

MEMBERS PRESENT: Chairman Bremner
Vice Chairman Hickey
Mr. Bergevin
Mr. Brady
Mr. Coulter
Mr. Glover
Mrs. Hayes
Mr. Marvel
Mr. Rhoads
Mr. Robinson
Mr. Vergiels
Mrs. Westall

Speaker Barengo

MEMBERS ABSENT: None

GUESTS PRESENT: Mr. Mike Alastuey, Deputy Budget Director,
Department of Administration

Chairman Bremner called the meeting to order at 9:30 a.m. and introduced Mr. Mike Alastuey, Deputy Budget Director, who presented the recommended one-shot and supplemental appropriations for 1980-81 to the committee. (EXHIBIT A)

Mr. Alastuey said that a General Fund appropriation of \$5,237,000 was being recommended to bring the balance of the Interim Finance Contingency Fund back to a level of \$6,000,000. He said that this need was brought about by the Committee's increased activity and that about \$5.7 million in allocations had been made to a variety of state agencies during the biennium.

Mr. Alastuey explained that the State Claims Fund is a resource available to the State Board of Examiners to pay claims which are not recognized or presented by the vendors or claimants in a timely manner and said that the recommended appropriation of \$110,600 would restore the working balance to approximately \$200,000.

He explained that the following recommended appropriation of \$334,831 is intended to return the working balance of the Statutory Contingency Fund to approximately \$500,000, a level consistent with previous biennial requests.

Mr. Alastuey said the requested appropriation of \$98,035 is intended to bring the working balance of the Board of Examiners Emergency Fund back to approximately \$100,000.

Mr. Alastuey continued that the next one-shot appropriation is for the Department of Economic Development for \$50,000 to augment a recently approved Departmental proposal to use \$100,000 in franchise fees to promote the 50th Anniversary of gaming in Nevada.

Chairman Bremner asked if this recommendation was intended to replace a private industry request for \$500,000 for the same purpose. Mr. Alastuey stated that this was the amount proposed by the Department for the promotion's campaign. Mr. Robinson asked whether these funds would be matched by local entities. Mr. Alastuey stated that the only other source of revenue would be the approximate \$100,000 in expected franchise fees that the Department of Economic Development has anticipated they will collect.

Mr. Alastuey addressed the next appropriation for Central Data Processing for \$52,800 primarily for use by Water Resources. At present, he explained that the inventory of requested ground water appropriations and the records of water resources in this area are 100% manually maintained and this appropriation would automate all the records.

He said that the Governor was recommending an appropriation of \$350,000 to Division of Forestry to purchase a jet helicopter, to replace engines in current aircraft, and install an auto pilot in an existing aircraft. He explained that the old helicopter has to be completely rebuilt every 1,000 hours and that the very structure of the helicopter is fatigued to the point of safety considerations. Mr. Rhoads asked about the feasibility of contracting for helicopter services with a private firm. Mr. Alastuey stated he would explore that possibility but that the State often needed its aircraft on a moment's notice. Mr. Glover requested information on the feasibility of using aircraft seized by the State Division of Investigation Narcotics. Mr. Alastuey stated that aircraft seized by the Narcotics Division is not reliable because of the rough treatment often received during use.

Chairman Bremner questioned the replacement engine costs as being operational in nature. Mr. Alastuey stated that the engine replacement costs should be considered a budget item in that they are infrequent occurrences. He said he would obtain further information on this matter.

Mr. Alastuey explained that the Governor is recommending \$200,000 for the Water Resources Division to restore a \$500,000 working balance in the Division's litigation budget. He added that one-shot appropriations have been made for this purpose in previous bienniums.

Mr. Alastuey explained the next appropriation for Southern Nevada Children's Home for \$61,798 was to replace draperies and carpeting at the home in Boulder City, Nevada. Mr. Bremner stated that the Capital Improvement Subcommittee would include this and similar appropriations in its investigations. Mr. Alastuey stated that several of the recommended one-shot appropriations were initially presented to Public Works Board.

