherwise would come into this State because we do not have such a law. He also said that this is a valuable bill to consumers because the State makes every effort to locate the owners of these properties and return it to them. Mr. Wadhams said that the structure of the bill provides a regulatory function in that the agency charged with administering the fund has a responsibility to locate the owners of beneficiaries of property. Mr. Wadhams said that the Commerce Department has the capability to do everything necessary to administer this bill and has the regulatory authority over all of the businesses affected by this bill. He also added that the Commerce Department has adjudication capabilities already in its laws and that by placing administration of the action in the Department of Commerce another government agency would not be created. He added that the Department has field examiners that could handle the requirements of the auditors originally provided in the bill, therefore positions could be eliminated.

Mr. Wadhams said that the money recovered would be held by the State Treasurer. Mr. Wadhams furnished the Committee with a handout detailing his estimations of the wages, travel, and operating expenses for administration of this bill which is included as Exhibit "B." Mr. Wadhams explained that any monies not expended out of the appropriation automatically would be returned to the General Fund. Mr. Wadhams said that the positions required to administer this program would consist of a program administrator, senior accountant, account clerk and an administrative aide. Mr. Wadhams explained that when

the property comes to the State the interest no longer accrues to the owner, the State is only responsible for the principal. He said that as the proceeds come into the State, the costs could be offset against these receipts.

Mrs. Wagner asked the type of notification that would be required to be printed in the newspapers. Mr. Wadhams said that the print used for legal notices is too small and that these property notices should appear in print at least as large as that used in the newspapers.

Mr. Glover asked if other states having this recovery act have the administration based in the Department of Commerce. Mr. Wadhams replied that most states have the administration of this act in the State Treasurer's office simply because the recovered funds are held in the Treasurer's office.

Chairman Mello asked if the program administrator referred to in Exhibit "B" is an unclassified position. Mr. Wadhams said that each Department is only allowed three unclassified positions under current law and that Commerce already has three; but that he would prefer that this be an unclassified position.

Mr. Stan Colton, State Treasurer, said that 28 states have uniform property disposition laws and that only one had the responsibility for administration of this act in the Department of Commerce.

In response to Chairman Mello's request, Mr. Colton subsequently furnished the Committee with a copy of both the total budget presented to Government Affairs and a new proposed expenditure budget for the uniform disposition of unclaimed property act which are included as Exhibits "C" and "D." Mr. Colton pointed out that his new budget is less than the appropriation need as estimated by the Interim Study Subcommittee and is lower than his original budget estimation. He apologized saying he only had one copy of the new proposed budget.

Chairman Mello said that when appearing before the Committee the proper budget information should be readily available. Chairman Mello said that this bill would be rescheduled and anyone wishing to appear before this Committee should have their information prepared or they would not be heard.

Mr. Bremner observed that the competition between agencies for administration of this project appeared to be advantageous to the State as it was resulting in a cost savings to the State.

Chairman Mello commented that the budget that was submitted to Government Affairs was more than the budget submitted to Ways and Means. He added that perhaps if the lower budget is successful in getting administration of the program for an agency that this bill calls for, the same agency could be back in two years asking for three times the amount of money to be appropriated.

The meeting was adjourned at 9:40 a.m.

BACKGROUND INFORMATION CONCERNING A.B. 85, AMENDING  
NRS TITLE 10 RELATING TO UNCLAIMED  
PROPERTY ADOPTING THE UNIFORM DISPOSITION  
OF UNCLAIMED PROPERTY ACT WITH MODIFICATION.

Assembly Bill No. 85 is modeled after the Revised Uniform Disposition of Unclaimed Property Act which was approved by the National Conference of Commissioners on Uniform State Laws and the American Bar Association in 1966. The original Act was approved in 1954.

Jurisdiction in which the revised 1966 Act has been adopted are as follows:

<u>JURISDICTION</u>	<u>LAWS</u>	<u>EFFECTIVE DATE</u>
Alabama	1973, No. 1084	4-27-1973
Georgia	1972, p. 763	
Hawaii	1974, c. 75	
Illinois	1961, p. 3426	8-17-1961
Indiana	1967, c. 253	3-10-67
Iowa	1967, c. 391	7-1-1967
Louisiana	1972, No. 146	
Minnesota	1969, c. 725	7-1-1969
Montana	1963, c. 244	7-1-1963
New Mexico	1959, c. 132	3-3-1959
Oklahoma	1967, c. 107	4-24-1967
Rhode Island	1968, c. 256	
South Carolina	1971, p. 709	
South Dakota	1973, c. 276	7-1-1973
Wisconsin	1969, c. 404	8-1-1970

The Alabama Act, which was previously conformed to the 1954 Uniform Act, was amended so that it now conforms to the 1966 revised uniform act. Georgia enacted a Disposition of Unclaimed Property Act which is a substantial adoption of the major provisions of the uniform act as revised in 1966, but which contains numerous variations, omissions and additional matter. The Illinois act, which formerly conformed substantially to the 1954 uniform act, has been amended so that it now conforms substantially to the 1966 revised uniform act.

