

Committee in session at 7:30 a.m. Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Thomas R.C. Wilson
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle

ABSENT:

OTHERS: Ronald W. Sparks, Chief Fiscal Analyst
PRESENT: Eugene Pieretti, Deputy Fiscal Analyst
Howard Barrett, Budget Director
Senator James Kosinski
Cy Ryan, United Press
John Rice, Associated Press

Regarding New Position for Department of Human Resources

Senator Kosinski presented an organizational chart of the Department of Human Resources (see Attachment A) to illustrate the complexity of this Department. He testified that the Department has many problems, and it is difficult to coordinate programs. He said that additional coordination would make better use of dollars presently spent by the Department. Senator Kosinski proposed that the legislature approve the new management coordinator requested by Dr. DiSibio. The new person would be responsible for setting up a comprehensive management system; Senator Kosinski noted this position is largely federally funded. He requested permission to reopen the Director's Office budget to add this position.

Senator Jacobsen expressed concern that this person would be a federal employee.

Senator McCorkle agreed that this service is necessary, but he asked whether the position could not be supported internally by reducing various budgets. Senator Kosinski stated that regardless of how the position is financed, legislative approval is needed to add the new position.

Senator Echols asked how the new position related to Dr. DiSibio. Senator Kosinski replied that the new position is in the Director's Office, and his function is to visit individual divisions and determine their particular program needs and relate those needs to an overall system. The new person is directly responsible to Dr. DiSibio.

S.B. 213 - Appropriation to mental hygiene and mental retardation for automated management system. (Attachment B)

Senator Kosinski said this is a \$96,000 appropriation; he suggested, if this money is appropriated, that it be funded in stages so that the Division will not get ahead of itself as other Divisions have done.

Senator Lamb asked the Committee members what they would like to do about the new position for the Department of Human Resources. Senator McCorkle said he thought permission ought to be given for the position, but that it not be funded. Senator Lamb remarked that he would not like to do that.

Senator Gibson commented that Dr. DiSibio needs all the help he can get; the Department of Human Resources is a monstrosity.

Senator Jacobsen suggested that the Department be required to report to the legislature on what they are doing. Senator Lamb suggested they report to the Interim Finance Committee.

(Director's Office budget - action continued)

Senator McCorkle moved to reopen the Director's Office budget, Department of Human Resources.

Seconded by Senator Gibson.

Motion carried.

Senator McCorkle moved that the new position be added to the budget, under Contract Services.

Seconded by Senator Gibson.

Motion carried.

Senator Lamb remarked that a letter of intent will be sent notifying the Director to notify Interim Finance before the new person is hired, and to report at the end of one year.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Senator Lamb directed Committee members to read Attachments C and D. Senator Lamb commented that there is a great variation in the amount of money received by members of the board. A general discussion followed regarding where members are from, and location of meetings.

Mr. Sparks commented the reason for the large variation in members' pay, is that they have paid for travel for Board members to attend meetings; and also paid for members to attend work sessions. He said Mr. Bennett's present budget removes Board member fees for the day of travel before the board meetings and also removes Board member fees for the work sessions. This reduces the fees from the original figure of \$13,600 and \$16,000 (the second year) to \$7,120 for each year of the biennium.

Senator Lamb referred the Committee to Mr. Bennett's revised budget (see Attachment C).

Senator Gibson expressed concern that the administration has doubled in cost.

Senator McCorkle said about a 20 percent increase in employees added to inflation means their increase should be about 35 to 40 percent. He said their revised budget is just about that percentage; the revised budget is probably pretty close to what it should be.

Senator Lamb asked why they needed that many new people. Mr. Sparks replied that Mr. Bennett stated any reductions mean a reduction in services.

Senator Lamb asked the Committee if they think the addition of 4 employees is a large increase. They replied no. Senator Lamb said then the reduction of employees will be made to this number (as described in Attachment C).

Senator Lamb asked about Out-of-State Board Travel. Senator Gibson said Out-of-State Travel for Board members is still double in the revised budget. He said the budget has supposedly been cut so that each Board member attends only 1 national conference per year instead of two. If one conference is cut out, why should travel double. Senator Lamb suggested that Travel be reduced to actual expenditure of \$24,045.

Senator Gibson moved to reduce Out-of-State Board Travel to \$24,045 for both years of the biennium

Seconded by Senator McCorkle.

Motion carried.

Senator Lamb referred the Committee to Staff Travel.

Senator McCorkle moved to reduce Staff Travel to \$10,000 each year of the biennium.

Seconded by Senator Jacobsen.

Motion carried.

Senator Gibson referred the Committee to In-State Travel - Board. He said they meet approximately monthly, for about 2 days. He recommended this appropriation be reduced to \$15,000.

Senator McCorkle moved to reduce In-State Travel-Board to \$15,000 each year of the biennium.

Seconded by Senator Jacobsen.

Motion carried.

Senator Lamb absent.

Senator Gibson referred the Committee to In-State Travel-Staff.

Senator Glaser moved to reduce In-State Travel-Staff to \$12,000 each year of the biennium.

Seconded by Senator McCorkle.

Motion carried.

Senator Gibson referred the Committee to In-State Travel - Police and Fireman Committee.

Senator Echols moved that In-State Travel - Police and Firemen Committee be set at the level in Attachment C.

Seconded by Senator Wilson.

Motion carried.

Senator Gibson referred the Committee to Postage and Freight.

Senator McCorkle suggested relating this cost to increases in membership in the retirement system and increased postage costs: membership is up 9 percent; postage is up 25 percent. Senator Wilson said the figure in Attachment C looks about right.

Senator Glaser moved to reduce Postage and Freight to \$25,000 the first year and \$30,000 the second year.

Seconded by Senator McCorkle.

Senator Wilson voted no.

Motion carried.

Senator Lamb absent.

Senator Gibson referred the Committee to Printing.

Senator McCorkle said volume of printing should be discouraged.

Senator McCorkle moved to reduce Printing costs to \$20,000 the first year, and \$24,000 the second.

Seconded by Senator Wilson.

Motion carried.

Senator Lamb referred the Committee to Microfilm item.

Senator Gibson moved that Microfilm be set at \$4,500 as indicated in Attachment C.

Seconded by Senator Echols.

Motion carried.

Senator Lamb referred the Committee to Contract Services.

Senator Echols moved to accept the revised budget.

Seconded by Senator Jacobsen.

Motion carried.

Senator Lamb referred the Committee to Office Vehicle Costs, Equipment Rental and Building Rent. The Committee accepted these items as revised (see Attachment C).

Senator Gibson reminded the Committee that these reductions will result in a mediocre system as opposed to a good system. He said Computing Services should be left as is in the original budget.

Senator Gibson moved to appropriate \$169,720 (the first year) and \$190,692 (the second year) for Computing Services.

Seconded by Senator Jacobsen.

Motion carried.

Senator Lamb referred the Committee to Dues and Registration, Medical Expense, Purchase of Service, P/F Legal Fees, and Administrative Legal Fees. The Committee agreed to appropriate the figures in the revised budget.

Senator Lamb referred the Committee to Office Furniture.

Senator Gibson remarked that since the Computing Services have been left in, the mini computer should be left in which is included in this item. Senator Gibson recommended that \$15,000 be appropriated for Office Furniture. The Committee concurred.

Senator Glaser moved to approve the budget as amended and revised.

Seconded by Senator Wilson.

Motion carried.

OFFICE OF COMMUNITY SERVICES - Page 14

Senator Gibson moved that this budget be approved.

Seconded by Senator Jacobsen.

Motion carried.

COMMUNITY SERVICES AGENCY - WEATHERIZATION - Page 18

Senator Gibson moved that this budget be approved.

Seconded by Senator Jacobsen.

Motion carried.

COMMUNITY SERVICES AGENCY - COMMUNITY DEVELOPMENT - Page 16

Senator Gibson moved that this budget be approved.

Seconded by Senator Jacobsen.

Motion carried.

WEATHERIZATION - DEPARTMENT OF ENERGY - Page 20

Senator Glaser moved that this budget be approved.

Seconded by Senator Gibson.

Motion carried.

WEATHERIZATION - SPECIAL CRISIS INTERVENTION PROGRAM - Page 22

Senator Gibson moved that this budget be approved.

Seconded by Senator Jacobsen.

Motion carried.

ELEMENTARY AND SECONDARY EDUCATION ACT - TITLE I - Page 186

Senator Gibson moved that this budget be approved.

Seconded by Senator Glaser.

Motion carried.

ELEMENTARY AND SECONDARY EDUCATION ACT - TITLE IV B and C - Page 188

Senator Glaser moved that this budget be approved.

Seconded by Senator Gibson.

Motion carried.

BUREAU OF MATERNAL AND CHILD HEALTH - Page 260

Mr. Sparks remarked that there are augmentations to this budget (see Attachment E). He said he thought this grant had been left out of the budget because it had not yet been approved. Mr. Barrett said that is correct.

Senator Gibson moved to amend the budget in the amount of \$87,000 (as described in Attachment E).

Seconded by Senator Glaser.

Motion carried.

Mr. Sparks referred the Committee to a memo from the Division of Health, dated March 30 (see Attachment F). He said they have now received a grant for \$63,549 which specifies an in-kind match which does not require money to be added from the General Fund.

Senator Gibson moved to amend the budget to allow for this program.

Seconded by Senator Wilson.

Senator McCorkle voted no.

Motion carried.

Senator Gibson moved to approved the budget as amended.

Seconded by Senator Wilson.

Motion carried.

BUREAU OF HEALTH FACILITIES - Page 265

Senator McCorkle moved to reduce Duplicating and Copy to actual expenditure level both years of the biennium and to replace the license fee revenue with General Fund revenue.

Seconded by Senator Jacobsen.

Motion carried.

Senator Gibson moved to approve the budget as amended.

Seconded by Senator Glaser.

Motion carried.

CONSUMER HEALTH PROTECTION SERVICES - Page 268

Senator Gibson moved to reduce In-State Travel to \$55,000 both years of the biennium.

Seconded by Senator McCorkle.

Motion carried.

Senator Gibson moved to approve the budget as amended.

Seconded by Senator Jacobsen.

Motion carried.

HEALTH DIVISION - NUTRITION - Page 272

Senator McCorkle moved to eliminate the new position.

Seconded by Senator Jacobsen.

Mr. Barrett said that the new position is there because a legislative report recommended a Nutritionist. Mr. Sparks said he thought the report recommended the service of a Nutritionist, but not necessarily the position.

Senator Lamb called for a vote on the motion.

Senator Gibson voted no.

Motion carried.

Senator Jacobsen remarked that In-State Travel is for only 3 people and he did not understand why it is so high. Mr. Sparks remarked that another program is being transferred into this budget.

Senator Gibson said that since one person has been eliminated, Travel should be able to be reduced by at least 25 percent. Senator Glaser expressed concern that they will be able to do their job with a reduction.

Senator Jacobsen moved to reduce In-State Travel to \$11,000 the first year of the biennium and to \$12,000 the second year.

Seconded by Senator McCorkle.

Motion carried.

Senator Jacobsen moved to reduce Training to \$500 each year of the biennium.

Seconded by Senator McCorkle.

Mr. Barrett remarked that this training is to train people in hospitals, not necessarily staff. Senator Jacobsen said it is for in-service training and he does not understand why people are not already trained.

Motion carried.

Senator Glaser moved to approve the budget as amended.

Seconded by Senator Jacobsen.

Motion carried.

IMPROVED PREGNANCY OUTCOME - Page 274

Mr. Sparks submitted requested information regarding this program (see Attachment G).

Senator Gibson remarked that if this program avoids birth complications, it results in saving the State money.

(Improved Pregnancy Outcome - budget action continued)

Senator McCorkle moved to eliminate the program.

Seconded by Senator Jacobsen.

Senator Wilson called for the rationale for the motion. Senator McCorkle said that preventing problems before birth is going too far. Senator Wilson remarked that this is for maternal and infant care, not just prenatal care.

Senators Glaser, Gibson, Wilson and Lamb voted no.

Motion did not carry.

Senator Jacobsen moved to reduce Training to \$2,000 each year of the biennium.

Seconded by Senator McCorkle.

Senators Gibson, Wilson, Glaser voted no.

Motion carried.

Senator Glaser moved to approve the budget as amended.

Seconded by Senator Wilson.

Senators Echols, McCorkle, and Jacobsen voted no.

Motion carried.

Senator Lamb recessed the meeting at 9:00 a.m. and reconvened at 10:15 a.m.