Mr. Alastuey said that the Nevada Mental Health Institute is requesting a one-shot appropriation of \$124,289, to automate its client information, accounting, tracking, and billing system.

In addition, he explained that the Nevada Mental Institute is requesting an appropriation of \$105,012., to clean pipes and install heat coils in Building 1 and perform minor repairs in Building 8. Chairman Bremner stated that the Interim Finance Committee on November 26, 1979, allocated \$50,000 for remodeling cottage 8A of the Nevada Mental Health Institute and asked if this current request is in addition to the previous allocation. Mr. Alastuey stated he did not know if the units were the same and said that he would obtain additional information on the matter.

Mr. Alastuey said the next request for \$150,000 for the Resident Placement Fund would allow the purchase of bed space in the community to care for retarded citizens in a community setting. He said that this sum is intended to be a nonreverting sum available to the division to allot up to \$15,000 per application or up to an additional 10 group homes. With this allotment, he explained that Title XIX Medicaid monies (50% State and 50% Federal) could eventually be drawn to further expand the number of beds available for these clients.

Mr. Alastuey said that the Las Vegas Mental Health Center is requesting \$40,000 to repaint and repair the interior of the multipurpose building at their center.

He explained that the \$3,728 requested appropriation for the Lake Crossing Facility for the Mentally Disordered Offender would provide for security screens and doors.

Date: January 21, 1981

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Mr. Alastuey explained that the Department of Prisons is requesting a number of one-shot appropriations. The first request totaled \$279,308 to pay off the approximate 40,000 hours of compensatory time on the books of the Department. Mr. Alastuey said the Prison Administration could not allow that much compensatory time off due to security needs and added that the prison system will not allow the accumulation of that much compensatory time in the future.

The Prison is also requesting a working capital appropriation of \$100,000 to allow the Prison Dairy to establish itself within the prison industry fund.

Mr. Alastuey said that the Department of Prisons is also requesting \$40,000 for electronic data processing system development. He said that appropriation would provide for development of an on-line accounting system. Mr. Glover asked whether the system could be adapted to keeping records on the inmates. Mr. Alastuey stated that this package was for accounting purposes only. Mr. Hickey pointed out that the figures did not add up to the requested appropriations. Mr. Alastuey stated that the figure for the hardware should be \$20,000 instead of \$50,000. Chairman Bremner asked if this type of recommendation was contrary to the Governor's Task Force recommendation to use the controller's accounting system and not have a proliferation of separate accounting systems throughout the agencies. Mr. Alastuey responded that it may seem so, however, but that Gaming Control Board is also requesting funding for its own information system. He added that some needs could be served centrally and others are better met by implementing separate systems. Mrs. Hayes requested information on whether this recommendation coincided with the interim committee study recommendation. Mr. Alastuey said he did not know.

He continued that the Department of Prisons was also requesting a \$200,000 appropriation for working capital in the Prison Industry Fund. He explained that this is an estimate of a working balance that might be needed to enhance current industries and to embark on other projects such as a sign fabrication shop, and an industrial soap and detergent factory. Chairman Bremner asked whether these programs would be self-supporting. Mr. Alastuey stated that this particular proposal does not contain any payback provisions. Chairman Bremner pointed out that when the bill or establishment of the prison industry program was presented, there was no fiscal impact estimated by the prison. Mr. Alastuey stated that it was thought at the time that the projects would have no fiscal impact but that this was no longer the feeling.

Mr. Alastuey continued that the Department of Prisons, is requesting a \$25,500 appropriation to replace vocational equipment at the Southern Nevada Correctional Center and an allocation of \$409,430 to purchase start up equipment, including an initial collection of law library books and library books, for the Southern Desert Correctional Center.

Mr. Vergiels stated that the subcommittee touring the institutions would like to see vocational programs in operation at one time or another and specifically to see that the funds appropriated for education and equipment are not rechanneled and used for other purposes as had been the practice of the Department in the past.

