

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

May 22, 1979

Chairman Mello called the meeting to order at 9:10 a.m.

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

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Budget Office, and Bob Gagnier, Executive Director, SNEA.

Mr. Bob Gagnier, Executive Director, SNEA, explained that the Senate Finance indicated that it was their intention to delete the 8% raise in the first year of the biennium and provide instead an across the board increase of \$924 per year per employee. He stated that on that basis any employee making \$11,550 or less would in actuality receive more than an 8% raise. He continued that 3,389 employees would get more than 8% and that 5,426 would receive less.

Chairman Mello asked what was the intent of the Senate Finance in taking this action. Mr. Gagnier responded that he did not know, but that their action was tentative based on the receipt of additional figures.

Mr. Bremner asked if the same dollar amount was involved. Mr. Gagnier replied that he did not see how it could be since 38% of the employees would be making more instead of a 50-50 split between all employees. He added that Senator Gibson had prepared the statistical information for the Senate Finance.

Chairman Mello asked if the Senate Finance was attempting to give a larger pay raise to those employees who make \$11,550 or less per year. Mr. Webb answered that it appears they are trying to place the funds in the low end of the pay scale to provide additional funds for those employees who need the money the most.

Mr. Hickey commented that granted there is a greater need at the low end of the pay scale for additional funds, but that he felt such action should be accomplished by salary increases not by percentages.

Mr. Bremner stated that he felt such action unnecessarily penalized personnel who are earning more and are doing so because their particular job requires responsibility, training and/or skills.

Mr. Gagnier commented that in 1970 the association did propose an across the board increase of \$50 but that was to meet special circumstances that existed at that time. However, he stated that continuing such a process shortens the distance between each salary range. He pointed out that initially there was a 5% differential between the salary ranges, now there is only a 4.7% spread; and that proceeding with the proposed action will decrease the differential further. He pointed out that eventually it becomes unattractive for employees to move into supervisory positions. He added that the association's salary surveys do indicate that the lower paying levels of State jobs are better compensated than those in private industry, and that the upper-levels of State jobs are under compensated when compared to private industry. He continued that it is easy to sympathize with the lower paid employees, but what must be determined is whether or not a social program is being addressed or a prevailing wage program.

Mrs. Wagner asked if such an action was undertaken during the Laxalt administration. Mr. Gagnier responded that on July 1, 1970 an across the board increase of \$50 was authorized by the Interim Finance.

Mr. Rhoads stated that making such an across the board increase removes incentive for upward mobility in supervisory positions.

Mr. Barengo presented the Subcommittee's report on the Unclassified Pay Bill. He stated that overall the Subcommittee attempted to keep the percent increase in salaries within a 6 to 8% range. He said that the passage of SB 508 resulted in the addition of some positions that became unclassified within the Department of Human Resources. He indicated that the large salary increases in the Department of Prisons resulted in the elimination of that agency's perquisites account. He stated that the State Personnel Administrator, the Rehabilitation Administrator and the Aging Services Administrator positions had been changed to unclassified service and those positions were added to the pay bill. He pointed out that the salaries for Bruce Greenhall and Noreen Barber in the Governor's office are requested by the Governor as these people form a valuable nucleus in his office. Mr. Barengo continued that some impaction problems still exist within the bill. After some discussion the Committee agreed that \$28,000 per annum would be the salaries established for the Governor's assistants.

Mr. Bible indicated that in the State's departments it is generally understood that unless a Federal rule or regulation can be located to indicate that position can be classified, all the department chiefs are unclassified.

Mr. Vergiels commented that he believed that the Assistant Superintendent in the Department of Education, Dr. Ryan, should receive a larger increase in pay since he served as Acting Superintendent up until three months ago when Mr. Sanders came on board. He added that it was Dr. Ryan who did all the budget preparatory work.

Mr. Barengo stated that on the last page of the report a few positions that have been underpaid in the past--those that are highly technical in particular, the Curator of the Lost City Museum and the Executive Assistant Secretary to the Historical Society--received a large increase.

Mr. Mann asked if the License Investigator position for the Henderson Track would be a full-time position. Mr. Barengo replied that it will become a full-time position if the track does get established and it starts generating revenue.

Mr. Bible explained that the compaction problem with the Department of Highways concerns the two Deputy Highway Engineers. He stated that they are currently earning \$32,900, and that the Governor's recommendation is for \$32,750 with no increase provided. He added that this action would cause compaction with thirteen division heads, and that in order to avoid compaction of these thirteen positions the deputy positions would have to be raised to \$34,950. He further stated that in order to completely eliminate the compaction problem on the Deputy Highway Engineers positions their salaries would have to be raised to \$35,532.