HEALTH AID TO COUNTIES - Page 279

Mr. Sparks submitted information on this budget from Dr. DiSibio (see Attachment H),

Senator McCorkle moved to approve this budget as recommended.

Seconded by Senator Jacobsen.

Senators Gibson, Wilson, Echols, and Lamb voted no.

Motion did not carry.

Senator Lamb remarked that due to the growth in both counties, a supplement is needed.

Senator Gibson moved to amend this budget to reflect the \$1.00 and \$1.10 amounts as outlined in Attachment H.

Seconded by Senator Wilson.

Senator McCorkle, Jacobsen, and Glaser voted no.

Motion carried.

Senator Gibson moved that this budget be approved as amended.

Seconded by Senator Wilson.

Senators McCorkle and Glaser voted no.

Motion carried.

BUREAU OF LABORATORY RESEARCH - Page 283

Senator Gibson moved to reduce Training to \$3,000 each year of the biennium.

Seconded by Senator Jacobsen.

Motion carried.

Senator Gibson moved to approve the budget as amended.

Seconded by Senator Jacobsen.

Motion carried.

FAMILY PLANNING - Page 293

Senator Gibson moved to reduce Social Services by \$30,000, thereby reducing the General Fund appropriation by \$3,000.

Seconded by Senator McCorkle.

Motion carried.

Senator Jacobsen moved to reduce Training to \$1,000 each year of the biennium.

Seconded by Senator McCorkle.

Motion carried.

Senator Gibson moved to approved the budget as amended.

Seconded by Senator Jacobsen.

Motion carried.

GRAZING BOARD CONTRIBUTIONS - Page 721

Senator Glaser moved that this budget be approved.

Seconded by Senator Gibson.

Motion carried.

WOOLGROWERS PREDATORY ANIMAL CONTROL COMMITTEE - Page 722

Budget held.

SHEEP COMMISSION - Page 724

Senator Gibson moved that this budget be approved.

Seconded by Senator Wilson.

Motion carried.

FIRE MARSHAL - Page 574

Senator Jacobsen moved to reduce this budget to \$116,882 for each year of the biennium, allowing salaries to increase.

Seconded by Senator Gibson.

Motion carried.

DEPARTMENT OF MOTOR VEHICLES - HIGHWAY PATROL SPECIAL - Page 750

Senator Glaser moved to reopen this budget.

Seconded by Senator Gibson.

Senator McCorkle voted no.

Motion carried.

Senator Jacobsen moved to restore the
10 patrolmen (removed on March 27, 1979).

Seconded by Senator Gibson.

Senator McCorkle voted no.

Motion carried.

Senator Echols moved that this budget
be approved as amended.

Seconded by Senator Jacobsen.

Senator McCorkle voted no.

Motion carried.

INVESTIGATION AND NARCOTICS - Page 533

Senator Wilson moved that this budget be approved.

Seconded by Senator Jacobsen.

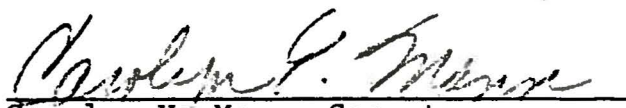
Senator McCorkle said there is a large increase (about 300 per-
cent) in operating expenses. He said the Governor's recommenda-
tion is for a 50 percent increase. Senator Wilson said he did
not think the increase is that great.

Senator Gibson remarked that there are 35 cars in this budget and
34.5 employees, with only 1 new agent being recommended. He said
the Information Analyst does not need a car.

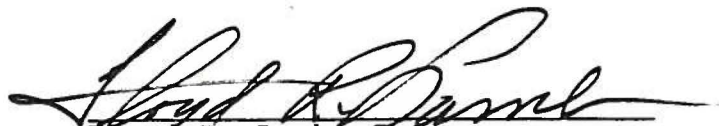
Budget held.

Meeting adjourned at 10:30 a.m.

Respectfully submitted,


Carolyn Y. Mann, Secretary

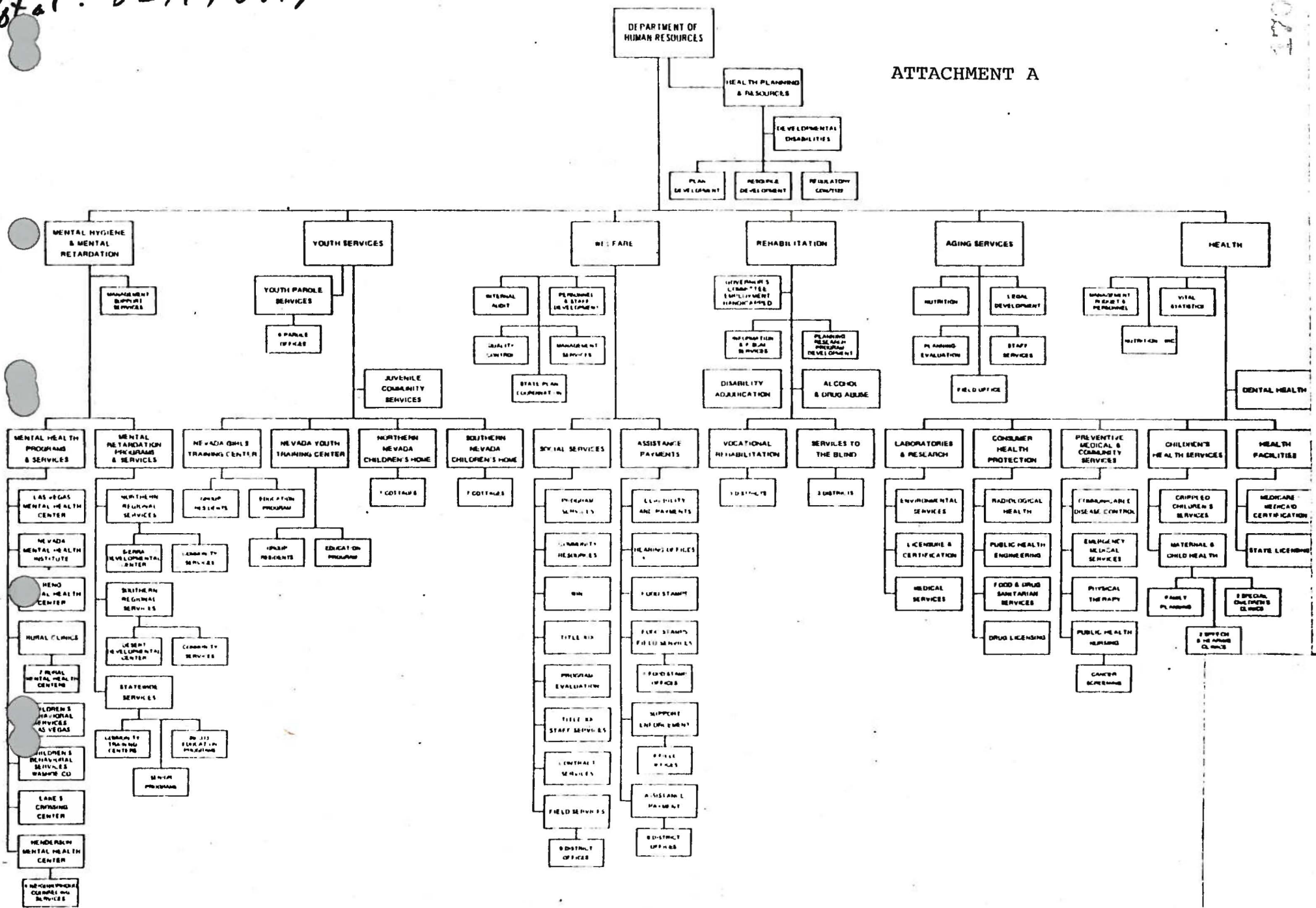
APPROVED:


Floyd R. Lamb, Chairman

Positions: 2300
 G.F.: \$132,398,000.
 Total: \$277,889,000.

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ATTACHMENT A



ATTACHMENT B

S. B. 213

SENATE BILL NO. 213—COMMITTEE ON FINANCE

FEBRUARY 13, 1979

Referred to Committee on Finance

SUMMARY—Makes appropriation to mental hygiene and mental retardation division of department of human resources for automated system of management. (BDR S-1273)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

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

AN ACT making an appropriation to the mental hygiene and mental retardation division of the department of human resources for an automated system of management through use of electronic data processing; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. 1. There is hereby appropriated from the state general
2 fund to the mental hygiene and mental retardation division of the depart-
3 ment of human resources the sum of \$96,000 for the purpose of develop-
4 ing and operating an automated system, through use of electronic data
5 processing, to be used in the management of the division.
6 2. Any unencumbered balance of the appropriation made by sub-
7 section 1 must not be committed for expenditure after June 30, 1981,
8 and such a balance reverts to the state general fund.
9 SEC. 2. This act shall become effective upon passage and approval.

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

April 5, 1979

The Honorable Floyd R. Lamb
Chairman, State Finance Committee
Legislative Building
Carson City, Nevada 89701

ATTACHMENT C

Dear Senator Lamb:

Ron Sparks has requested on behalf of the Senate Finance Committee that we prepare an updated budget request to provide the Retirement Staff an opportunity to indicate where budget reductions would be least harmful to the System's operation. He also requested that we address areas in the budget where concerns were indicated by Senate Finance Committee members during our recent hearing.

One concern regarded the amount of travel by members of the Retirement Board. By letter dated April 4, 1979, we provided to you and the Senate Finance Committee a complete breakdown of Board member expenses and a summary for all Board members for the past two years. The second concern dealt with the fact that the Retirement Board had passed a motion authorizing reimbursement for actual expenditures for in-state room rates for staff and Board where a person was required to attend a specific function or where no other facilities were available. Our records indicate that reimbursement for room rates were made for four nights during the past two years on this basis. The Executive Officer stayed at the Silver Queen Motel in Tonopah on July 17, 1977 for \$23.10, the Holiday Inn in Elko on October 17, 1977 for \$19.17 and the Showboat in Las Vegas on April 6 and 7, 1978 for a total cost of \$44.52 for two nights. This represents a reimbursement of \$86.79 where the normal state allowable rate would have been \$70.00. Therefore, this motion authorized reimbursement of additional expenses for a total of \$16.79 over the past two years. The Executive Officer provided a statement certifying the validity of the claim and the official function being attended. Based on the discussion by Senate Finance on April 2, 1979, Board member Darrel Daines has requested that the subject of travel allowances be placed on the agenda for the next meeting of the Retirement Board to be held April 24 and 25, 1979. This matter will be evaluated at that time in accordance with your expressed concerns.

Another major concern expressed was the large percentage increase from the actual expenditures of the 1977/78 budget and the budget request for 1979/80 as originally submitted. It is very difficult to accurately anticipate needs for a forthcoming biennium when a budget must be prepared and submitted at the end of the first year of the present biennium. The 1977 through 1979 budget was prepared, discussed and approved without any knowledge of the mandatory Social Security development from Washington which has had a significant impact upon our staff time and travel expense. We had no advance information that would indicate that our new budget proposal should be based on actual expenditures for 1977/78. We used the total amount approved as our base budget. During the past five

RETIREMENT BOARD
L. CULBERTSON
CHAIRMAN
SAM A. PALAZZOLO
VICE CHAIRMAN
MEMBERS
DARREL R. DAINES
WILLIS A. DEISS
ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

1703

April 5, 1979

years, the Retirement System has actually spent considerably less than budgeted each year. We had an approved budget of \$933,285 for 1977/78 and actually spent \$841,525. This represents a savings of \$91,760. Unfortunately, it now appears that our fiscal actions during the 1977/78 year will have a derogatory effect upon our proposed budget for the next two years. We would probably be in better shape budget wise if we had used the normal bureaucratic approach and spent every nickel in our approved budget. Quite often, too much emphasis is placed on what was spent in the past rather than on the needs of the future. The Retirement System has already encountered three major developments that will affect our budget that were not in existence at the time the budget was prepared and submitted. AB 140 was passed which will require a refund of additional contributions to 7,000 members of the System on July 1, 1979. This increases computer costs, printing costs and postage. In December we learned that a previous Executive Officer had been diverting retirement checks of deceased retired employees to his own use. This necessitated an internal audit on controls by Deloitte, Haskins and Sells and a recommendation from that that we employ an additional auditor. We have also encountered changes in our operation and additional information regarding the State Computer Facility which has necessitated staff recommendation and Board approval to segregate the computer operation from the Accounting Division and employ a new Supervisor of the Computer Division. During the past year, the Retirement Staff and Board have considered numerous mortgage and real estate proposals and approved \$113 million in mortgage and real estate loans in Nevada with an average yield of well over 10%. This has taken an unusual amount of additional time and effort and incurred additional costs for Board meetings and staff operations. It would have been very easy for the System to allow our Investment Counsel to invest that \$113 million in bonds at 9% and common stocks in a falling market. However, this was not the prudent thing to do. Management of the Retirement System continues to be a changing situation. We hope that your Committee will recognize this fact and allow us as much flexibility as possible for making necessary adjustments as they are needed.