Jurisdictions in which the original 1954 Act has been adopted are as follows:

JURISDICTIONLAWSEFFECTIVE DATE

Arizona	1956, c. 126	7-14-1956
Florida	1961, c. 61-10	9-30-1961
Idaho	1961, c. 162	3-11-1961
Maryland	1966, c. 611	6-1-1966
New Hampshire	1965, c. 214	1-1-1966
Oregon	1957, c. 670	8-20-1967
Utah	1957, c. 6	5-14-1957
Vermont	1964, No. 35	1-1-1965
Virginia	1960, c. 330	1-1-1961
Washington	1955, c. 385	6-8-1955
West Virginia	1966, c. 1	7-1-1967

Reason for Proposed Uniform Act

Uniform and comprehensive state legislation dealing with the disposition of unclaimed property should fill a very real need. Present statutory provisions on the subject are exceedingly diverse in character and often are not well formulated. Most states already have statutes dealing with the disposition of unclaimed tangible personal property, the abandonment of which is a more or less obvious fact. In addition, a considerable number of states have statutes dealing with the disposition of unclaimed bank deposits. At the time the original Uniform Disposition of Unclaimed Property Act was approved by the Conference in 1954, however, only ten states had adopted really comprehensive legislation covering the entire field of unclaimed property. They were: Arkansas, Connecticut, Kentucky, Massachusetts, Michigan, New Jersey, New York, North Carolina, Oregon and Pennsylvania. Several other states, however, manifested interest in adopting comprehensive legislation on the subject.

To provide the states with an act that would promote a fair and adequate treatment of the subject, the Conference drafted and, in 1954, approved the Uniform Disposition of Unclaimed Property Act. This Act subsequently was adopted (though it may or may not still be in force) in Arizona, California, Florida, Idaho, Illinois, Montana, New Mexico, Oregon, Utah, Virginia, Washington and West Virginia.

What the Act Does

The Uniform Act is custodial in nature--it does not result in the loss of the owner's property rights. The state takes custody and remains the custodian in perpetuity. Although the actual possibility of his presenting a claim in the distant future is not great,

the owner retains his right of presenting his claim at any time, no matter how remote. State records will have to be kept on a permanent basis. In this respect, the measure differs from the escheat type of statute, pursuant to which the right of the owner is foreclosed and the title to the property passes to the state. Not only does the custodial type of statute more adequately preserve the owner's interests, but, in addition, it makes possible a substantial simplification of procedure.

<sup>52</sup>  
~~the~~ Act, which consists of ~~thirty-two~~ sections, commences with the usual section on definitions. This is followed by sections ~~2 through 9~~ devoted to defining and describing the circumstances under which various classes of property are to be presumed to be abandoned under the Act. Separate sections deal with property held or owing by banks or other financial organizations, insurance corporations, public utilities, other business associations, trustees in corporate dissolution proceedings, fiduciaries and state courts and other public agencies. <sup>There is Sec. 24,</sup> ~~Section 9~~ is an omnibus section covering all other items held or owing "in the ordinary course of the holder's business." <sup>is another section</sup> Thereafter ~~comes section 10~~ which may be regarded as a key section in the Act, for it contains the provisions which preclude the possibility of multiple liability being imposed upon the holder of unclaimed property who happens to be subject to the jurisdiction of two or more states. The remaining sections, ~~11 through 32~~, deal principally with procedural matters, including the reporting of unclaimed property, the giving of notice to owners, payment into the custody of the state and various provisions pursuant to which the owner may subsequently present his claim to the state and recover his property.

The Uniform Disposition of Unclaimed Property Act, if adopted, will serve to protect the interests of owners, to relieve the holders from annoyance, expense and liability, to preclude multiple liability, and to give the ~~adopting~~ state the use of some consid-

erable sums of money that otherwise would, in effect, become a windfall to the holders thereof.

#### Why Uniformity Is Necessary

In addition to the general desirability of symmetry in the law for the benefit of persons doing business in more than one state, there is at least one especially important reason for uniform legislation on the subject. Two decisions of the United States Supreme Court, Connecticut Mutual Insurance Co. v. Moore, 333 U.S. 541, 92 L.Ed. 863 (1947) and Standard Oil Co. v. New Jersey, 341 U.S. 428, 95 L.Ed. 1078 (1951) reveal that a troublesome problem of multiple liability for the holder of unclaimed property arises in case two or more states, each having jurisdiction over such property, enact statutes dealing with the subject. If two such statutes cover the same items of property, and if each state seeks to exercise its jurisdiction, it becomes likely that the holder may be subjected to double, or perhaps, even more extensive liability for funds in its custody. Or, even though the statutes are so framed as to avoid multiple liability, a "race of diligence" between states having jurisdiction may ensue, with each state trying to reach the funds first.

