

Finance

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

May 15, 1979

Chairman Mello called the meeting to order at 8:00 a.m.

WAYS AND MEANS COMMITTEE

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

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Budget Office.

SENATE FINANCE COMMITTEE

MEMBERS PRESENT: Chairman Lamb, Vice-Chairman Gibson, Mr. Glaser, Mr. McCorkle, Mr. Jacobsen, Mr. Echols, Mr. Wilson.

ALSO PRESENT: Ron Sparks, Fiscal Analyst; Gene Pieretti, Deputy Fiscal Analyst.

DEPARTMENT OF PRISONS

Mr. Bible said that the first area of difference is the Assembly's recommendation to transfer a number of positions from the various prison accounts back to the central office of director's account. He added that these transfers have no monetary impact because there is a decrease in the institution from which they are being transferred. He explained that the Assembly felt that these positions should be centralized within one budget account and available to service all institutions upon assignment of the Warden. He commented that the only monetary difference was that the Assembly added gate money in the amount of \$40,000 the first year of the biennium and \$45,000 in the second year and that the gate money increase is contained in AB 396.

Mr. Sparks explained that the Senate Finance Committee concurred in the Governor's Recommendation in providing the transfer of these positions.

Senator Lamb asked what was the justification for adding this money. Mr. Bible answered that the positions that are being transferred were coming out of other budgets and that the Subcommittee felt that they should centralize these support type positions in the medical area such as the chaplain, psychologist, dentist, senior physician and the academic teachers.

Senator Lamb asked what specific transfer of position would be designated for the chaplain. Mr. Bible explained that the chaplain would come out of one of the other budgets where he was assigned; would be transferred into this account and would be available to service all institutions which would merely centralize the positions in one account.

Senator Echols commented that there were going to be extensive hearings on those studies on Thursday night where a great deal of information would be forthcoming and suggested postponing this discussion until Friday morning.

Senator Lamb questioned where the Physician, Range C, was working at present. Mr. Sparks pointed out that in the next budget, Northern Nevada Correctional Center, it was evident they had deleted the Senior Physician position and moved it to the Central Prison where the physician's services would be available to all the institutions.

Senator Lamb asked if this physician would be able to cover such a large area. Mr. Mann said that the Subcommittee felt that by centralizing these positions especially teachers and physicians they would be more accountable.

Senator Wilson moved to concur with the Assembly; seconded by Senator Jacobsen. Motion approved.

NORTHERN NEVADA CORRECTIONAL CENTER

Mr. Bible pointed out that the only difference in this budget was in the prison farm equipment where the Assembly had budgeted \$49,000 for prison farm equipment in the first year of the biennium.

Mr. Mann explained that this was part of Warden Wolff's original request to the Governor for a flat-bed truck and a chocolate creamer which could make the prison farm more viable.

Senator Jacobsen moved to concur with the Assembly; seconded by Senator Glaser. Motion approved.

NEVADA STATE PRISON

Mr. Bible explained that three of these positions would be transferred to the Central Office and two Correctional Officer Trainees would be deleted in the second year of the biennium. He noted that there were 32 or 33 Correctional Officers recommended in this account in the second year of the biennium and that the Assembly proposed using two Correctional Officer trainees to supervise and expand the honor camp program.

Senator Echols moved to concur with the Assembly; seconded by Senator Wilson. Motion approved.

HONOR CAMP

Mr. Bible said that it appeared that the Senate had increased the northern honor camp to 100 inmates in each year of the biennium and added a southern honor camp while the Assembly had increased the existing honor camp to 100 inmates in the second year of the biennium. He noted that the Governor's Recommendation was an increase to approximately 70 inmates in the first year of the biennium.

Mr. Sparks asked if the two correctional officers to be added in the second year were to expand the honor camp from the Governor's Recommendation of 72 up to 100 and questioned the need for two additional staff positions. He noted that the Senate Finance Committee had approved expanding the camp to 100 inmates the first year but that they did not add personnel based on information provided by the prison that no new staff would be required to expand this program from 72 to 100.

Mr. Mann moved to concur with the Senate; seconded by Mr. Webb. Motion approved.

NEVADA WOMEN'S CORRECTIONAL CENTER

Mr. Bible explained that one academic teacher would be transferred to the Office of the Director and that the Assembly recommended the deletion of a Cook III position because they felt that the women at the institution could perform some of the cook's duties.

Senator Glaser moved to concur with the Assembly; seconded by Senator McCorkle. Motion approved.

PAROLE AND PROBATION

Mr. Bible noted that the Assembly decreased two probation officer positions and reduced special retirement, in-state travel, operating and equipment based upon revised figures presented to the Committee by the Chief of Parole and Probation.

Senator Wilson asked the reason for the reduction of probation officers. Mr. Bible responded that the budget was based on a January to January case load and more recent figures showed that the January case load was not as high as anticipated.