We are enclosing a budget summary which indicates our actual expenditures for 1977/78 and 1978/79, our existing budget for 1979/80 and 1980/81, our suggested revised budget for 1979/80 and 1980/81 and a breakdown of the reduction in budget for 1979/80 and 1980/81. This revised budget reflects a reduction of \$208,526 in the first year and \$206,215 during the second year. A listing of the suggested reductions in priority order and a brief statement regarding their effect is as follows:

1. Building Rent

Amount of Reduction - 1979-80	\$46,800
1980-81	\$46,800

The existing budget was based upon a lease from the Public Employees Retirement Board Fund. Since the administrative fee comes from the PERB Fund, charging rent only represents a duplication of accounting entries. The amount in the revised budget represents janitorial and maintenance fees.

EXHIBIT C - 2704

2. Computing

Amount of Reduction - 1979-80	\$26,091
1980-81	\$34,701

The revised budget deletes the feasibility study and implementation of the mini-computer and all substantial program enhancements.

3. Administrative Legal Fees

Amount of Reduction - 1979-80	\$3,372
1980-81	\$16,410

The existing budget included a charge for a one-half time Deputy Attorney General, legal secretary and related costs. The time for the Deputy Attorney General was cut to one-third time.

4. Office Furniture

Amount of Reduction - 1979-80	\$1,500
1980-81	\$6,000

The existing budget was reduced to eliminate the acquisition of a mini-computer.

5. Medical Expense

Amount of Reduction - 1979-80	\$1,500
1980-81	\$2,000

Reduces additional medical expense for disability retirement evaluations.

6. Contract Services

Amount of Reduction - 1979-80	\$15,000
1980-81	\$1,188

The reduction in the 1979-80 year was removal of the independent CPA audit for that year. Section 4 of AB 475 changes the annual audit to a biennial audit. In addition, the actuarial fee was reduced.

7. Office Vehicle Costs

Amount of Reduction - 1979-80	\$2,126
1980-81	\$1,885

The existing budget was reduced by \$3,000 per year because rather than leasing an office vehicle the System is purchasing the vehicle in the current fiscal year. The remaining cost is for the operation and maintenance of two vehicles.

8. Dues and Registration

Amount of Reduction - 1979-80	\$1,108
1980-81	\$1,219

The existing budget was reduced to eliminate membership in the Municipal Finance Officers Association, and also the reduction of staff seminar registration costs.

9. Microfilm

Amount of Reduction - 1979-80	\$500
1980-81	\$500

The existing budget was reduced to include only microfilming refunded and deceased retired employee files.

✓ 10. Out-Of-State Travel - Board

Amount of Reduction - 1979-80	\$752
1980-81	\$1,101

The existing budget was reduced to provide only that each Board member will attend one national conference per year instead of two.

11. Out-Of-State Travel - Staff

Amount of Reduction - 1979-80	\$2,792
1980-81	\$4,388

Eliminates attendance at Municipal Finance Officers Association Convention. We left an amount of \$12,000 per year for staff travel regarding matters involving mandatory Social Security.

✓ 12. In-State Travel - Police and Firemen Committee

Amount of Reduction - 1979-80	\$2,338
1980-81	\$2,642

The existing budget was reduced to change the Police/Firemen Committee meetings from a monthly to a quarterly basis.

13. In-State Travel - Board

Amount of Reduction - 1979-80	\$1,157
1980-81	\$2,156

Eliminates travel for Board members the day before meetings of the Board.

14. In-State Travel - Staff

Amount of Reduction - 1979-80	\$786
1980-81	\$1,068

Reduced overall travel for Field Auditor, counseling and member programs.

15. Board Member Fees

Amount of Reduction - 1979-80	\$5,680
1980-81	\$8,080

The existing budget was reduced to remove Board member fees for the day of travel before Board meetings. In addition, it removes Board member fees for work sessions and attendance at the Legislature.

16. Payroll and Personnel

Amount of Reduction - 1979-80	\$8,960
1980-81	\$32,377

Eliminates new Assistant Investment Analyst, Retirement Technician and one of the two File Clerks. The latter two positions were only budgeted in the second year.

17. Postage and Freight

Amount of Reduction - 1979-80	\$3,200
1980-81	\$4,000

The existing budget was reduced to provide for only the basic mailing of correspondence, retired employees and refund checks and minimal other correspondence.

18. Printing

Amount of Reduction - 1979-80	\$700
1980-81	\$1,000

The existing budget was reduced to eliminate revision of special forms.

We did not recommend budget reductions in office supplies, equipment rental and repair, purchase of service, police and firemen legal fees, contingency fund, communications, special reports and moving expenses because reductions in these areas would incur considerable hardship in our operation. Inflation alone has greatly increased the cost for office supplies. Communication costs will increase because of our move to a new building and the installation of an intercom system as well as additional telephones. Equipment rental and repair basically includes leases for our Xerox machine and normal maintenance on typewriters, calculators and the microfilm reader/printer.

April 5, 1979

The moving expense is a one-shot item when we move from our present quarters to our new office building. The purchase of service allocation is for payment of the employer part for purchase of service by staff members under NRS 286.300. The police and firemen legal fees are necessary to defend the System against a lawsuit which is being appealed to the State Supreme Court.

The 1971 Legislature created a special study of the Retirement System known as the Harris, Kerr, Forster Report. This report was instrumental in making the Governor, Legislature, Retirement Board and employee and employer groups aware of the Retirement System problems and supportive of the necessary actions to correct same. During the past few years, the Retirement System has gone from one of the worst to one of the best public retirement systems in the nation. The Retirement Staff and Board have become responsive to the needs of the members and retired employees. We hold counseling the first Thursday and Friday of each month in Las Vegas to eliminate what was originally presented as a need for a branch office there. We have increased the investment return from approximately 4% to 8.36% and the investment income from \$9 million per year to \$39 million per year during the last five years. The unfunded liability has been reduced over \$100 million. The June 30, 1976 Actuarial Study indicated a cost for current benefits to be 18% of payroll. The June 30, 1978 study indicated the cost for current benefits to be 15.50% of payroll including a policy adopted by the Board three years ago to fully fund the System in forty years. This represents a savings to the taxpayers of approximately \$8 million per year. We recognize that the Retirement Staff and Board have spent a considerable amount of money to accomplish these objectives. However, we did the job that was required in a manner beyond the expectations of most people. We feel that it is most unfortunate that the current approach to budget matters and government spending will dilute some of the progress that has been made.

Although we do not favor the reductions in our budget allowances, we have complied with your request and provided areas where our budget could be cut. These are substantial cuts which will have a very definite impact upon the Retirement System and its operation to include the investment program. We recognize the impact of Question 6 and the unfortunate position this has placed upon the members of the Legislature. However, this is forcing the Retirement System to move from excellence to mediocrity and from accomplishment to getting by. We seriously question whether this is in the best interest of our 46,000 members, 5,400 benefit recipients and the taxpayers of Nevada.

Please be assured that we are available to discuss these and any other questions you may have regarding the Retirement System's budget or any other facet of its operation.

Respectfully submitted,



VERNON BENNETT
Executive Officer

Enc:

cc: Senate Finance Committee
Retirement Board

VB:bb/vm

EXHIBIT C

1708

EXHIBIT C

PUBLIC EMPLOYEES RETIREMENT SYSTEM
BUDGET SUMMARY

607

	Actual Expenditures		Existing Budget		Revised Budget		Reduction in Budget	
	1977-78 Actual	1978-79 YTD Annualized	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81
Payroll & Personnel	\$ 472,281	\$ 568,228	\$ 744,194	\$ 865,254	\$ 735,234	\$ 832,877	\$ 8,960	\$ 32,377
Board Member Fees	8,600	12,972	13,600	16,000	7,920	7,920	5,680	8,080
Out-of-State Travel - Board	2,056	2,445	5,625	6,406	4,873	5,305	752	1,101
- Staff	5,140	4,518	17,125	18,906	14,333	14,518	2,792	4,388
In-State Travel - Board	10,040	14,949	18,833	20,716	17,676	18,560	1,157	2,156
- Staff	7,166	7,544	14,134	15,033	13,348	13,965	786	1,068
- P/F Committee	2,662	3,008	3,754	4,129	1,416	1,487	2,338	2,642
Office Supplies	4,232	8,493	9,251	10,176	9,251	10,176	-	-
Postage and Freight	18,826	20,593	31,990	39,281	28,790	35,281	3,200	4,000
Communications	10,880	15,662	16,065	18,043	16,065	18,043	-	-
Printing	17,837	20,720	25,563	29,948	24,863	28,948	700	1,000
Microfilm	-	40,000	5,000	5,000	4,500	4,500	500	500
Contract Services	35,088	46,430	43,715	45,336	28,715	44,148	15,000	1,188
Office Vehicle Costs	3,547	1,644	7,400	7,800	5,274	5,915	2,126	1,885
Equipment Rental & Repair	7,350	8,492	11,750	12,925	11,750	12,925	-	-
Building Rent	51,605	47,132	93,600	93,600	46,800	46,800	46,800	46,800
Computing	104,984	107,526	169,720	190,692	143,629	155,991	26,091	34,701
Dues & Registration	1,684	1,722	2,688	2,957	1,580	1,738	1,108	1,219
Medical Expense	2,928	3,488	7,500	9,000	6,000	7,000	1,500	2,000
Purchase of Service	-	-	5,000	5,000	5,000	5,000	-	-
P/F Legal Fees	759	-	5,000	5,000	5,000	5,000	-	-
Adm. Legal Fees	8,291	14,000	35,000	38,000	31,628	21,590	3,372	16,410
Contingency Fund	24	500	500	500	500	500	-	-
Special Reports	-	1,200	-	1,500	-	1,500	-	-
Moving Expense	-	-	7,500	-	7,500	-	-	-
Office Furniture	8,856	4,975	15,000	15,000	13,500	9,000	1,500	6,000
Bonds and Insurance	98	267	250	250	250	250	-	-
Other	1,097	-	-	-	-	-	-	-
Balance Forward	55,494	-	84,164	38,700	-	-	84,164	38,700
Total	\$ 841,525	\$ 956,508	\$1,393,921	\$1,515,152	\$1,185,395	\$1,308,937	\$ 208,526	\$ 206,215

ELBERT B. EDWARDS
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



EXHIBIT C

RETIREMENT BOARD
L. G. GULBERTSON
CHAIRMAN

SAM A. PALAZZOLO
VICE CHAIRMAN

MEMBERS

DARREL R. DAINES
WILLIS A. DEISS
ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 888-4200

March 22, 1979

**ADDENDUM TO THE PUBLIC EMPLOYEES RETIREMENT SYSTEM BUDGET REQUEST
FOR FISCAL YEARS 1979-80 and 1980-81**

The Retirement Board at their March 22nd meeting authorized an addition to the budget request for the Retirement System for the years 1979-80 and 1980-81. This request would provide for two additional positions on the Retirement System staff, effective July 1, 1979.

The first position is for an additional Internal Auditor on the staff. The Retirement Board has hired the CPA firm of Deloitte, Haskins and Sells to perform an audit of the internal controls of the System. In a preliminary report, Deloitte, Haskins and Sells has suggested the addition of the Internal Auditor to conduct a continuing audit of existing PERS' systems and procedures, assist in the design and implementation of these systems, provide testing of retirement contribution reporting by public employers and to perform an independent review of benefit calculations. Enclosed is a copy of their preliminary report.

The second position requested is for a Data Processing Manager. The Retirement System presently has approximately 83,000 data inputs to our computer records monthly. Our membership is increasing by 5% per year, our retired employees by 14% per year and our investment portfolio by 15% per year. These growth factors, coupled with the increased complexity in our data processing operation, require full time supervision. Presently, our Chief Accountant is required to supervise this area in addition to the Accounting Division. The Data Processing Manager can devote full time to resolving the recurring data processing problems and will also investigate the feasibility of a mini computer to assist in our accounting and investment monitoring functions.