Mr. Alastuey continued that the Southern Nevada Correctional Center is requesting an appropriation of \$81,000 to replace floor tile and linoleum and carpeting in the culinary and housing unit areas. Chairman Bremner pointed out that when the facility opened 3 years ago, the Legislature had been told then carpet would last longer than conventional flooring but that now it needs to be replaced.

Mr. Alastuey said that the Department of Motor Vehicles is requesting \$158,020 to be used to move to their new building in Carson City and to provide operating funds for costs that may be incurred as a result of the move. This appropriation is from the Highway fund not from the general fund. Mr. Glover asked why this was not put in the capital improvement budget for the DMV building project. Mr. Alastuey stated that he did not know. Mr. Glover requested that further information be provided. Mr. Hickey suggested that additional information be supplied on rent costs versus lease costs.

Mr. Alastuey said that the Western Interstate Commission for Higher Education (WICHE) was requesting an appropriation of \$1,018,443 to cover the cost of loans currently being made. He said that the loans are not being repaid at the same rate at which they are going out. Chairman Bremner asked if stipends had been budgeted with a 50% loan. Mr. Alastuey stated that there is a 50% payback, and that he will supply additional information at a later date.

Mr. Alastuey said that the next request of \$75,000 would allow the Department of Education to contract for a study of the Nevada Plan for the Distributive School Fund. He said that this proposal was made in the last executive budget and was not approved. Mr. Bergevin questioned the need for an outside consulting firm to study the State of Nevada's needs. He further stated that the State of Nevada must have individuals qualified to conduct such a survey. Mr. Alastuey stated that a question may arise as to the impartiality of Department of Education employees conducting such a survey. Mr. Bremner asked what was the possibility of getting any federal funds in this area. Mr. Alastuey stated that there is a good possibility federal funds could be obtained. Mr. Bremner informed the committee that the National Council of State Legislatures in a January 15, 1981 letter, stated that Nevada could qualify for matching funds with a \$25,000 state contribution for an \$80,000 project.

Mr. Alastuey said that the Attorney General is requesting an appropriation of \$14,950 to develop an automated docket control system and that the Buildings and Grounds Division is requesting \$443,850 to reroof state buildings through the use of contract roofers and inmate labor.

He continued that the Department of Energy was requesting an allocation of \$250,000 to further economize the use of energy in State facilities. Mr. Bergevin asked if this program was cost effective. Mr. Alastuey stated that the Department of Energy has presented savings estimates to the Interim Finance Committee and he said he would provide this information to the committee.

Mr. Alastuey explained that the next requests were for the Gaming Control Board, \$56,802 for the purchase of equipment for the testing of electronic gaming devices and \$972,510 for the purchase and installation of a management information system. Mr. Barengo asked if funds had been authorized for electronic testing equipment in the past and asked why the need has arisen for updating the equipment previously purchased. Mr. Alastuey stated that the equipment now on hand will analyze the programs and the logic of the program but that the proposed equipment would analyze the equipment itself. Mr. Barengo stated that private industry is concerned about the changing of the machines so fast because they can't get them licensed and he further stated that if the industry wants to sell their machines that they should put in part of the money to have them licensed.

Mr. Alastuey said that the management information system would provide word processing, in-house message or mail service, and indexing retrieval of investigative information.

Mr. Alastuey continued that the State Printing Office was requesting \$120,000 to purchase and install a binding and covering machine, a 25 inch folding machine and a sheet counter. Chairman Bremner requested further information on the feasibility of leasing or renting such equipment as opposed to purchasing it.

Mr. Alastuey said that the General Services is requesting \$18,632 to purchase a 10 pound and a 70 pound electronic scale. He explained that the spring loaded scales are not accurate resulting in an estimated \$78,000 in excess postage being placed on mail. Chairman Bremner requested information on the feasibility of leasing this type of equipment. Mr. Alastuey stated that this particular proposal recommends purchase.