Mr. Mann commented that a long-term case load study justified cutting three positions but it was decided that cutting two positions would give more flexibility.

Senator Gibson moved to concur with the Assembly; seconded by Senator Jacobsen. Motion approved.

RESTITUTION CENTERS - NORTH AND SOUTH

Mr. Bible stated that these centers are not in the Executive Budget but that the Assembly has passed AB 804 which establishes the Restitution Centers for 40 to 50 men in both the north and the south funded both from the General Fund and client income.

Mr. Mann commented that to fund this for the two year period, they had "sunsetting" the legislation, but that it was agreed not to fund one of the educational buildings in order to fund these restitution centers.

Senator Gibson moved to concur with the Assembly; seconded by Senator Echols. Motion approved.

PAROLE BOARD

Mr. Bible stated that the Senate had added longevity, increased in-state travel and increased contract services, and that the Assembly had increased in-state travel and contract services but did not add the longevity.

Mr. Bremner moved to concur with the Senate; seconded by Mr. Hickey. Motion approved.

STATE PLANNING AGENCY

Mr. Bible explained that the Assembly had deleted the Chief of Planning and Training because the department had undergone a reorganization and the communications function was no longer within the department. He added that the Subcommittee had evaluated the Chief of Planning and Training duties comparing them with the duties of the Chief of the Department and discovered they were performing essentially the same tasks and consequently the deletion of Chief of Planning and Training position is recommended.

Senator Glaser moved to concur with the Assembly; seconded by Senator Jacobsen. Motion approved.

POST PROGRAM

Mr. Bible noted that the Senate had reduced in-state travel and that the Assembly had reduced contract services because they felt that the teaching positions in the POST program are primarily local law enforcement officials who should not be compensated.

Mr. Bremner moved to concur with ~~both~~ the Senate and Assembly; seconded by Mr. Hickey. Mr. Glover voted NO. Motion approved.

Senator Glaser moved to concur with both the Assembly and Senate; seconded by Senator Jacobsen. Motion approved.

NARCOTICS DIVISION

Mr. Bible said that in this budget the Senate reduced vehicle purchases to \$20,000 each year and that the Assembly increased the Communications Board assessment which is consistent with the earlier action of taking the General Fund out of the Communication's Board.

Senator Lamb remarked that testimony by one of the leading law enforcement officers indicated that they did not use this type of car in their work but often rented a car or used an old model car negating the need for new vehicles.

Mr. Bremner moved to concur with both the Assembly and the Senate; seconded by Mr. Hickey. Motion approved.

Senator Glaser moved to concur with both the Assembly and the Senate; seconded by Senator Jacobsen. Motion approved.

NATIONAL GUARD BENEFITS

Mr. Bible noted that the Senate reduced the program to the existing level and that the Assembly reduced the General Fund providing some increase in the event of increased enrollment in the Guard program.

Mr. Bremner moved to concur with the Senate; seconded by Mr. Hickey. Motion approved.

MCP GRANT

Mr. Bible stated that the Assembly had deleted the program with no funding provided.

Senator Lamb questioned whether the impending nuclear waste program might change the Assembly's thinking. Chairman Mello pointed out that this program dealt with nuclear attack and would have no effect on a nuclear waste program.

Senator Glaser moved to concur with the Assembly; seconded by Senator Wilson. Senator McCorkle and Senator Jacobsen voted NO. Motion approved.

OFFICE OF TRAFFIC AND SAFETY

Mr. Bible said that the Assembly had heard testimony from the Director of the Department of Motor Vehicles that indicated that economies could be achieved in this program if it were returned to the DMV and that the Assembly's actions indicated those economies and returned the program to the administration of the DMV.

Senator Lamb questioned the elimination of a student position. Mr. Bible responded that this position would be eliminated because it would be transferred down.

Senator Echols commented that the Director felt this program would be more effective under the DMV.

Chairman Mello noted that there had been a personality conflict between the Director and this individual resulting in ex-Governor O'Callaghan removing this office from the DMV.

Senator Jacobsen stated that this program had been very helpful to the rural areas, that he would rather have it remain where it was but had no strong objections to returning it to DMV. He added that he felt this program was needed.

Chairman Mello commented that returning this program would not change it at all but that the transfer would effect a savings in dollars.

Mr. Mann remarked that in testimony they had learned that the present director was planning on leaving on July 1, 1979 and that it was felt that a new director beginning under the DMV would offer good, direct control.

This budget was held OPEN for further consideration.

COMMERCE DEPARTMENT - DIRECTOR'S OFFICE

Mr. Bible noted that the only difference was that the Senate had reduced out-of-state travel by a greater amount than the Assembly.

Mr. Bremner moved to concur with the Senate; seconded by Mr. Hickey. Motion approved.