Mr. Mann asked what was the rationalization behind the raising of the Director of the Rural Clinics salary. Mr. Bible explained that they were changed from classified to unclassified service.

Mrs. Wagner asked about the substantial increases under Gaming Control. Mr. Barengo stated that he had discussed the increases with Mr. Roger Trounday and that the department was in favor of the increases indicated. He added that there is concern about keeping people in the middle and upper level positions because the salaries offered are not competitive with private industry. Mr. Barengo added that he has suggested that the Gaming Control be given \$50,000 with a letter of intent stating that salaries at certain positions can be augmented with those funds. Mr. Bible stated that he would have to verify the legality of that procedure with Mr. Daykin, Legislative Counsel as those salaries are set by law.

Chairman Mello suggested that if such a procedure is legally feasible then authorization should be given to Mr. Trounaday to establish a plan and indicated which positions he feels are necessary for augmentation from the \$50,000, and then have that plan submitted to Interim Finance for approval.

Mr. Bible indicated that the Governor has recommended increasing the Supervising Legal Stenographer's position in the Attorney General's Las Vegas office to \$13,863 to provide the position with some flexibility for advancement.

Motion made by Mr. Vergiels to increase Dr. Ryan's salary by 5.1%; seconded by Mrs. Wagner. Motion defeated.

Mr. Bible explained that the creation of a Department of Corrections would add a new position that would supervise both the Director of Prisons and the Director of Parole and Probation.

Motion made by Mr. Barengo to adopt the Subcommittee's report; seconded by Mr. Webb. Motion approved.

Mr. Barengo indicated that the Senate Finance made two changes in the Supreme Court budget. He stated that that Deputy Supervising Staff Attorney position's salary was reduced and that the Law Clerk position's salary was also reduced.

Motion made by Mr. Barengo to adopt the recommendations for the Supreme Court; seconded by Mr. Webb. Motion approved.

Mr. Glover requested the Committee provide him with input on the number of beds desired for the new prison, either 400 or 600.

Mr. Bremner stated that he believed the larger bed prison was rejected because of the extra expenses involved, and because the restitution centers and honor camp are to be established.

Chairman Mello commented that with the crime rate increasing it appears only prudent to consider the larger facility.

Mr. Bremner pointed out that in view of the current energy crisis and the resulting reduction in State revenue, it does not seem to be a valid idea at this point to go with the larger facility.

Chairman Mello suggested that the Subcommittee provide the Committee with a recommendation on the bed capacity.

Mr. Bremner presented the Subcommittee's report on the Distributive School Fund. He stated that the Subcommittee recommends 100 units for Special Education at the \$18,000 level with General Fund support.

Chairman Mello asked how much that would be in General Funds. Mr. Bremner replied it would be about \$612,000.

Mr. Bremner continued that in the second year of the biennium the Subcommittee recommends that if the local school support tax exceeds the 3% mark predicted by the Governor that those excess funds be "triggered" into the Distributive School Fund to increase it from 6.3% to 8%, which would amount to an increase of approximately \$3.1 million. He added that the only exception to this would be if the revenue sharing does not materialize in the second year of the biennium then the overage in the local school support tax fund will make up the difference in the revenue sharing before it is "triggered" into the Distributive School Fund.

Motion made by Mr. Bremner to adopt the Subcommittee's report; seconded by Mrs. Wagner. Motion approved.

SB 208

Mr. Bible explained that during the last session two bills were combined that related to the prison and in that combination the language for the warden's perquisites was inadvertently omitted. He continued that this

legislation would provide the warden with those perquisites on a cash basis.

Motion made by Mr. Barengo DO PASS on SB 208; seconded by Mrs. Wagner. Motion approved.

SB 569

Mr. Bible explained that SB 569 implements what the conference committee agreed upon concerning the supplemental appropriation to the drivers license division. He continued that this legislation would have drivers license fees deposited to the credit of the State's General Fund instead of going into the Department of Highway fund, and that the State would then fund the drivers license division with a General Fund appropriation.

Motion made by Mrs. Wagner DO PASS on SB 569; seconded by Mr. Mann. Motion approved.

AB 325

Mr. Alastuey explained that the \$5 million appropriation was for the purchase of new highway equipment including vehicles and asphalt spreaders and a variety of other types of equipment for highway maintenance.

Mr. Hickey commented that the highway department has cooperated in providing him with a list of the equipment to be purchased.

Motion made by Mr. Hickey DO PASS on AB 325; seconded by Mr. Webb. Motion approved.

The meeting was adjourned at 10:20 a.m.