	<u>1979-80</u>	<u>1980-81</u>
Salary Payroll		
Auditor	\$18,525	\$19,539
Data Processing Manager	19,419	20,483
	<u>\$37,944</u>	<u>\$40,022</u>
Carry Forward changed to	\$84,164	\$716

WKK:vm

1400 Valley Bank Plaza
300 South Fourth Street
Las Vegas, Nevada 89101
(702) 386-0555
Cable DEHANDS

EXHIBIT C

To the State of Nevada Public
Employees Retirement Board:

March 22, 1979

We have been engaged by the State of Nevada Public Employees Retirement Board to review the internal controls of the State of Nevada Public Employees Retirement System (PERS). We have not completed our field work for this review. We presently plan to render our draft final report to the Board by April 13, 1979 and our final report shortly following the Board meeting of April 24 and 25, 1979.

In connection with this review, we have noted certain matters that we plan to bring to your attention in the reports mentioned above. One such matter is the extent of field and internal auditing which would be appropriate for PERS.

The functions of PERS' field and internal auditors should include, but not be limited to, the following:

- . Reviewing existing PERS systems and procedures to assure that transactions are properly processed and that control features are not being bypassed
- . Assisting in the design and implementation of new PERS systems and procedures by performing an independent review of the adequacy of internal accounting and administrative controls
- . Testing the retirement contribution, payroll, and related records of PERS member agencies to determine their accuracy and their compliance with applicable laws and regulations
- . Performing an independent review of benefit calculations for newly retired or disabled members

As a result of our field work to date, it does not appear that all of these functions are being performed. We recommend that PERS add at least one additional qualified employee to assist the existing field auditor in accomplishing these functions.

To the State of Nevada Public
Employees Retirement Board

March 22, 1979

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EXHIBIT C

We recommend that the audit function be placed in the Executive Section of PERS and that the audit supervisor report directly to the PERS Executive Officer. We believe that the audit supervisor must have direct access to the Board and committees thereof and meet with the Board or an appropriate committee at least annually.

We plan on commenting on this topic in more detail in the reports mentioned above. We will of course comment on other matters in these reports. Until such time as these reports are rendered, we would be pleased to provide any additional information that the Board may require.

Yours truly,

PUBLIC EMPLOYEES RETIREMENT ADMIN FUND

EXHIBIT C

	1977-78 ACTUAL	1978-79 WORK PROGRAM	1979-80 AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG AP.	1980-81 AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG AP.
Bal Fwd from Old Year	\$62,830	\$240,491	\$ 67,177			\$122,108		
Admin. Fees	959,336	857,881	1,325,544			1,391,844		
Interest Earned	3,141	2,390	600			600		
Administrative Fees	1,050	600	600			600		
Discounts	76							
Misc.	81							
TOTAL FUNDS AVAILABLE	\$1,026,514	\$1,101,362	\$1,393,921			\$1,515,152		

EXISTING POSITIONS

EXECUTIVE

Executive Officer	UNCL	(1)	35,664			35,664		
Assistant Executive Officer	UNCL	(1)	26,292			26,292		
Administrative Assistant	UNCL	(1)	13,056			13,056		
Auditor		(1)	15,288			15,996		
Investment Analyst		(1)	17,524			18,354		
Assistant Investment Analyst		(1)	11,676			12,200		
Supervisory Administrative Aid		(1)	10,092			10,532		
Administrative Aid II		(3)	27,110			28,307		

ACCOUNTING

Chief, Accounting Division		(1)	23,160			23,160		
Senior Accountant		(1)	17,843			18,689		
Accountant		(4)	61,648			64,238		
Principal Account Clerk		(1)	10,662			11,152		

BENEFITS

Retirement Exam. V.		(1)	17,499			18,326		
Retirement Exam. II		(2)	27,948			29,256		
Retirement Exam. I		(1)	13,942			14,578		
Retirement Technician II		(2)	21,324			22,304		
Administrative Aid I		(1)	9,498			9,894		

DATA PROCESSING

Retirement Tech. II		(1)	12,537			13,526		
Key Punch Oper.		(3)	28,072			29,235		
Account Clerk		(1)	8,616			8,988		

MEMBERSHIP

Retirement Exam. V		(1)	20,110			21,068		
Retirement Exam. I		(1)	13,344			13,968		
Retirement Tech. II		(3)	37,306			38,809		
Retirement Tech. I		(2)	18,758			19,988		
Administrative Aid I		(2)	16,053			16,749		
Retirement Tech. I			-0-			(1) 8,988		
Students		(1½)	6,218			6,338		
File Clerks			-0-			(2) 15,840		

SUBTOTAL

Longevity/Overtime/Terminal Leave			\$521,240			\$565,495		
Cost of Living Increase & Proposed Additional Related Payroll Costs / Merit Increase			8,551			10,082		
Bank Service Fee			77,920			135,094		
			97,689			113,711		
			850			850		

TOTAL SALARY PAYROLL	\$472,281	\$583,185	\$706,250			\$825,232		
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PUBLIC EMPLOYEES RETIREMENT ADMIN. FUND	1977-78	1978-79	1979-80	1980-81				
	ACTUAL	WORK PROGRAM	AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG AP.	AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG AP.
Building Maintenance	\$ 297							
Licenses & Fees	80							
Legislative Interim Committee								
Member Fees	\$ 720	\$ 1,000	-0-			-0-		
Board Member Fees	8,600	10,560	13,600			16,000		
Out-of-State Travel - Staff	5,140	5,700	17,125			18,906		
Out-of-State Travel - Board	2,056	2,500	5,625			6,406		
TOTAL OUT-OF-STATE TRAVEL	7,196	8,200	22,750			25,312		
In-State Travel - Staff	7,166	8,169	14,134			15,033		
In-State Travel - Board	10,040	17,121	18,833			20,716		
In-State Travel - P/F Adv. Comm.	2,662	3,412*	3,754			4,129		
TOTAL IN-STATE TRAVEL	19,868	28,702	36,721			39,878		
Office Supplies	4,232	8,410	9,251			10,176		
Postage & Freight	18,826	21,683	31,990			39,281		
Communications	10,880	11,465	16,065			18,043		
Printing	17,837	19,262	25,563			29,948		
Micro-Film	-0-	40,000*	5,000			5,000		
Bonds & Insurance	98	100	250			250		
Contract Services	35,088	35,217	43,715			45,336		
Office Vehicle Costs	3,547	2,000	7,400			7,840		
Equipment Rental	7,042	10,116	11,128			12,241		
Equipment Repair	308	565	622			684		
Building Rent	51,605	47,838	93,600			93,600		
CDP Computer Services	104,984	170,380*	169,720			190,692		
Dues & Registration	1,684	1,852	2,688			2,957		
Medical Expenses	2,928	3,500	7,500			9,000		
Purchase of Service, NRS 286.300	-0-	-0-	5,000			5,000		
Police/Fire Legal Fees	759	11,741*	5,000			5,000		
Admin. Legal Fees -	8,291	6,709	35,000			38,000		
Contingency Fund	24	500	500			500		
Special Reports	-0-	1,200	-0-			1,500		
Moving Expense	-0-	-0-	7,500			-0-		
Office Furniture & Equipment	8,856	10,000	15,000			15,000		
BALANCE FORWARD	55,494	67,177	122,108			78,682		
TOTAL AGENCY EXPENDITURES	\$841,525	\$1,101,362	\$1,393,921			\$1,515,152		
AGENCY BALANCE	\$240,491							

EXHIBIT C

Based on reduced Admin. Fee rate of \$1.40 Regular and \$1.90 Police/Fire for F.Y. 1979 and \$2.00 Regular and \$2.20 Police/Fire for F.Y. 1980 and 1981.

*Not budgeted. See attached note.

NOTE:

Items planned for, but not budgeted in F.Y. 1979, are as follows:

Interim Committee Member Fees	\$ 1,000.00
P/F Advisory Committee Travel	3,412.00
CDP Computer Program Changes	25,180.00
P/F Legal Fees	11,741.00
Micro-Film Project	30,000.00
Admin. Legal Fees	<u>6,709.00</u>
	\$78,042 .00

PROJECTED 1979 BUDGET	\$1,058,891.00
ACTUAL 1979 BUDGET	\$ <u>980,849.00</u>
DIFFERENCE	\$ <u><u>78,042.00</u></u>

PUBLIC EMPLOYEES RETIREMENT SYSTEM - Continued

This budget is not subject to the usual executive review and is presented as requested.

Program Statement

The Public Employees Retirement Board is responsible for the administration of the Public Employees Retirement System. This System includes the employees of Nevada counties, cities, school districts, and State government. The System provides retirement, disability and death benefits for eligible employees of the public employers listed above.

The governing authority of the system is a seven-member board appointed by the Governor. The day-to-day operation of the System is managed by the Executive Officer. The Administrative Fees portion of the Funds Available, as shown in this budget, represent a total monthly charge of for, each member and each benefit recipient transferred from the Retirement Fund monthly.

Administrative Fee shall not exceed \$2.00 for regular members and \$2.20 for Police and Firemen members.

Workload Measurements or Comparative Data

The following chart shows the membership and year-end Retirement Fund balance in the Public Employees Retirement System.

EXHIBIT C

Membership in the Public Employees Retirement System

<u>Year</u>	<u>Membership</u>	<u>Year End Balance Retirement Fund</u>
1967-68	23,264	\$116,543,936
1968-69	24,450	127,423,553
1969-70	25,939	147,675,421
1970-71	27,258	172,212,471
1971-72	30,713	201,580,414
1972-73	32,472	234,219,498
1973-74	33,778	244,826,946
1974-75	43,010	295,439,214
1975-76	52,809	368,604,382
1976-77	43,453	445,602,490
1977-78	46,121	526,084,850
1978-79 Estimate	48,427	552,389,092
1979-80 Estimate	50,848	580,008,546
1980-81 Estimate	53,390	609,008,973

A breakdown of active and inactive membership on June 30, 1978, follows:

	<u>Active Members</u>	<u>Inactive Members</u>	<u>Total</u>
State Agencies	6,699	930	7,629
Highway Department	1,375	109	1,484
University of Nevada	1,916	250	2,166
TOTAL STATE AGENCIES	9,990	1,289	11,279
School Districts	12,636	2,746	15,382
Counties (Incl. Elko Hospitals)	7,024	1,382	8,406
County Hospitals	3,561	596	4,157
Cities	4,374	743	5,117
Utilities	120	21	141
Irrigation Districts	123	8	131
Miscellaneous	261	1,247	1,508
	<u>38,089</u>	<u>8,032</u>	<u>46,121</u>

In addition to current active membership of over 38,000, approximately 4700 retired or disabled employees are now receiving benefits from the System.

SUB-ACCOUNT EXPLANATIONS

Salary - In addition to present figures, the salary expense has been augmented for the following: Longevity pay allowance for current employees who will be eligible for longevity pay; salary adjustments of 15% for unclassified and 10% for classified employees in F.Y. 79-80 and 8.7% for unclassified and 10% for classified in F.Y. 80-81. Included in both years is a possible 2½% merit increase proposed by Personnel to be given at Department discretion. \$4,273 in 1980 and \$5,091 in 1981 is included to cover terminal leave pay. This is based on 15% turnover rate (annual leave) plus 1% death/retirement rate (sick leave). Additional positions are an Assistant Investment Analyst and two summer student positions in 1980. A Retirement Technician has been added in 1981.

Out-of-State Travel - Board & Staff - 25% per year increase plus \$2,000 per year (Board) and \$10,000 per year (Staff) to accommodate necessary travel in regard to mandatory Social Security and the 2-year Social Security Study in Congress.

Out-of-State Travel - Staff - Increased by 10% plus \$5,148 per year for Field Auditor. Staff performs audits and provides training and counselling programs to agencies.

In-State Travel - Board - Increased 10% to allow for increase in costs. The Retirement Board meets monthly.

Operating - All costs increased by 10% to allow for the increasing costs and volume, except as otherwise noted.

Postage and Freight - Allows for increase in volume and costs, plus additional mailings due to Open Meeting Law, mailing of Annual Report and Mandatory Social Security.

Communications - 15% per year over 1979 (10% increase over 1979, plus 5% for collect call system for members and benefit recipients), additional equipment and new intercom system necessary in new building are included.

Printing - 15% per year to cover increased volume and costs.

Micro-Film - Ongoing micro-filming costs at \$5,000 per year.