INSURANCE DIVISION

Mr. Bible said that both Committees had eliminated the new positions for fire support and that the Assembly had deleted a Management Assistant II position based upon the installation of a new automated license system. He added that the Assembly also decreased out-of-state travel and in-state travel. He noted that both Committees had deleted the Chief Special Deputy and the Administrative Aid when the Fire Marshal's budget was funded.

Senator Glaser moved to concur with the Assembly; seconded by Senator Jacobsen. Motion approved.

DIVISION OF SAVINGS AND LOAN

Mr. Bible said that both Committees had added an additional examiner and his equipment but the Assembly had not added any in-state travel.

Mr. Bremner moved to concur with the Senate; seconded by Mrs. Wagner. Motion approved.

DIVISION OF BANKING

Mr. Bible explained that there was no dollar impact but that the Assembly had decreased out-of-state travel and had added those dollars to the training category based upon testimony by the Superintendent of Banks.

Senator Glaser moved to concur with the Assembly; seconded by Senator Jacobsen. Motion approved.

MOBILE HOME AND TRAVEL TRAILER

Mr. Bible said that the program as recommended by the Executive Budget provided for the transfer of the Certification Program to this Division from the Department of Motor Vehicles but that the Assembly had closed the budget without these two registration clerks based upon an indication from the DMV that currently a half-time position was taking care of the function.

Senator McCorkle moved to concur with the Assembly; seconded by Senator Jacobsen. Motion approved.

DIVISION OF REAL ESTATE

Mr. Bible noted that the only difference in this budget was that the Assembly decreased in-state travel and deleted training funds in the amount shown.

Senator Glaser moved to concur with the Assembly; seconded by Senator Wilson. Motion approved.

GAMING CONTROL BOARD

Mr. Bible explained that the Senate had increased a number of positions within the Gaming Control Board and that the Assembly had concurred with the Governor's Recommendation on the number of positions. He added that both Committees had removed over-time and terminal annual leave while the Assembly had additionally increased the Communication's Board assessment which was consistent with the action that both Committees have already taken on the Communication's Board.

Senator Lamb commented that in view of the problems in this area the Gaming Control Board needed all the personnel they could get. He noted that there were problems in licensing and investigation.

Chairman Mello remarked that in the 1975 session twenty-one new employees were added, and that in 1977 there were thirty-six added.

Senator Wilson said that the present staff in New Jersey was comparable to Nevada's and New Jersey has only one casino-hotel. He commented that it seemed that the staff in Nevada was doing an excellent job.

Mr. Barengo pointed out that the one club in New Jersey did more business in one month than Northern Nevada did in four months.

Senator Lamb indicated that the casinos were scattered all over the State in Nevada and that a small casino in Jackpot could cause as much of a problem as the Aladdin Hotel in Las Vegas and he felt that the Legislature should indicate they were trying to assist.

Chairman Mello commented that giving them the agency request indicated help and reiterated that they had received 69 new employees in the first year of the biennium and 87 in the second year.

Mr. Hickey questioned the justification for increasing the training funds to \$30,000 in each year. Mr. Sparks pointed out that part of this was for the seven new positions that the Senate Finance Committee had added beyond the Governor's Recommendation and that secondly the Committee felt that with the new training officer and the 69 new positions in the first year and an additional 22 in the second year, more training would be necessary.

Mr. Webb commented that he could concur with the Senate if the same growth rate could be anticipated in the next two years but with the gas crisis, the airline strike, and the decrease in availability of financing for new casinos, he felt that the Governor's Recommendation was reasonable.

Senator Wilson said that in a regulated industry such as gaming upon which the economy was so dependent, the State cannot afford trouble within the gaming industry and difficulties already are apparent.

Senator Lamb indicated that the best job that could be done was still not good enough and serious problems remain in this industry.

Mrs. Wagner asked if these seven new positions would be related to "junkets" or if the areas that they would be working in had been specified. Senator Wilson replied that they were not related to junkets but were needed because of normal workload.

Mr. Bremner commented that they had had trouble filling available positions because they could not offer enough money and questioned why they would want to add more positions when existing ones remained vacant. Senator Wilson speculated that the Department may have two problems-- one if he can pay and keep current staff and the other whether there is enough to offer prospective employees in order to hire them initially.

Mrs. Wagner questioned what specific serious problems are confronting the industry. Senator Lamb answered that it takes six to nine months to process a license and that time to check restricted licenses where most of the cheating occurs is not adequate. He noted that they process 600 work cards a day.

Mr. Mann agreed with Mr. Bremner and said that if the Department could fill all present positions then adding more new positions would seem reasonable.

The budget was held OPEN for further considerations.

TAXICAB AUTHORITY

Mr. Bible pointed out that the Senate increased the reserve and reduced in-state travel.

Mr. Glover moved to concur with Senate; seconded by Mr. Hickey. Motion approved.

LABOR COMMISSION

Mr. Bible noted that the Senate had reduced in-state travel and that the Assembly had increased other contract services in the second year of the biennium based upon testimony that indicated an error in the budget.