In the 1947 decision in Connecticut Mutual Insurance Co. v. Moore, the United States Supreme Court held that the State of New York may take possession of unclaimed funds due on insurance policies issued to persons in the state of New York, even though the insurance company holder of the funds is domiciled in another state. Jurisdiction is based upon the relationship of the policy holders to the state. Later, in 1951 in the Standard Oil Company case, the Court upheld the right of the state of New Jersey, the domicile of the company, to escheat stock and stock dividends belonging to residents of the state of New York. Thus, jurisdiction also can be based upon the domicile of the holder. These two decisions viewed together reveal the possibilities of multiple liability. Moreover, since federal concepts of jurisdiction may not preclude multiple liability, it is especially proper and desirable to resort to a uniform state act providing reciprocity.



PROPOSED BUDGET

Because the Commerce Department through the Insurance Division currently administers an unclaimed property fund, we would not have the "systems development" costs of a different agency.

Because, with one exception (utilities), the Commerce Department currently audits or examines most of the financial institutions covered by the act, certain economies in staffing could be achieved in the early years.

As a result, the estimated costs would be as follows:

<u>Personnel</u>	<u>FY 1979-80</u>	<u>FY 1980-81</u>
Program Administrator	\$ 21,500	\$ 23,000
Senior Accountant	16,750	17,900
Account Clerk	9,390	10,050
Administrative Aide	<u>10,225</u>	<u>10,950</u>
	\$ 57,865	\$ 61,900
Payroll Costs at 15%	<u>8,680</u>	<u>9,285</u>
<u>Total Personnel Costs</u>	\$ 66,545	\$ 71,185
<u>Travel</u>	30,000	35,000
<u>Operating</u> (25% of Salaries)	16,636	17,796
<u>Electronic Data Processing Systems</u>	3,000	
Equipment	7,000	2,000
Training	<u>7,000</u>	
<u>Grand Total</u>	\$130,181	\$126,481

This proposal is further modified by the following priorities:

1. At inception, I would employ only a Senior Accountant and an Administrative Aide. The Director would function as Program Administrator initially.
2. A Program Administrator or an Account Clerk would only be added as needed. If they were not needed, the monies appropriated therefor would revert to the General Fund at the end of the fiscal year pursuant to Section 38, Subsection 4 of the bill.

PROPOSED EXPENDITURE BUDGET FOR  
UNIFORM DISPOSITION OF UNCLAIMED PROPERTY ACT

	<u>79-80</u>	<u>80-81</u>
Salaries & Wages (Schedule 1)	\$ 90,958	\$110,514
Travel:		
In-State (Schedule 2)	\$ 10,872	\$ 15,989
Out-of-State	<u>1,500</u>	<u>1,500</u>
Total Travel	\$ 12,372	\$ 17,489
Operating Expenses (Schedule 3)	\$ 22,454	\$ 23,667
Data Processing	\$ 3,000	
Training (Schedule 4)	\$ 3,456	
Equipment (Schedule 5)	<u>\$ 6,639</u>	<u>\$ 3,361</u>
Total All Categories	<u>\$138,879</u>	<u>\$155,031</u>
Contingency Included in Totals	\$ 5,429	\$ 4,816

	<u>79-80</u>	<u>80-81</u>	<u>Total</u>
Subcommittee Estimate	\$201,000	\$195,000	\$396,000
Treasurer's Estimate	<u>138,879</u>	<u>155,031</u>	<u>293,910</u>
Difference	\$ 62,121	\$ 39,969	\$102,090

C 1070

SALARIES & WAGES

	<u>79-80</u>	<u>80-81</u>
Administrator	\$27,200	\$ 28,300
Senior Auditors (2)	25,350	39,928
Accountant	16,581	17,410
Senior Clerk Typist	9,963	10,461
Fringe @15 Percent	<u>11,864</u>	<u>14,415</u>
Total Salaries & Wages	<u>\$90,958</u>	<u>\$110,514</u>

NOTE: 79-80 salary for the two senior auditors is based on their commencing employment on November 1, 1979.