Bonds & Insurance - \$145.00 per year to cover present equipment and furnishings @ \$17.98 per \$10,000 value. An additional \$155.00 has been included to cover new equipment and bonds as needed.

Contract Services - Allows for actuarial contract, annual audit and equipment maintenance contracts.

Office Vehicle - 10% per year increase for operating costs, plus lease of vehicle for Field Auditor.

Building Rent - Allows for increase in rent for move to new building. New Building, 12,000 square feet at \$.65 per square foot.

CDP Computer - 10% per year plus \$10,000, 1980 and \$15,000, 1981 for additional programming and program changes.

Medical Expense - Allows 25% increase for medical consultant.

Purchase of Service - Allows \$5,000 per year for employer share of Staff purchase of service.

Legal Fees - Allows \$5,000 per year for Police/Fire and \$5,000 per year Administrative Legal Fees. Also allows \$30,000 in 1980 and \$33,000 in 1981 for 50% of salary for Deputy Attorney General and Steno to be housed within the Retirement System.

Contingency Fund - No increase.

Special Reports - Springmeyer Legislative Report, 1981.

Moving Expense - Allows \$7.500 in 1980 for move to new building.

Office Furniture & Equipment - Will be purchased as needed.

INCOME - ADMINISTRATION FEES

Average growth rate for the period 6/30/74 through 6/30/78 was 7%. The period encompassing 6/30/74 through 6/30/76 averaged 32%. This increase was the result of legislation requiring all persons who worked 40 hours per month or more to become members. The System experienced a reduction in membership of -5% in the period 6/30/76 through 6/30/78, mainly due to legislation which eliminated those individuals working less than half-time. Growth rate for the period 6/30/78 through 6/30/81 is anticipated to be 5% per year. Growth rate for benefit recipients is also projected at 5% per year.

Based on the above, income from this source will be approximately \$1,325,544 in fiscal year 1980 and \$1,391,844 in fiscal year 1981, at maximum rate of \$2.00 regular and \$2.20 Police/Fire.

Membership for fiscal year 1980 should be 45,666 regular, 3,971 Police/Fire and 5,156 (412 of these Police/Fire) benefit recipients. Police/Fire members make up 8% of our membership.

1981 membership should be 47,950 regular, 4,169 Police/Fire and 5,414 benefit recipients (433 of these Police/Fire).

Present membership is attached.

INTEREST INCOME

Earnings for fiscal year 1978 totaled \$3,141.25. Earnings from this source should be at least \$600.00 in fiscal years 1980 and 1981, with our carry forward reduced. Interest is received on Administrative Funds only.

ACTUARIAL FEES

\$600.00 is anticipated each year. 1978 earnings totaled \$1,050.00. Program is leveling so we do not anticipate an increase. A \$10.00 Actuarial Fee is charged to initiate a Purchase of Service by a member - if service is CARRY FORWARD /not validated, the fee is returned.

Based on a reduced Admin. Fee rate of \$1.40 regular and \$1.90 P/F for F.Y. 1979 and \$2.00 regular, \$2.20 P/F for F.Y.'s 1980 and 1981, our carry forwards would be:

To F.Y.	1980	-	\$67,177
"	1981	-	\$122,108
"	1982	-	\$78,682

MEMBERSHIP COUNT

June 30, 1978

EXHIBIT C

<u>Agency Number</u>	<u>Agency</u>	<u>Membership</u>		<u>Total</u>
		<u>Active</u>	<u>Inactive</u>	
100	State Agencies	6,118	861	6,979
170	Cosmotology Board	6	1	7
171	Liquified Petroleum Gas Board	1	0	1
172	Nevada National Guard	2	0	2
173	Nevada National Guard	5	0	5
174	Board of Nurses	2	0	2
175	State Board Accountancy	3	0	3
176	L. C. B.	87	15	102
177	Public Employees Retirement Board	34	5	39
180	Highway Department	1,375	109	1,484
185	Nevada Industrial Commission	441	48	489
190	University of Nevada - Reno	1,245	148	1,393
191	University of Nevada - Las Vegas	624	70	694
192	University of Nevada - Community College	47	32	79
201	Churchill County School District	279	15	294
202	Clark County School District	7,247	2,026	9,273
203	Douglas County School District	266	17	283
204	Elko County School District	344	81	425
205	Elko County School District - Lunch	0	1	1
206	Esmeralda County School District	33	4	37
207	Eureka County School District	36	7	43
208	Humboldt County School District	153	18	171
209	Lander County School District	103	19	122
210	Lincoln County School District	128	21	149
211	Lyon County School District	203	12	215
212	Mineral County School District	141	29	170
213	Nye County School District	146	65	211
214	Carson City School District	487	65	552
215	Pershing County School District	69	4	73
216	Pershing County School District - Lunch	3	0	3
217	Storey County School District	21	0	21
218-T	Washoe County School District	1,841	193	2,034
219-NP	Washoe County School District	965	144	1,109
220	White Pine County School District	161	25	186
221	Mineral County School District - Lunch	9	0	9
224	Fernley County School District - Lunch	1	0	1

Agency Number	Agency	Membership		Total
		Active	Inactive	
301	Churchill County	105	20	125
302	Churchill Firemen	34	3	37
303	Clark County	2,672	460	3,132
304	Clark County Sanitation	103	13	116
305	Clark County Health	235	32	267
306	Las Vegas Convention Authority	142	15	157
307	Douglas County	186	30	216
308	Elko County (Includes Hospital)	171	50	221
309	Elko County Fair & Livestock	1	0	1
310	Esmeralda County	34	9	43
311	Eureka County	42	7	49
312	Humboldt County	96	9	105
313	Lander County	93	13	106
314	Lincoln County	76	15	91
315	Lyon County	124	9	133
317	Mineral County	155	11	166
318	Nye County	140	36	176
319	Pershing County	53	1	54
320	Storey County	40	3	43
321	Washoe County	1,261	441	1,702
322	Washoe County Fair & Rec.	73	31	104
323	White Pine County	132	8	140
324	Las Vegas Metro Police Department	1,055	166	1,221
325	Bristlecone Convention Center	1	0	1
401	Churchill County Hospital	57	4	61
402	Southern Nevada Memorial Hospital	948	220	1,168
403	Humboldt County Hospital	62	26	88
404	Lander County Hospital	27	8	35
405	Lincoln County Hospital	37	10	47
406	Lyon County Health	70	28	98
407	Mt. Grant Hospital	56	3	59
408	Nye County Hospital	60	16	76
409	Carson-Tahoe Hospital	284	42	326
410	Pershing County Hospital	41	5	46
411	Washoe Medical Center	1,703	190	1,893
412	White Pine County Hospital	89	40	129
413	Elko General Hospital	127	4	131
501	Caliente Utilities	15	1	16
502	City of Ely Water Department	5	0	5
503	Churchill Co. Telephone & Telegraph	69	6	75
505	Lincoln County Power District	7	1	8
507	Overton Power District	8	1	9
508	Tonopah Public Utilities	10	10	20
509	Sun Valley Water	6	2	8

EXHIBIT C

Agency Number	Agency	Membership		Total
		Active	Inactive	
601	City of Boulder	100	21	121
602	City of Caliente	6	1	7
603	City of Carlin	29	6	35
604	Carson City	349	22	371
605	City of Elko	114	9	123
606	City of Ely	48	6	54
607	City of Fallon	64	4	68
608	City of Gabbs	8	0	8
609	City of Henderson	214	15	229
610	City of Las Vegas	1,410	327	1,737
611	City of North Las Vegas	545	138	683
612	City of Reno	1,033	171	1,204
613	City of Sparks	329	11	340
614	City of Wells	27	2	29
615	City of Winnemucca	51	4	55
616	City of Yerington	27	4	31
617	City of Lovelock	20	2	22
701	Carson Water Subconservancy District	1	0	1
702	Carson-Truckee Water	2	0	2
703	Truckee-Carson Irrigation District	47	4	51
704	Walker River Irrigation District	7	0	7
705	Washoe County Water Conservation District	3	0	3
706	Lake Tahoe Fire Protection District	40	1	41
707	Kingsbury Fire Protection District	23	3	26
901	Las Vegas Housing Authority	132	21	153
902	Reno Housing Authority	21	3	24
904	Regional Planning Commission	12	5	17
905	Douglas County Sewer District	12	2	14
907	Housing Authority - Carson City	40	4	44
908	Tahoe Regional Planning Agency	12	1	13
909	Carson River Basin	4	2	6
911	Tahoe-Douglas District	1	0	1
912	Elko City/County Civic Auditorium Authority	1	0	1
913	Winnemucca Volunteer Fire	21	1	22
914	Round Hill General Improvement District	4	0	4
999	Inactives	1	1,208	1,209
	TOTAL	38,089	8,032	46,121

EXHIBIT C]

PAYROLL AND PERSONNEL

The 1979-80 budget includes a 10% cost-of-living raise for classified employees and 15% increase for unclassified. This projection covers the current staff as of July 1, 1978, longevity pay where applicable and overtime. Additional positions included are Assistant Investment Analyst at a Grade 28, two Student positions for three months at Grade 20. The Investment Analyst position was budgeted at Grade 35; the position is now a Grade 31.

The 1980-81 budget includes a 10% cost-of-living increase for classified and 8.7% for unclassified employees, longevity, overtime, positions added in F.Y. 1980 plus a Retirement Technician in Membership at a Grade 23.

Included in both years is a possible 2½% merit increase proposed by Personnel to be given at Department discretion.

\$4,273 in 1980 and \$5,091.00 in 1981 is included to cover terminal leave pay. This is based on 15% turnover rate (annual leave) plus 1% death/retirement rate (sick leave).

JUSTIFICATION OF PRESENT POSITIONS

EXHIBIT C

EXECUTIVE

Executive Officer - Responsible for Administration of the Public Employees Retirement System.

Assistant Executive Officer - Assists Executive Officer, acts for Executive Officer during his absence.

Auditor - Field Audit of Agency records and payrolls.

Investment Analyst - Analyzes investments of the Retirement System.

Administrative Assistant - Secretary to Executive Officer, supervises stenographic section.

Administrative Aid (4 positions) - Provide stenographic services to Staff and Board.

ACCOUNTING

Chief, Accounting Division - Responsible for supervising Accounting Section and Data Processing Section.

Senior Accountant - Assists Chief, Accounting Division, acts for Chief during her absence.

Accountants (4 positions) - Responsible for maintenance of the Retirement Fund, Police and Firemen's Fund, Administrative Fund, Legislative Retirement Fund, and Investments.

Principal Account Clerk - Responsible for processing payroll reports received from Public Employers.

DATA PROCESSING

Retirement Examiner II - Daily balancing of contributions, directs workflow in Data Processing, researches problem areas.

Key Punch Operators (3 positions) - Input payrolls, check activity, refunds, file maintenance, and benefits. Balance and post payrolls, check exception reports.

Account Clerk - Checks file maintenance to be sure maintenance balances with source documents. Logs payrolls in and out, distributes daily reports, balance payrolls.

MEMBERSHIP

Retirement Examiner V - Supervises Membership Section.

Retirement Examiner I - Calculation of purchase of service, post-retirement audits.

Retirement Technician II (3 positions) -

1. Preparation and payment of refunds, calculates service time and contribution information.
2. Enrollment of new members, determination of eligibility.
3. Process repayment of withdrawn contributions.

Retirement Technician I (2 positions) -

1. Adjustment of member records.
2. Process corrections on exception reports.
3. Calculates contribution rates; prepares worksheets documenting either reimbursement to members or amount due PERS on wrong contributions rates.

Administrative Aid I (2 positions)

1. Files records.
2. Mail and messenger service and other clerical functions.

BENEFITS

Retirement Examiner V - Supervises Benefits Division.

Retirement Examiner II (2 positions) - Processes disability, survivor benefit and regular retirement applications. Counsels members and retired employees. Prepares correspondence.

Retirement Examiner I - Processes regular retirement applications. Controls computer input, counsels members and retired employees.

Retirement Technician II (2 positions) - Makes initial calculations of retirement allowances, conducts research projects, prepares computer input.

Administrative Aid - Same as Retirement Technician II.

EXHIBIT C

BOARD MEMBER FEES

F.Y. 1979 - \$10,560.00

Budget for Board members' fees based as follows: 7 members @ \$40.00 per day. Board meets 2 days per month.

Boyd Manning \$160.00 per month

This member travels from Northern Nevada. Plane service is not adequate so he must drive, leaving the day before the Board meeting and returning the day after. This results in payment of fees for 2 extra days.