Mr. Vergiels moved that the Assembly and Senate concur; seconded by Mr. Bremner. Motion approved.

Senator Glaser moved that the Assembly and Senate concur; seconded by Senator Gibson. Motion approved.

INSPECTOR OF MINES

Mr. Bible said that the Senate reduced in-state travel and the Assembly reduced salaries based upon information that the salaries were over-projected.

Mr. Bremner moved that the Assembly and Senate concur; seconded by Mr. Webb. Motion approved.

Senator Glaser moved that the Assembly and Senate concur; seconded by Senator Jacobsen. Motion approved.

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES - DIRECTOR'S OFFICE

Mr. Bible indicated that both Committees had heard testimony that a requested auditor position was not needed until the second year of the biennium. He said that the Assembly reduced it in the first year and provided for it in the second year and that the Senate removed the position and the equipment entirely.

Mr. Bremner moved to concur with the Senate; seconded by Mr. Hickey. Motion approved.

DIVISION OF STATE PARKS

Mr. Bible noted that the Senate reduced the equipment and that the Assembly increased two existing half-time clerical positions to full-time positions because of a productivity study and added a Law Enforcement Specialist position at Tahoe and at Lahontan with concurrent equipment increases in the first year of the biennium.

Senator Jacobsen moved to concur with the Assembly; seconded by Senator Wilson. Senator McCorkle, Senator Jacobsen, and Senator Echols voted NO. Motion defeated.

Senator Lamb explained that his Committee had requested a revised budget which had been submitted as a "bare-bones" budget.

Chairman Mello stated that his Committee felt that because of the energy shortage people in the State would utilize parks more than ever before.

Mr. Webb stated that testimony showed that several parks are understaffed and not under control during heavy summertime use and that he felt this was an important issue of this legislature.

Senator Jacobsen pointed out that use of the parks has almost doubled and law enforcement is lacking. He added that he felt it was the obligation of the legislature to protect the people of the State and the parks.

VIRGINIA AND TRUCKEE RAILROAD

Mr. Bible noted that the Senate deleted a \$5,000 mule tractor in the first year of the biennium.

Senator Jacobsen stated that in checking he had found that the Department of Highways, Civil Defense or the National Guard would move the train eliminating the need for this tractor.

Mr. Hickey suggested making sure that the proper equipment was available to move these cars in order to protect this valuable merchandise against damage.

Mr. Bremner moved to concur with the Senate; seconded by Mr. Webb. Mr. Hickey and Mr. Glover voted NO. Motion approved.

DIVISION OF WATER RESOURCES

Mr. Bible stated that the Senate approved the budget in accordance with the Governor's Recommendations but that the Assembly budgeted fifty

percent of a water commissioner's salary from Water District Funds consistent with existing State law.

Mr. Rhoads stated that since the water commissioner now has statewide jurisdiction it should be funded by a General Fund appropriation and not strictly by the water users in that district.

Senator Glaser stated that the Senate Finance has approved payment of the water commissioner's salary out of the General Fund; albeit it is illegal. He added that there is a need to straighten out the situation.

Senator Lamb questioned whether or not there is a water users' tax. Mr. Barrett answered that there is an assessment but it is not really a tax.

Senator Lamb said that the water users do pay it if the monies are placed in the General Fund and then paid out of it. Mr. Barrett responded that none of the local water users assessment goes into the General Fund. He added that the funds go into their own budgets and are administered by the District Judges.

DIVISION OF WATER PLANNING

Mr. Bible stated that the Assembly deleted the Senior Urban Planner position and related new equipment since testimony before the Committee indicated that the existing Senior Urban Planner is currently administering the Division and a new administrator is coming on board.

Senator Glaser moved to concur with the Assembly; seconded by Senator McCorkle. Motion approved.

Mr. Hickey moved to concur with the Senate; seconded by Mr. Mann. Mrs. Wagner voted NO. Motion approved.

DIVISION OF MINERAL RESOURCES

Mr. Bible said that the Assembly deleted the Engineering Geologist III position in the second year of the biennium in addition to the related in-state travel and equipment for that position since the budget narrative indicated the position was contingent upon passage of Federal legislation. He added that a letter of intent would be sent to indicate that if the Federal legislation does pass and the position is still required in the second year of the biennium, then the Department should go to Interim Finance.

Senator Gibson pointed out that the Senate Finance favored increasing the in-state travel funds since the advisory board has been paying their own travelling costs.

Senator Gibson moved to concur with the Assembly; seconded by Senator Echols. Motion approved.

Mr. Bremner moved to concur with both the Assembly and Senate; seconded by Mr. Vergiels. Motion approved.

Senator Gibson indicated that he wished the Senate Finance to co-draft and sign the letter of intent. Senator Lamb concurred.