B-

1971

IN-STATE TRAVEL

Per Diem: Two men in-travel status 1/3 of their time at \$40 per day	\$ 6,640
Motor Pool: 25,000 miles @15¢ per mile plus \$3,00 per day	4,250
Air Fare: 12 trips to or from Las Vegas	840
Per Diem: 12, 2-day trips to or from Las Vegas	960
Contingency at 20 percent	<u>2,538</u>
Total Annual Basis	<u><u>\$15,228</u></u>

	<u>79-80</u>	<u>80-81</u>
In-State Travel	<u>\$10,872</u>	<u>\$15,989</u>

NOTE: The 79-80 estimate is based on the two auditors starting employment November 1, 1979. The 80-81 estimate is the total annual basis plus 5 percent.

OPERATING EXPENSES

	<u>79-80</u>	<u>80-81</u>
Office Supplies	\$ 500	\$ 500
Postage	1,000	1,000
Operating Supplies	500	500
Publications	500	500
Membership Dues	300	300
Communications Expense	3,000	3,000
Printing and Duplicating	2,500	2,500
Insurance	250	250
Equipment Repair	150	150
Advertising	7,500	8,500
Rent	4,213	4,315
Contingency at 10 percent	<u>2,041</u>	<u>2,152</u>
Total Operating Expense	<u>\$22,454</u>	<u>\$23,667</u>

NOTE: Rent is based on 850 sq. ft. of space.

1073

PROPOSED EXPENDITURE BUDGET FOR  
UNIFORM DISPOSITION OF UNCLAIMED PROPERTY ACT

	<u>79-80</u>	<u>80-81</u>
Salaries and Wages (Schedule 1)	<u>\$52,939</u>	<u>\$61,852</u>
Travel:		
In-State (Schedule 1)	\$ 6,445	\$ 9,665
Out-of-State	1,500	1,500
Total Travel	<u>\$ 7,945</u>	<u>\$11,165</u>
Operating Expenses (Schedule 2)	<u>\$20,972</u>	<u>\$22,027</u>
Data Processing	<u>\$ 3,000</u>	
Training (Schedule 3)	<u>\$ 1,728</u>	
Equipment (Schedule 3)	<u>\$ 4,517</u>	<u>\$ 2,500</u>
Total All Categories	<u>\$91,101</u>	<u>\$97,544</u>

	<u>79-80</u>	<u>80-81</u>	<u>TOTAL</u>
Subcommittee Estimate	\$201,000	\$195,000	\$396,000
Treasurer's Estimate	<u>91,101</u>	<u>97,544</u>	<u>188,645</u>
Difference	\$109,899	\$ 97,456	\$207,355

*D*  
*mm*

SALARIES AND WAGES

	<u>79-80</u>	<u>80-81</u>
Administrator	\$23,500	\$23,500
Senior Auditor	12,617	19,871
Senior Clerk Typist	9,917	10,413
Fringe @ 15 Percent	<u>6,905</u>	<u>8,063</u>
Total	<u>\$52,939</u>	<u>\$61,852</u>

Note: The 79-80 salary for the senior auditor is based on his commencing employment November 1, 1979.

IN-STATE TRAVEL

Per Diem: One man in travel status 1/3 of his time at \$40 per day	\$3,320
Motor Pool: 15,000 miles @ 15¢ per mile plus \$3.00 per day	2,520
Air Fare: 12 trips to Las Vegas	840
Per Diem: 12, 2-day trips to Las Vegas	960
Contingency at 15 percent	<u>1,261</u>
Total Annual Basis	<u>\$9,665</u>

	<u>79-80</u>	<u>80-81</u>
In-State Travel	<u>\$6,445</u>	<u>\$9,665</u>

Note: The 79-80 travel estimate is based on the auditor starting employment on November 1, 1979.

OPERATING EXPENSES

	<u>79-80</u>	<u>80-81</u>
Office Supplies	\$ 500	\$ 500
Postage	2,500	2,500
Operating Supplies	500	500
Publications	500	500
Membership Dues	300	300
Communications Expense	3,000	3,000
Printing and Duplicating	2,500	2,500
Insurance	250	250
Equipment Repair	150	150
Advertising	7,500	8,500
Rent	2,272	2,327
Contingency	<u>1,000</u>	<u>1,000</u>
Total	<u>\$20,972</u>	<u>\$22,027</u>

Note: Rent is based on 550 sq. ft. of space.



TRAINING

79-80

Basis: Two people taking 2, four-day trips each

Per Diem	\$ 640
Air Fare	800
Contingency	<u>288</u>
Total Training	<u>\$1,728</u>

EQUIPMENT

79-80

80-81

Equipment	\$4,017	\$2,500
Contingency	<u>500</u>	<u>          </u>
Total Equipment	<u>\$4,517</u>	<u>\$2,500</u>

Note: Equipment estimate for 79-80 includes:

3 desks, 3 chairs, 3 four-drawer files, 3 wastebaskets,  
3 calculator, 2 credenzas and 1 typewriter.

The contingency of \$500 in 79-80 and the \$2,500 for 80-81 would be for any specialized equipment that might be required.