W. Deiss	3 days	\$120.00 per month
Darrell Daines	3 days	\$120.00 per month
Ross Culbertson	3 days	\$120.00 per month
Don Ream	3 days	\$120.00 per month
Elbert Edwards	3 days	\$120.00 per month
Sam Palazzolo	2 days	\$ 80.00 per month

Total includes day before fees and 12 days, day after for Las Vegas members. Also included are fees for one Board member to attend conferences, for a total of 20 days per year, 14 days for special meetings, 28 days for work sessions, and mandatory Social Security, 14 days. Fees for 60 days in 1981 are budgeted for Legislature attendance and meetings.

(continued on next page)

EXHIBIT C

\$160.00 x 12 x 1 member	=	\$1,920.00
\$120.00 x 12 x 5 members	=	7,200.00
\$ 80.00 x 12 x 1 member	=	960.00
\$ 40.00 x 20 days	=	800.00
\$ 40.00 x 14 days	=	560.00
\$ 40.00 x 28 days	=	1,120.00
\$ 40.00 x 14 days	=	560.00
\$ 40.00 x 12 days	=	480.00
Total 1980		<u>\$13,600.00</u>

1981:

		\$13,600.00 (as above)
\$ 40.00 x 60 days	=	<u>2,400.00</u>
		\$16,000.00

OUT-OF-STATE TRAVEL - BOARD & STAFF

F.Y. 1979 Projected - Staff \$5,700.00, Board \$2,500.00

A 25% per year increase has been added to projected 1979 expense to cover cost increases. An additional amount of \$10,000.00 per year (Staff) and \$2,000.00 per year (Board) has been added for travel necessary in regard to mandatory Social Security and the 2-year Social Security Study in Congress.

IN-STATE TRAVEL - STAFF

F. Y. Projected - \$8,169.00

Based on 10% per year of anticipated 1978-79 expense and \$5,148.00 per year for Field Auditor. (3 days per week at present per diem rate + 10%.)

Retirement programs are presented throughout the State as needed by the Executive Director and Assistant Executive Director, consisting normally of one-hour programs on the Retirement System and its benefits with a 30-minute question and answer period following.

System has arranged to be in Las Vegas one day per month to provide counselling to members with problems or members entering retirement.

The above programs are necessary due to the large percentage of membership in Las Vegas and a considerable number of members throughout the State.

The Field Auditor will travel throughout the State to audit agency records pertaining to the Retirement System. Will also assist in Retirement Counselling and Programs.

IN-STATE TRAVEL - BOARD

F.Y. 1979 - \$17,121.00

10% increase per year over 1979 budget.

P/F ADVISORY COMMITTEE TRAVEL

F.Y. 1979 - \$3,412.00

10% increase per year over anticipated 1979 expense.

OFFICE SUPPLIES

F.Y. 1979 - \$8,410.00

10% increase over projected '78-'79 costs.

POSTAGE & FREIGHT

F.Y. 1979 - \$21,825.00

Based on .17¢ for First Class Mail in 1980 and .20¢ in 1981.

Postage Meter - \$12,000.00, F.Y. 1980 and \$14,000.00 in 1981.
Cost for F.Y. 1978 was approximately \$8,000.00

Mailing of benefit recipients' checks at First Class rate plus 33% handling charge - 1980, \$13,990.00 - 1981, \$17,281.00.

Additional mailings due to open meeting law, mailing of annual report and mandatory Social Security, 1980, \$6,000.00 - 1981, \$8,000.00.

COMMUNICATIONS

F.Y. 1979 - \$11,465.00

15% per year over 1979 (10% increase over 1979, plus 5% for collect call system for members and benefit recipients) additional equipment at approximately \$90.00 per month and new intercom system and busy lights are included at \$150.00 per month.

PRINTING

F.Y. 1979 - \$19,620.00.

15% increase per year over 1979 estimate. Cost to cover increased volume and costs. Also included is \$3,000.00 in F.Y. 1980 and \$4,000.00 in F.Y. 1981 for form revisions and printing of new forms.

MICRO-FILM

EXHIBIT C

Ongoing micro-film costs at \$5,000.00 per year.

BONDS & INSURANCE

Insurance on equipment and furnishings projected at \$250.00 per year. Our present insurance rate is \$17.98 per \$10,000.00. Replacement costs for equipment and furnishings would be approximately \$80,000.00. Insurance on this amount would be approximately \$145.00 per year. An additional \$155.00 has been added to cover new equipment and bonds as needed.

CONTRACT SERVICES

F.Y. 1979 - \$35,217.00

Martin Segal - \$27,000.00 per year, 25% increase for actuarial services.

I. B. M. - 6 typewriters @ \$65.50 each \$393.00

Postal Machine - Pitney Bowes \$115.00

Auditor

F.Y. 1979 Audit \$16,207 - 10% over F.Y. '78 Audit + \$2,000 for P/F Audit.
\$17,828 - 10% over '79 Audit (includes P/F)

OFFICE VEHICLE COST

F.Y. 1979 - \$2,000.00

Includes lease for vehicle for Field Auditor @ \$250.00 per month. Operating costs for our present vehicle and the newly leased vehicle are based on a 10% per year increase over projected '79 cost.

EQUIPMENT RENTAL

F.Y. 1979 - \$10,116.00

10% per year increase over anticipated '79 cost to allow for increased volume and costs.

EQUIPMENT REPAIR

F.Y. 1979 - \$565.00

10% per year increase based on anticipated 1979 estimate to allow for cost increases.

BUILDING RENT

12,000 sq. ft. @ .65¢ per sq. ft. - new building. Building rent will be paid to the Public Employees Retirement System Investment Fund.

CDP COMPUTER

F.Y. 1979 budgeted \$145,200.00.

10% increase per year over budgeted amount for 1979. Also included is \$10,000.00 for additional programming in 1980 and \$15,000.00 for 1981.

DUES & REGISTRATION

Projected 1979 - \$1,852.00.

1. National Teachers Retirement Dues and Conference Registration - 1977-78 cost \$275.00.
2. National Conference on Public Employees Retirement Systems - 1977-78 cost \$200.00.
3. National Association of State Retirement Administrators - 1977-78 cost \$55.00.
4. Municipal Finance Officers Assoc., \$550.00.
5. Miscellaneous Training Sessions as needed for Staff, \$1,500.00 for F.Y. '79-80. 1980-81, 10% increase over '79-80.

10% per year over '78 cost.

MEDICAL EXPENSES

Includes \$300.00 per month for Dr. Grundy's services, a 25% increase over the previous biennium. 1979-80 additional medical expense for disability retirees is \$3,900.00 and 1980-81, \$5,400.00. As disability recipients are increasing, a close check is desired as to disability status.

PURCHASE OF SERVICE - NRS 286.300

\$5,000.00 per year for employers' portion for staff purchase of service.

P/F LEGAL FEES

\$5,000.00 per year.

ADMINISTRATIVE LEGAL FEES

EXHIBIT C

\$5,000.00 per year.

1980 - 50% salary plus 50% of Steno salary for Deputy Attorney General to be housed in the PERS building.

1981 - 10% cost-of-living increase added.

CONTINGENCY FUND

\$500.00 per year - no increase over previous biennium.

SPECIAL REPORTS

1981 Springmeyer Legislative Report.

MOVING EXPENSE

\$7,500.00 is estimated for moving to the new building. This includes \$1,200.00 for moving the telephones and CDP equipment hook-up.

FURNITURE & EQUIPMENT

42 side chairs - new building - @ \$40.00 each	= \$1,680.00
8 banks, two-sided open shelving	= 1,500.00
2 high tables for mail room - @ \$300.00 each (est)	= 600.00
2 metal file cabinets with doors @ \$150.00	= 300.00
2 metal file cabinets without doors @ \$125.00 ea.	= 250.00
5 rolling carts @ \$70.00 each	= 350.00
2 couches for reception area @ \$500.00 each	= 1,000.00
3 executive desks for new positions @ \$430.00 ea.	= 1,290.00
Paper shredder	= 200.00
Conference Table	= 250.00
4 chairs for above @ \$150.00 each	= 600.00
<u>Conference Room Furnishings</u>	
3 conference tables, 48 x 120, @ \$550.00 ea.	= 1,650.00
24 chairs for conference tables @ \$120.00 ea.	= 2,880.00
1 small conference table, 42" diameter	= 160.00
4 chairs for small conference table @ \$120.00 ea.	= 480.00
Podium	= 160.00
75 stacking chairs @ \$22.00 ea.	= 1,650.00
Mini Computer for Investments	= <u>15,000.00</u>
TOTAL FURNITURE & EQUIPMENT	\$30,000.00

ELBERT B. EDWARDS

CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING

ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



RETIREMENT BOARD
L. ROSS CULBERTSON
CHAIRMAN
SAM A. PALAZZOLO
VICE CHAIRMAN

MEMBERS

DARREL R. DAINES
WILLIS A. DEISS
ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 895-4200

ATTACHMENT D

April 4, 1979

Senator Floyd Lamb
Chairman, Senate Finance Committee
Legislative Building
Carson City, NV 89701

Dear Senator Lamb:

During our budget presentation before the Senate Finance Committee on April 2, 1979, you requested an in-depth breakdown regarding Board member expenses for travel and fees during the past two years. You also requested that this include all members of the Board regardless of whether or not they are presently serving on the Board. Therefore, we are enclosing the requested information for the assistance of the Senate Finance Committee. We will be pleased to discuss the enclosed information with you and the Committee if you so desire.

Ron Sparks has requested on behalf of the Senate Finance Committee that we prepare some updated budget requests. This would give the Retirement staff an opportunity to indicate where budget reductions would be least harmful to the System's operation. He also requested that we address areas in the budget where concerns were indicated by Senate Finance Committee members during our recent hearing. We have several members of the staff working on this project as a top priority. We anticipate that we will be able to provide this information to your Committee by the afternoon of April 5, 1979. Please advise if this schedule will not be convenient to your Committee.

Please be assured that we will be available to answer any further questions you may have regarding the Retirement System and its operation.

Sincerely,

Vernon Bennett
Vernon Bennett
Executive Officer

VB:lf

cc: Senate Finance Committee Members
Retirement Board

Enclosures

1731

ELBERT B. EDWARDS
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



RETIREMENT BOARD
L. ALBERTSON
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SAM A. PALAZZOLO
VICE CHAIRMAN

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BOYD D. MANNING
DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

Board Member Expenses

EXHIBIT D

April 1, 1977 - March 31, 1979

	<u>Days</u>	<u>Fees</u>	<u>Per Diem</u>	<u>Travel Expense</u>	<u>Total</u>
- Board Meetings	345	\$13,800.00	\$ 5,228.00	\$14,208.69	\$33,236.69
Travel To/From	100	4,000.00	2,509.00	--	6,509.00
Conventions	43	1,720.00	1,813.09	1,706.68	5,239.77
Work Sessions	56	2,240.00	1,012.46	1,742.64	4,995.10
Total	<u>544</u>	<u>\$21,760.00</u>	<u>\$10,562.55</u>	<u>\$17,658.01</u>	<u>\$49,980.56</u>

1732

SUMMARY OF ALL BOARD MEMBERS

E x h i b i t D

	<u>Days</u>	<u>Fees</u>	<u>Per Diem</u>	<u>Travel Expense</u>	<u>Total</u>
<u>Collins (Served 4/1/77 - 6/30/77)</u>					
Board Meetings	5	\$200.00	\$17.50	\$51.00	\$268.50
Travel To/From	-	-	-	-	-
Conventions	-	-	-	-	-
Work Sessions	-	-	-	-	-
Totals	<u>5</u>	<u>\$200.00</u>	<u>\$17.50</u>	<u>\$51.00</u>	<u>\$268.50</u>
<u>Culbertson (Served 4/1/77 - 3/31/79)</u>					
Board Meetings	49	\$ 1,960.00	\$ 909.50	\$ 2,724.58	\$ 5,594.08
Travel To/From	21	840.00	576.50	-	1,416.50
Conventions	19	760.00	811.97	523.26	2,095.23
Work Sessions	<u>35</u>	<u>1,400.00</u>	<u>629.96</u>	<u>1,220.97</u>	<u>3,250.93</u>
Totals	<u>124</u>	<u>\$ 4,960.00</u>	<u>\$2,927.93</u>	<u>\$ 4,468.81</u>	<u>\$12,356.74</u>
<u>Daines (Served 7/1/78 - 3/31/79)</u>					
Board Meetings	24	\$ 960.00	\$ 440.00	\$ 1,136.16	\$ 2,536.16
Travel To/From	4	160.00	99.50	-	259.50
Conventions	7	280.00	259.00	423.72	962.72
Work Sessions	<u>1</u>	<u>40.00</u>	<u>27.50</u>	<u>-</u>	<u>67.50</u>
Totals	<u>36</u>	<u>\$1,440.00</u>	<u>\$ 826.00</u>	<u>\$ 1,559.88</u>	<u>\$ 3,825.88</u>
<u>Deiss (Served 7/1/77 - 3/31/79)</u>					
Board Meetings	42	\$ 1,680.00	\$ 704.50	\$ 2,256.87	\$ 4,641.37
Travel To/From	13	520.00	280.00	-	800.00
Conventions	5	200.00	260.37	288.00	748.37
Work Sessions	<u>5</u>	<u>200.00</u>	<u>101.00</u>	<u>90.84</u>	<u>391.84</u>
Totals	<u>65</u>	<u>\$ 2,600.00</u>	<u>\$1,345.87</u>	<u>\$ 2,635.71</u>	<u>\$ 6,581.58</u>

Summary of All Board Members (Cont.)