Mr. Mann questioned the in-state travel appropriation and wondered if they agreed to go with each other would that give the department a new travel appropriation of \$250.

Mr. Bible stated that the budget has two separate categories, one for the Advisory Board and one for administrative travel. He added that his interpretation would be to decrease the administrative travel and an increase in the Advisory Board's travel.

Senator Gibson pointed out that the department will have \$4,500 in travel in the first year of the biennium and \$4,500 in the second year which should be satisfactory.

DIVISION OF ENVIRONMENTAL PROTECTION

Mr. Bible stated that the Senate reduced the training and printing appropriation and that the Assembly reduced the in-state travel.

Mr. Bremner moved to concur with both the Assembly and the Senate; seconded by Mr. Hickey. Motion approved.

Senator Echols moved to concur with both the Assembly and the Senate; seconded by Senator Gibson. Motion approved.

DIVISION OF FORESTRY

Mr. Bible said that the Senate removed the Honor Camp program and added a new budget down below the Assembly to increase the Communications Board assessment and that this action will be consistent with action both Committees have already taken. Mr. Sparks added that the Senate Finance Committee change is to approve the Governor's budget as recommended with the exception of the removal of the inmate program and placing it in a separate Forestry or Camp budget or both; northern honor camp and a new honor camp being recommended for the south.

Senator Echols moved to concur with both the Assembly and the Senate; seconded by Senator Gibson. Motion approved.

Mr. Bremner moved to concur with both the Assembly and Senate; seconded by Mr. Mann. Motion approved.

Mr. Bremner moved to concur with the Senate on the Forestry Honor Camp; seconded by Mr. Hickey. Motion approved.

DEPARTMENT OF ENERGY

Mr. Sparks stated that information from the Department of Energy and testimony from Noel Clark indicated that approximately \$5 million in Federal funds for energy grants has been approved and that the Senate Finance Committee recommended increasing the budget for these grant. He added that the majority of the grants will be for energy projects and the funds will go directly to hospitals, schools, local governments, or public care institutions. He said that the Senate Finance increase would be for administrative functions and the energy audit function for these Federal energy grants.

Mr. Vergiels asked when do the grants go into effect? Mr. Sparks answered that he understood they are currently available.

Mr. Sparks stated that the Assembly reduced the school one-shot of \$3.5 million to \$800,000 to fund the handicapped portion only and that the Assembly removed the energy remodeling function from that bill since Federal funds would be available for that purpose. -

Mr. Bible stated that the Assembly reduction of the amount for capital construction of schools is based on their contention that local districts should fund the projects with the exception of handicapped facilities.

Mrs. Wagner commented that energy audits could be used on our own State institutions versus conducting them on a private, nonprofit hospital. Senator Gibson responded that the energy audits in this program do cover state institutions and state buildings.

COLORADO RIVER RESOURCES

Mr. Sparks stated that the interest income increase is a result of passage of SB 315 which provides that the Colorado River will receive their proportionate share of the interest income from the Treasurer's Investment Pool. He continued that the increase in General Funds and the total increases are to provide for positions for two areas: (1) to review new power sources from the Federal Power Program at Bonneville (the Navajo surplus) and in the Central Valley in California; and (2) to provide staff for the renegotiation of the Federal water contracts which are the Hoover Dam Contract, the Parker Davis Contract and the Colorado River/Grand Canyon Contract which are expiring in the early 1980's.

Senator Gibson pointed out that the water resources are critically important particularly in Southern Nevada. He added that if the State loses power from Hoover Dam the effect on the economy there will be devastating especially for industry. He stated that his primary concern is that the State has no specialist assigned to protect the State's interest.

Mr. Bremner stated that the department's testimony before the Committee made it appear that they were interested in expansion and empire-building and that the scope of their program would encompass an area of responsibility far greater than what they are authorized.

Senator Gibson commented that they have attempted to make the Colorado River Project a state power authority project. The statute is statewide. He continued that for example, we lost 25,000 kilowatts of generating capacity at the Shasta Dam because this agency did not make a claim for Nevada. He said that their current emphasis is to alert the department to these opportunities. He added that the State has a legitimate claim for Bonneville Power because part of the Snake River rises in Nevada. The Shasta Dam project is also up for renegotiation. He continued that now the Hoover Dam and the whole Colorado River complex contract is due to expire and that the present theory of government is to turn all the property over to the Indians. He said that the impact for Nevada would be devastating. He indicated that for a small investment of funds ample returns will be available to the State, and that he believes the State should ask for more than their current 17 1/2% of the power allocation.

Mr. Mann commented that he could support that concept if he hadn't read a newspaper article that indicated that the Federal government has already decided that where a utility is owned privately they will not give any preference as of 1981, and that preference will go to states that have publically owned utilities.

Senator Gibson pointed out that the power contracts contain written guarantees for renewal of the power contracts.

This budget was held OPEN for further consideration.

HEAT INSPECTION

Mr. Bible stated that the Assembly adopted the Agency's request.

Senator Gibson moved to concur with the Assembly; seconded by Senator Glaser. Motion approved.

COMSTOCK HISTORIC DISTRICT COMMISSION

Mr. Bible said that the Assembly reduced the travel by the amount shown and the reduction comes out of the General Fund.

Senator Echols moved to concur with the Assembly; seconded by Senator Jacobsen. Motion approved.

HIGH SCHOOL RODEO

Mr. Sparks stated that the Senate Finance Committee increased the High School Rodeo budget to the agency request.

Mr. Bible indicated that the Assembly went halfway since the Committee was aware that the program had been doubled last biennium from a \$2500 to a \$5000 appropriation.

Senator Lamb indicated that this program is an outstanding one for young people and for the development of future responsible and decent citizens for the State.

This budget was held OPEN for further consideration.

DEPARTMENT OF HIGHWAYS - HIGHWAY FUND

Mr. Bible stated that the Senate removed the driver's license fee as a revenue source to the Highway Fund and made a General Fund appropriation

of approximately \$250,000 in each year to support the driver's license division.

Mr. Sparks noted that both Committees did approve the Department of Highways budget as recommended. He said that the only difference between the Committees is the revenue source for the highway fund.

This budget was held OPEN for further consideration.

DEPARTMENT OF MOTOR VEHICLES - OFFICE OF THE DIRECTOR

Mr. Bible indicated that the Senate added furniture in the amount of \$1500 each year and the Assembly did not because no new positions were requested.

Senator Jacobsen moved to concur with the Assembly; seconded by Senator McCorkle. Senator Gibson and Senator Lamb voted NO. Motion approved.

DEPARTMENT OF MOTOR VEHICLES - RECORD SEARCH PROGRAM

Mr. Bible stated that the Assembly felt the function should be performed by state employees for better control, rather than continuing on a contract basis. He added that there would be a fee increase from \$1.50 to \$2.00 and that the reversion amount would be substantially identical to the appropriation.

Mr. Sparks stated that this program was part of the original request by the Department of Motor Vehicles and that it was not recommended by the Governor as a consequence the Senate Finance Committee heard no further testimony on it.

This budget was held OPEN for further consideration.

HIGHWAY PATROL

Mr. Bible indicated that the Governor's Recommendation includes the transfer of the communications function from the LEAA to this division. He added that the transfer did not make any provision for users' fees. Users' fees are currently charged to law enforcement agencies for using the law enforcement network. Therefore, he said that the Assembly budgeted the user fees in the amount shown, \$54,000 in the first year; and \$54,000 in the second year. He stated that the Assembly increased overtime by \$30,000 in each year which was necessitated by a Personnel Division rule change for jury pay. He continued that there is also an increased communications board assessment.

Senator Gibson commented that the Senate Finance objected to the increase in overtime pay.

Mr. Pieretti explained that when personnel came up with this proposed regulation change, they were told by DMV that there would be no increased cost. He added that when personnel was told about the increased costs, they suggested that the rule be changed back to its original form.

This budget was held OPEN for further consideration.

HIGHWAY PATROL SPECIAL

Mr. Sparks stated that the only difference between the Committees is in the rate of equipment added. He said that the Senate Finance added \$5,000 per patrolman.

Mr. Sparks continued that the difference amounts to about \$700 in the first year and \$50 in the second year.

DEPARTMENT OF MOTOR VEHICLES - AUTOMATION DIVISION

Mr. Bible stated that the Assembly increased the Communication Board assessment because both Committees now have funded the Communications Board with user revenue instead of General Fund appropriations.

Senator Gibson commented that there is a difference in facility charges in the second year.

Mr. Bremner moved to concur with both the Assembly and Senate; seconded by Mr. Hickey. Motion approved.

Senator Glaser moved to concur with both the Assembly and Senate; seconded by Senator Jacobsen. Motion approved.

Senator Gibson asked if the Assembly would consider writing a letter to the University that if they do experience an enrollment increase which would justify retaining or holding on to some of these positions that might otherwise be lost, then have the letter indicate that they could bring this situation to Interim Finance for consideration.

Chairman Mello replied that he felt the Committee would agree to that proposal.

Chairman Mello asked if it would be agreeable to Senate Finance to also request the University to adjust their faculty according to any decrease in enrollment as well.

Senator Lamb indicated that would be agreeable and suggested that the letter be co-drafted and co-signed.

Chairman Mello concurred with the proposal.

OFFICE OF TRAFFIC SAFETY

Senator McCorkle moved to concur with the Assembly; seconded by Senator Wilson. Senator Echols, and Senator Jacobsen voted NO. Motion approved.

Mr. Bible distributed to the Committee an abbreviated version of the closing sheets. He stated that these sheets will now highlight the difference that we have had to date and the differences we had prior to this morning's joint actions.