EXHIBIT D

	<u>Days</u>	<u>Fees</u>	<u>Per Diem</u>	<u>Travel Expense</u>	<u>Total</u>
<u>Edwards (Served 4/1/77 - 3/31/79)</u>					
Board Meetings	51	\$ 2,040.00	\$ 966.00	\$ 2,800.57	\$ 5,806.57
Travel To/From	14	560.00	359.50	-	919.50
Conventions	-	-	-	-	-
Work Sessions	<u>6</u>	<u>240.00</u>	<u>110.50</u>	<u>196.58</u>	<u>547.08</u>
Totals	<u>71</u>	<u>\$ 2,840.00</u>	<u>\$ 1,436.00</u>	<u>\$ 2,997.15</u>	<u>\$ 7,273.15</u>
<u>Manning (Served 4/1/77 - 3/31/79)</u>					
Board Meetings	45	\$ 1,800.00	\$ 938.50	\$ 2,469.08	\$ 5,207.58
Travel To/From	31	1,240.00	784.00	-	2,024.00
Conventions	-	-	-	-	-
Work Sessions	<u>1</u>	<u>40.00</u>	<u>27.50</u>	<u>108.12</u>	<u>175.62</u>
Totals	<u>77</u>	<u>\$ 3,080.00</u>	<u>\$ 1,750.00</u>	<u>\$ 2,577.20</u>	<u>\$ 7,407.20</u>
<u>Palazzolo (Served 7/1/77 - 3/31/79)</u>					
Board Meetings	46	\$ 1,840.00	\$ 85.00	\$ 238.94	\$ 2,163.94
Travel To/From	2	80.00	51.50	-	131.50
Conventions	12	480.00	481.75	471.70	1,433.45
Work Sessions	<u>3</u>	<u>120.00</u>	<u>3.50</u>	<u>-</u>	<u>123.50</u>
Totals	<u>63</u>	<u>\$ 2,520.00</u>	<u>\$ 621.75</u>	<u>\$ 710.64</u>	<u>\$ 3,852.39</u>
<u>Ream (Served 4/1/77 - 3/31/79)</u>					
Board Meetings	50	\$ 2,000.00	\$ 876.00	\$ 1,918.47	\$ 4,794.47
Travel To/From	12	480.00	277.50	-	757.50
Conventions	-	-	-	-	-
Work Sessions	<u>3</u>	<u>120.00</u>	<u>85.00</u>	<u>114.23</u>	<u>319.23</u>
Totals	<u>65</u>	<u>\$ 2,600.00</u>	<u>\$ 1,238.50</u>	<u>\$ 2,032.70</u>	<u>\$ 5,871.20</u>

Summary of All Board Members (Cont.)

EXHIBIT D

	<u>Days</u>	<u>Fees</u>	<u>Per Diem</u>	<u>Travel Expense</u>	<u>Total</u>
<u>Walther (Served 4/1/77 - 6/30/77)</u>					
Board Meetings	6	\$ 240.00	\$ 119.00	\$ 311.10	\$ 670.10
Travel To/From	3	120.00	80.50	-	200.50
Conventions	-	-	-	-	-
Work Sessions	-	-	-	-	-
Totals	<u>9</u>	<u>\$ 360.00</u>	<u>\$ 199.50</u>	<u>\$ 311.10</u>	<u>\$ 870.60</u>
<u>Weems (Served 4/1/77 - 6/30/78)</u>					
Board Meetings	27	\$1,080.00	\$ 172.00	\$ 301.92	\$1,553.92
Travel To/From	-	-	-	-	-
Conventions	-	-	-	-	-
Work Sessions	<u>2</u>	<u>80.00</u>	<u>27.50</u>	<u>11.90</u>	<u>119.40</u>
Totals	<u>29</u>	<u>\$1,160.00</u>	<u>\$ 199.50</u>	<u>\$ 313.82</u>	<u>\$1,673.32</u>



STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES
DIVISION OF HEALTH
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710

March 19, 1979

ATTACHMENT E

MEMORANDUM

TO: Senator Floyd Lamb, Chairman
Finance Committee

VIA: Ralph DiSibio, Ed.D., Director
Department of Human Resources

FROM: John H. Carr, M.D.
State Health Officer

SUBJECT: Social Security Supplemental Disabled Children's Program - #3222

INTRODUCTION

Section 1615, Social Security Act, as amended by PL 94-566, provides that blind and disabled children under the age of 16 who are Supplemental Security Income (SSI) recipients are to be referred to the agency administering the State plan for Crippled Children's Services under Title V of the Act or another agency as designated by the Governor to administer the program. In July of 1977, Governor O'Callaghan (Attachment #1) designated that the Division of Health, Bureau of Children's Health Services (MCH/CCS) administer this program.

SERVICES

The projected client population are those SSI recipients under the age of seven. These names are periodically provided to the state agency based upon criteria established by the Social Security Administration. The state agency must provide appropriate counseling to disabled children and their families and provide information on available sources of appropriate medical and financial assistance. In addition, the state agency, in coordination with other appropriate agencies, is responsible to develop an "individual treatment plan" for each child which assures that agencies are meeting their commitment to the treatment plan.

FUNDING

The law provides for federal funds. There is no requirement that the state match the allocation of federal funds. Unencumbered funds at the close of the fiscal year may not be carried forward. Federal funds cannot be utilized to supplant state appropriations and are considered last dollar in relation to all other federal funds received under the Act by the agency. The projected annual allocation for Nevada for both FY 1980 and 1981 is \$87,000.

E X H I B I T E

EXECUTIVE BUDGET FY-80/81

The Department of Administration approved the federally supported position and service funds for FY 1979 through June 30, 1979. These position and service funds are not presently shown for FY 1980 and 1981, respectively, because the grant award for this program was not received until February 9, 1979.

The Health Division requests that this program be continued for the ensuing biennium based upon the availability of funds for the position and services.

If approved, #3222 would show the following budgeting changes:

	Governor's FY 80			Governor's FY 81		
	Recommended		Revised	Recommended		Revised
	<u>Budget</u>	<u>SSI</u>	<u>Total</u>	<u>Budget</u>	<u>SSI</u>	<u>Total</u>
Revenue	3,495,640	+87,000	3,582,640	3,773,934	+87,000	3,860,934
Expenditure Category Changes						
Payroll	593,153	+19,415	612,568	611,953	+20,386	632,339
Medical Care	2,344,164	+67,585	2,411,749	2,572,180	+66,614	2,638,794
Total Expenditures	3,495,640	+87,000	3,582,640	3,773,934	+87,000	3,860,934

Additional funding: \$87,000

Additional staff: One Social Worker, grade 37

JHC/bws

cc; Howard Barrett
Ralph DiSibio, Ed.D.
Richard C. Bentinck, M.D.



THE STATE OF NEVADA
EXECUTIVE CHAMBER
CARSON CITY, NEVADA 89701

MIKE O'CALLAGHAN
GOVERNOR

July 26, 1977

File

EXHIBIT E

C. Joseph Wellington, M.D.
Chief, Family Health Branch
Office of Regional Administrator
Department of Health, Education,
and Welfare
Public Health Service, Region IX
50 United Nations Plaza, Room 353
San Francisco, California 94102

Dear Dr. Wellington:

This letter is in reference to the referral of Supplemental Security Income blind and disabled children to the State Crippled Childrens' Services in accordance with Section 1613, Social Security Act, as amended by Public Law 94-566.

Please be advised that the Nevada State Department of Human Resources is designated as the agency to administer the Supplemental Security Income State Plan.

Sincerely,

Mike O'Callaghan
Governor of Nevada

cc: Mike Melner
Dr. Carr

JUL 27 1977

1738

NOTICE OF FORMULA GRANT AWARDS

2. STATE AGENCY

SSI

3. AGENCY HEAD

Michael L. Melner, Director
EXHIBIT E

a. Name: Nevada State Department of Human Resources
b. Organization Unit: Division of Health
c. Street: 505 East King Street, Kinkead Building
d. City: Carson City c. State: NV f. Zip Code: 89710

4. AWARD PERIOD

From 10/01/78 Through 09/30/79
Mo/Day/Yr. Mo/Day/Yr.

5. AUTHORIZATION (LEGISLATION/REGULATION) AND PROGRAM IDENTIFICATION		FORMULA GRANT AWARDS			
6. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NO.		SS Act Section 1615 P.L. 94-566			
7. FORMULA IDENTIFICATION NO.		13.807			
8. ADMINISTRATIVE CODE		09-X32-4100-79-0			
9. TOTAL FEDERAL FUNDS AVAILABLE		MC-X41			
a. Prior year's unobligated balance		87,000			
b. Adjustments to prior year's expenditure		-0-			
c. Current year's funds <input type="checkbox"/> Tentative <input checked="" type="checkbox"/> Actual		-0-			
10. TOTAL FEDERAL FUNDS APPROVED IN BUDGET		87,000			
a. Prior year's unobligated balance		-0-			
b. Adjustments to prior year's expenditures		-0-			
c. Current year's funds		87,000			
d. Financial assistance		87,000			
e. Direct assistance		-0-			
11. UNBUDGETED BALANCE (Line 9c minus 10j)		-0-			
12. CURRENT YEAR'S FUNDS AWARDED					
a. Amount of this action:		43,500			
b. Financial assistance		43,500			
c. Direct assistance		-0-			
d. Cumulative awards to date:		43,500			
e. Financial assistance		43,500			
f. Direct assistance		-0-			
13. UNAWARDED BALANCE OF CURRENT YEAR'S FUNDS (Line 9c minus 12d)		43,500			

RECEIVED
FEB 09 1979
MCH & CFS

REMARKS (Other Terms & Conditions Attached - Yes No)

This Formula Grant Award represents 50% of the Annual Grant Allocation to the State. The balance will be awarded upon receipt and acceptance by PHS, Child & Family Health, and Office of Grants Management, of the SSI Final Plan. FY 1979 PHS From 5153-2 has been received and accepted.

THIS GRANT IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:

- a. The grant program legislation cited above.
- b. The grant program regulation cited above.
- c. This award notice including terms and conditions, if any, noted below under Remarks.
- d. PHS Grants Administration Manual Chapters in effect as of the beginning date of the budget period.
- e. PHS Grants Policy Statement in effect as of the beginning date of the budget period.
- f. 45 CFR Part 74.

In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.

14. FISCAL DATA	a. Appropriation	7590406		
	b. FY/Can	9-3097500		
	c. Object Class	41.15		
	d. Document No.	09X324100A		

15. CRS-EIN 1-88-6000022-B1
16. ORGANIZATION DESCRIPTORS 12--40

17. AGENCY OFFICIAL (Signature, Name and Title)
Arleigh C. Sawyer
Arleigh C. Sawyer, Chief, Office of Grants Management



STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES
DIVISION OF HEALTH
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710

RECEIVED
LEGISLATIVE COUNSEL BUREAU

APR 2 - 1979

MARCH 30, 1979

ATTACHMENT F

OFFICE OF FISCAL ANALYSIS

MEMORANDUM

TO: Ron Sparks, Senate Fiscal Analyst, Research and Fiscal Analysis,
Legislative Council Bureau

FROM: John H. Carr, M.D., State Health Officer

SUBJECT: New Federal Grant for Budget #3222 (MCH/CCS)

The Health Division applied for a federal grant in October, 1978 for a demonstration project to be located at the Special Children's Clinic in Las Vegas. The project is under the control and coordination of the Chief, Bureau of Children's Health Services (MCH/CCS).