CRIME PREVENTION

Mr. Bible explained that both Committees have recommended identical amounts of dollar reduction in the budget; however, the Senate has voted to keep the program under the Governor, and the Assembly has voted to return the program to the Attorney General.

Mr. Webb moved to concur with the Senate; seconded by Mrs. Wagner. Motion failed.

Senator Wilson moved to concur with the Assembly; seconded by Senator Glaser. Senator Glaser withdrew his second. Motion failed for lack of a second.

This budget was held OPEN for further consideration.

STATE COMPREHENSIVE EMPLOYMENT AND TRAINING OFFICE

Mr. Bible explained that the Senate reduced a number of administrative positions. He stated that the Assembly also reduced one administrative position and that they were informed that making that reduction in position would also eliminate the youth projects fund. He added that the closing sheets reflect that action.

Senator McCorkle moved to concur with both the Assembly and Senate; seconded by Senator Jacobsen. Senator Echols and Senator Wilson voted NO. Motion approved.

Mr. Bible stated that the Assembly's decision hinges on the elimination of the Management Analyst I position. He said that both Committees have eliminated that position. He added that the Assembly was also informed that eliminating the position would make it necessary to also reduce the youth projects.

Mrs. Wagner asked what would be the impact on the program if the two Committees got together. Mr. Bible responded that the two closing sheets

would be combined and that there would be a concurrent reduction in the youth projects fund. He added that the elimination of other positions within the budget would reduce some of the other programs, and that action would probably have to be done administratively.

Mr. Mann moved to concur with both the Assembly and the Senate; seconded by Mr. Webb. Mrs. Wagner, Mr. Hickey, Mr. Bremner, and Chairman Mello voted NO. Motion approved.

MEDICAL MALPRACTICE

Mr. Sparks said that the Finance Committee had heard testimony regarding the need for this committee but had not taken action.

Senator Gibson moved to concur with the Assembly; seconded by Senator Wilson. Motion approved.

STATE TREASURER

Mr. Bible noted that the Senate had provided for a number of increases in the operating area and added \$50,000 in the first year and \$20,500 in the second year of the biennium for electronic data processing. He added that the Assembly had increased the building rent. Mr. Sparks explained that both Committees had increased the building rent. He pointed out that the increases in insurance and equipment are based on current year expenditures which already exceed the amount that was recommended and that the money management program for data processing is to provide the Treasurer with necessary investment information to obtain maximum yield in the State's surpluses that are invested.

Mr. Glover asked how many dollars would be brought in by the money management data processing program. Mr. Sparks replied that he thought it was about eight million dollars and that calculation is based on a projection of what could have been accrued had an investment program been in operation over the last several years.

Senator Lamb indicated that he felt the money management program was very important.

PERSONNEL

Mr. Sparks noted that the difference in this budget was that the Ways and Means Committee had deleted the productivity team which constitute six positions, and that the Assembly deleted the Employee Relations Officer position. He added that other changes were in travel and operating. He said that the Finance Committee merely adjusted the personnel and payroll assessments, which would not change the total budget, and reduced travel and printing.

Senator McCorkle suggested switching the productivity study over to John Crossley.

Senator Wilson asked if the difficulty with the productivity team was in the need for it where it was housed. Chairman Mello replied that where it is housed was the concern of his Committee.

Senator Wilson pointed out that productivity and efficiency were a part of good management on a day-to-day basis and that the legislature only meets every two years for an overview.

Mr. Bremner said that he felt that productivity studies done in-house were not objective and that an outside contractor would be more effective than handling the study in-house.

Chairman Mello stated that he thought good management meant a great deal to the legislature as far as the Executive Branch was concerned because the funding is mandated from the General Fund and the taxpayers would not be receiving a just return.

Mr. Hickey said that statistics show that outside productivity studies were more worthwhile than in-house.

Mr. Mann pointed out that there were five Grade 41-positions in the office supervising less than any other agency in numbers of employees and that they felt this position was one that he or his staff should be doing. He added that this position was Federally funded as a trial balloon which they were trying now to slide in under General Funds.

Senator Wilson questioned what kind of qualification and expertise this position required so far as negotiations and collective bargaining was concerned.

Mr. Bremner commented that many people were trying to give this particular individual credit for working out the agreement between the Governor and the classified employees concerning pay raises, but testimony before the Committee had indicated that this person was not qualified.

Mr. Hickey said that it was his understanding that this person's job was to calm down employee-management frictions, but if these frictions rose to higher levels of dispute, there were mechanisms to be used, and that he did not see the need for this position.

Senator McCorkle pointed out that negotiation was only one function of this position, that this employee was supposed to handle grievances, agency liaison, joint labor-management committee efforts, employee communications and training negotiations.

This budget was held OPEN for further consideration.

COMMODITY FOOD

Mr. Bible explained that the Assembly reduced the reserve in this account by \$200,000 and applied this money towards the requested new warehouse which is a recommended capital improvement.

Mr. Sparks said that Senate Finance had closed this budget as recommended by the Governor, and that no conclusion was reached by the Senate Finance on how to handle the excess in reserve. Mr. Barrett remarked that if money was taken out of the reserve, the rate would probably have to be raised.

Senator Gibson moved to concur with the Assembly; seconded by Senator Wilson. Motion approved.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Mr. Bible noted that the Assembly had closed this according to the Governor's Recommendation and that the Senate had closed it with the attached budget.

This budget was held OPEN for further consideration.

PUBLIC WORKS BOARD

Mr. Bible said that the Assembly had added some in-state travel because of the site of the new prison in Ely.

This budget was held OPEN for further consideration.

DEPARTMENT OF MUSEUMS AND HISTORY

Mr. Bible said this was a new proposed budget and Chairman Mello stated that his Committee had passed SB 306 authorizing this new department.

Mr. Hickey moved to concur with the Senate; seconded by Mr. Bremner. Motion approved.

DESERT RESEARCH INSTITUTE

Mr. Bible noted that the Assembly had reduced some funds which were within the budget and had not been earmarked for any specific projects and that those funds with additional General Fund monies were applied towards the existing state-funded weather modification projects. He

continued that the Assembly added the Truckee River project and wind energy project funds in the amount of \$35,000 contingent upon the receipt of Federal funds.

Senator Lamb inquired how much this would add to weather modification projects. Mr. Bremner said that amount would be \$322,000 which includes \$57,323 for the Truckee River project and \$35,000 for the wind energy project contingent to obtaining Federal funds. He explained that DRI reduced their original administrative costs from \$791,521 to \$645,821 which in effect amounted to only an increase of \$163,669 the first year and \$196,945 the second year of the biennium.

Senator Glaser moved to concur with the Assembly; seconded by Senator Wilson. Senator Lamb voted NO. Motion approved.

Mr. Webb requested concurrence of the Senate in sending a letter of intent to DRI asking them to develop a program for producing "ethynol" as an alternative energy source. He explained that "ethynol" is a fuel that can be used in vehicles in place of gasoline.

Senator Gibson moved to join in the letter of intent; seconded by Senator Jacobsen. Motion approved.

HUMAN RESOURCES

Mr. Bible noted that both Committees had added an IPA grant in General Funds for a management study. In addition, he said that the Assembly had transferred the Chief of Juvenile Community Services to the Youth Services Division and the reduction in travel and operating stem from this position transfer.

Senator Gibson indicated that another item should be added here as the Senate Finance Committee had approved SB 325 which adds an unclassified advocate or ombudsman for the facilities for long term care patients. He noted that by doing this a \$15,000 unclassified position would be added to the Director's budget ~~out of~~ Aging Services budget where it is currently under contract plus \$5,000 in operating funds. He said that the Committee had not had time to open the budget back up and add these changes based on the passage of SB 325.

This budget was held OPEN for further consideration.

BUREAU OF HEALTH FACILITIES

Mr. Bible explained that the Assembly's actions were consistent with the creation of a Youth Services Division and that the Senate had increased capitation to \$1.00 and \$1.10. He added that the Assembly had closed the budget in accordance with the Governor's Recommendation.

Mr. Barengo asked that someone explain to the Committee what had happened with the spending caps. Mr. Mann outlined that in counties where they have a reduction because of the caps, this money would be of no avail to them but in counties where they have increased their spending expenditure over their base period, they would be able to utilize the money.

This budget was held OPEN for further consideration.

CANCER CONTROL REGISTRY

Mr. Bible said that in this new budget the Assembly had added the amount shown to create the Cancer Control Register.

Senator Echols stated that if this were for contractual services only, not employees, he might be willing to consider it.

This budget was held OPEN for further consideration.

GRANT

Mr. Mann commented that this was modeled after some prevention programs that provide for services other than actually taking a child to court.

He added that Metro had a similar program where children can be assigned directly to a Metro counseling team of professional counselors and that this would offer the same kind of program but would allow grants to be applied for through Human Resources which would benefit not only Las Vegas but some of the rural counties.

Mr. Bremner moved to concur with the Senate; seconded by Mr. Barengo. Mrs. Wagner, Mr. Vergiels, Mr. Glover, Mr. Rhoads, Mr. Hickey, and Mr. Mann voted NO. Motion defeated.

Senator Lamb adjourned the meeting at 11:00 a.m.

Senate Committee on Finance

Date Tuesday, May 15, 1979

Time 7:30 a.m. Room 231

8:00 a.m. 234

Bills or Resolutions
to be considered

Subject

Counsel
Requested*

Closing of Budgets

8:00 a.m.

Joint Hearing (Room 234)

*Please do not ask for Counsel unless necessary.