The Health Division has been notified that HEW has approved the grant. A formal grant award has not been received but is forthcoming. This was verified in phone conversation with the HEW project coordination on March 29th.

It is requested that these additional federal funds be approved for augmentation of the FY 80 and 81 MCH/CCS Budget (#3222). The request for the grant was made prior to the convening of the legislature and the subsequent concern over the acceptance by State agencies of federal funds other than those prior authorized.

A. Project Concept.

Provides a demonstration program which will present a range of educationally and developmentally relevant services, with accompanying parent education components, to preschool handicapped children in the Southern Nevada Region. Population to be served includes children three to five years of age who meet Nevada State Guidelines governing the classification of the physically handicapped and speech (language) handicapped.

The program is oriented to those children under five years of age who do not meet criteria for admission to public school special programs. The age of admissions to special programs by Nevada law is five except for aurally and visually handicapped who may be admitted at any age. This program will include other handicapping conditions such as physical, speech, mental and emotional.

B. Goals of the Demonstration Project.

Foster public awareness of the needs of providing services to preschool handicapped children; make community agencies to include the school system

aware of the benefits of integrating handicapped children with normal children in a preschool environment; provide for parent training in order for parents to become better equipped to deal with child-related problems.

C. Project Duration.

Project is to be funded for three years beginning July 1, 1979. Funding after the initial year is dependent on program accomplishments and evaluation by HEW. Maximum program length is three years. Since this is a demonstration project there is no requirement for the State to continue the program beyond the initial three years.

D. Funding.

Federal funds in the amount of \$63,549 for FY 80. State match of \$9,560 shown as in-kind. The in-kind consist of classroom space currently available in the clinic and to be used in the program and utilities.

The federal funds will augment Budget #3222 (MCH/CCS) in the following categories:

Category 01	Salaries and Fringe	+\$47,473
Category 03	Travel	+\$ 2,000
Category 04	Operating	+\$14,076
Total		+\$63,549

Revenue general ledger number 4145 titled "Developmental Disabled Child" should be used to reflect grant revenues.

E. Personnel Requirements.

The project would require the authorization for the following temporary federaly funded positions, or authority to place individuals under contract.

<u>Number</u>	<u>Title</u>	<u>Estimated Grade</u>
1	Project Coordinator	35
1	Teacher	32
2	Teacher's Aides	22
1	Secretary (Half-time)	21

The program has received the endorsement of the Clark County School District, Department of Special Education UNLV and the School for Special Education, Clark County School District.

JHC/ac

cc: Howard Barrett

JOHN H. CARR, M.D., M.P.H., F.A.A.P.
STATE HEALTH OFFICER
PHONE (702) 855-4740



STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES
DIVISION OF HEALTH
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710

March 2, 1979

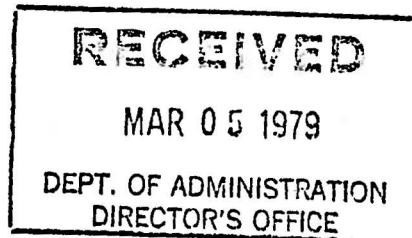
ATTACHMENT G

MEMORANDUM

TO: Howard Barrett, Director
Department of Administration

FROM: John H. Carr, M.D.
State Health Officer

SUBJECT: Improved Pregnancy Outcome Project



AUTHORIZATION:

Programs are authorized under Title V of the Social Security Act as amended. This Title provides the funds for all Maternal-Child Health and Crippled Children's services.

PURPOSE:

To improve maternal care and pregnancy outcome and reduce factors which contribute excessively to the incidence of infant mortality. The purpose is to identify women who are at high risk and have them receive medical prenatal care, thus reducing the number of "drop-in" births at Washoe Medical Center and Sunrise Hospital in Las Vegas. As an example, in 1978, Washoe County had 973 deliveries at Washoe Medical Center. Of these, 39 were drop-ins and 14, or 35 percent, had complications. An estimated 20 percent of the total deliveries in Washoe County occur to women whose incomes are below 200 percent of poverty level, who do not qualify for state medical aid, and who cannot afford private care. Neonatal mortality figures for Washoe County are also higher than the national average.

The major goal of the IPO program is to reduce the morbidity and mortality of women and infants by early identification of high-risk conditions and the provision of appropriate interventive procedures. The need has been recognized by many state and private entities, including the staff of both District Health Departments (Clark and Washoe Counties), by the staff of the Medical School, UNR, by the Economic Opportunity Board of Clark County, and by the March of Dimes (National Foundation).

FINANCIAL:

Federal funds in the amount of \$400,000 per year, beginning with federal fiscal year 1979 (October 1, 1978), will be made available for a five-year period. The funds do not require a state match nor do they contain a condition which would require the state to continue the program beyond the normal five-year period. The funds are to be used to supplement the normal activities in the approved state (MCH/CCS) plan.

ELEMENTS OF THE STATE PROGRAM:

The Nevada State Division of Health will administer the IPO program through the Bureau of Children's Health Services (MCH/CCS). Direct services will be provided through contractual arrangements with: Washoe County District Health Department, University of Nevada Medical School, EOB of Clark County, and Clark County District Health Department. The roles of each of the contractors and the estimated funding level are as follows:

A. Washoe County District Health Department

The program will supplement their current Maternity and Infant Care Program. This program is one of the federally mandated MCH programs which allow the state to receive Title V (MCH/CCS) formula grant funds.

Amount awarded for FY'79: \$121,000. Amounts for subsequent years ('80 through '83) will not be determined until further analysis of requirements and approval by HEW,

B. University of Nevada Medical School

Develop and initiate an education program to be presented to medical health care providers (primary and secondary) throughout the state. Purpose is to enable providers to identify high risk pregnancies, understand action required and provide a means of communication, available 24 hours a day and stemming from two central locations within Northern and Southern Nevada perinatal regions. A proposed Electronic Blackboard System, developed by Dell System, would link each participating hospital with the two intensive infant care neonatal centers (Washoe Medical Center and Sunrise Hospital).

Funding allocation: Not firm at this time. Amount requested for FY'79 was \$137,000. UNR plan is currently under evaluation by HEW and State Agency. Anticipated funding is \$87,000 to \$115,000.

C. Economic Opportunity Board of Clark County

EOB is a nonprofit organization providing health care services to the low income residents of Las Vegas. They currently have a very limited Maternity and Infant program and propose to expand into an M&I program which would meet federal guidelines. Program would provide prenatal, postpartum and neonatal and infant care to an estimated 400 mothers and infants up to one year of age.

Funding level requested: \$135,000 in IPO funds and \$92,955 in MCH funds. This program is currently under review by HEW and state agency.

D. Clark County District Health Department

The CCDHD proposal has not been received. Verbal communication indicates they will request a grant of approximately \$25,000 to \$50,000 to supplement their current health services to mothers and infants.

The State Agency plans to hire a core staff, consisting of a program coordinator (nurse), nutritionist, social worker, management analyst, and one clerk. Core staff requirements are based on HEW guidelines that the State Agency have the capability to provide technical assistance, monitor and evaluate program progress.

JHC/bws



STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES

CAPITOL COMPLEX
ROOM 600, KINKEAD BUILDING
505 E. KING STREET
CARSON CITY, NEVADA 89710
TELEPHONE (702) 895-4730

MENTAL
DIVISIONS

AGING SERVICES
HEALTH
MENTAL HYGIENE-
MENTAL RETARDATION
REHABILITATION
WELFARE
YOUTH SERVICES AGENCY

ROBERT LIST
GOVERNOR
RALPH R. DISIBIO, Ed.D.
DIRECTOR

March 13, 1979

ATTACHMENT H

MEMO #59

TO: SENATOR FLOYD LAMB, CHAIRMAN
SENATE FINANCE COMMITTEE
FROM: RALPH R. DISIBIO, Ed.D.
SUBJECT: ACCOUNT #3207 - AID TO COUNTIES

MAR 13 1979

INTRODUCTION:

The Clark and Washoe County Health Districts' Aid to Counties Account #3207 began in 1970. The major portion of the funds were federal 314d. In 1973, state appropriated funds were substituted for a majority of the 314d funds. There was the desire to improve upon the posture of individual counties with respect to matching funds which could be utilized in securing other federal funds. The funds were always intended to be discretionary, being used to bolster, support or otherwise improve upon public health programs based upon the priorities established by the local boards of health.

During the past year and a half, the Health Division, in concert with the respective Health Districts, has implemented a greater number of contractual agreements to eliminate duplication and effect savings in administrative overhead, as well as coordinate program services through a singular entity.

AID TO COUNTIES:

In addition to #3207, the Clark and Washoe Health Districts have been receiving federal funds through the Immunization, Venereal Disease and Safe Drinking Water programs, as well as state funds through the T.B. program. It must be noted that these funds cannot be utilized for any other purpose than those intended through Congressional and Nevada Legislature mandates.

Attachment #1 identifies the amount of funds other than those from #3207 which have been dispersed to the Clark

Senator Floyd Lamb
 March 13, 1979
 Page 2

and Washoe Health Districts.

Additional federal funds are not anticipated which would allow the two Health Districts to keep abreast of their respective program needs, therefore the need to consider increasing the amount of state appropriations in #3207 from \$.85 per capita to \$1.00 and \$1.10 per capita for FY 1980 and 1981, respectively.

Attachment #2 identifies the additional amount of state appropriations needed at the \$1.00 and \$1.10 levels.

SERVICES:

Based upon information provided by the two Health Districts, following are examples of how the present fiscal year funds in #3207 are being utilized:

<u>Clark County</u>	<u>%</u>	<u>Washoe County</u>	<u>%</u>
General Nursing	25	Emergency Med.Svs.	10
Immunization	7	Gen. Pub.Health Nursing	32
Emergency Med. Serv.	10	Immunization	10
Tuberculosis Control	5	Child Abuse/Neglect	6
Sr. Citizen Health Screen.	11	Public Health	
Veneral Disease Control	7	Environmentalists	25
Environmental Sanitation	28	Air Pollution Control	
Health Education	5	& Water Quality Contr.	12
Hospice	2	Vital Statistics	5
	<u>100</u>		<u>100</u>

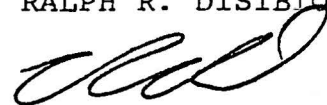
SUMMARY:

Based upon past services and the present working relationship between the Health Division and the two Health Districts, the request for additional funds, raising the per capita from \$.85 to \$1.00 and \$1.10 for FY 1980 and 1981, respectively, is supported by both the Health Division and the administration of the Department of Human Resources. This mechanism will allow the counties to utilize their existing administrative structures and provide continued flexibility and latitude that allows the local boards of health to respond to the imperatives of their respective communities.

RRD/lS

cc: John H. Carr, M.D.
 Ron Sparks
 Howard Clodfelter
 Gil Blonsley

RALPH R. DiSIBIO, Ed.D.



ATTACHMENT #1

AID TO Washoe and Clark Counties

EXHIBIT H

A-30-11

	78		79		80		81	
	WASHOE	CLARK	WASHOE	CLARK	WASHOE	CLARK	WASHOE	CLARK
TB - 3220		23100	24301	25410	28205	28205	28205	28205
S.D.W. - 3194/3195	32510	38190	30992	52508	33000	46000	33000	46000
VD - 3218	17258	12600	9640	77000	19061	67597	19061	67597
IM1 - 3211	61254	83359	56748	52016	65586	60541	65059	60054
SUBTOTAL	111022	157749	121681	206934	145852	202343	145325	201856
A/C - 3207	165170	350987	165170	350987	176997	354206	181422	363061
TOTAL	276192	508736	286851	557921	322849	556549	326747	564917

ATTACHMENT #2

AID TO COUNTIES ADDITIONAL REQUEST

	<u>WASHOE</u>	
	80	81
3207 governor recommends 85¢	176,997	181,422
Request		
1.00	208,232	
1.10		234,782
Amount of Additional request	<u>31,235</u>	<u>53,360</u>
	<u>CLARK</u>	
3207 governor recommends 85¢	354,206	363,061
Request		
1.00	416,713	
1.10		469,843
Amount of additional request	<u>62,507</u>	<u>106,782</u>
Total for Both Counties	<u>93,742</u>	<u>160,142</u>