Mr. Alastuey said that \$530,280 is the next request for the University Computing Center to increase its capacity. Mr. Glover asked what was contained in the software license fee. Mr. Alastuey stated that fee is levied on those who actually own, develop or operate software programs.

Mr. Alastuey continued that Vital Statistics is requesting \$40,000 to purchase movable isle compact shelving to save space and allow for better storage and retrieval of documents.

He explained that the Nevada Magazine is requesting \$50,000 to establish working capital and cash flow and eliminate the need for an annual appropriation. He added that these funds would be carried forward from year to year to provide working capital.

Mr. Alastuey said that the Nevada Department of the Military is requesting an appropriation of \$15,000 to purchase coolers for the Las Vegas and Henderson armories.

Mr. Alastuey explained that the next requested appropriation for \$1,905 is on behalf of Mr. Richard King who, as an employee of the State Parks Division, in cooperation with the prison system, tore down a corral in error on BLM land near Pioche. Although offers were made to replace the corral, the Lincoln County District Attorney refused the offers and prosecuted Mr. King for grand theft. Mr. Alastuey said the claim was eventually dismissed, but that Mr. King had to bear all costs with no assistance from the State. He said that this appropriation would repay Mr. King.

He continued that the State Purchasing Division is requesting \$500,000 to provide adequate working capital in the purchasing fund. He said this appropriation would boost the level of the fund to allow the department to make timely payments to vendors and maintain adequate levels of stock in the warehouse.

Mr. Alastuey said that the following requests are for supplemental appropriations for fiscal year 1980-81 and are intended to augment earlier appropriations made by the Legislature.

He said that the first request is for Department of the Military for \$73,200 to pay utility bills in the fiscal year 1980-81 and that with these funds an additional \$85,000 in federal funds could be obtained.

Mr. Alastuey explained that the Department of Motor Vehicles is requesting a supplemental appropriation for \$101,520 to meet increased computer facility costs. He said that the amount budgeted for computer facility costs was found to be insufficient and this Highway Fund appropriation is recommended strictly to make up that difference. Mr. Glover requested the reason for the deficiency. Mr. Alastuey said that the business done by DMV exceeded what was expected for the fiscal year. Mr. Bremner added that the computer facility had lost a big user and had implemented a rate change during the biennium which also contributed to the problem. Mr. Alastuey agreed.

Mr. Alastuey went on that the Southern Nevada Correctional Center is requesting an additional \$113,194 to continue the payment of travel differential to employees. He said other alternatives have received exploration including bus service and car pooling, but that the cash payment has been the most agreeable with the employees and the easiest to administer. He said that it is recommended to continue at least through the end of the year.

He continued that the Southern Desert Correctional Center is also requesting a supplemental appropriation in the amount of \$1,063 to institute the travel differential for the employees. He said that it is not now known whether the salary allotments that are budgeted at the new facility will be sufficient to cover all the salary costs plus the travel differential and added that there has been some delay in hiring. He said that this token amount is to institute the travel differential policy and provide for payment to the employees as soon as they are hired.

Mr. Alastuey said that the Youth Services Division is requesting a supplemental appropriation of \$4,733 to cover costs of fiscal 1981 that are anticipated to be incurred over the current budgeted levels. He said that since this was a new program there was no prior budgetary experience to fall back on in arriving at the initial calculations.

Mr. Alastuey said that the next supplemental request for the Director's Office in the Department of Human Resources is for \$1,980 to pay outstanding claims from fiscal year 1979. He said that these were claims that were not presented or recognized in timely fashion and sufficient funds had not reverted from the Department of Human Resources Director's Office to have correctly paid them out of the State Claims Fund. Mr. Barengo pointed out that NRS 353.260 prohibits and classifies as a misdemeanor, the payment of these types of claims and provides that such actions constitute malfeasance in office. Mr. Vergiels suggested that Mr. Alastuey consult with legal counsel and Mr. Hickey requested further information on the matter. Mr. Robinson observed that this supplemental request differs from the others in that this money has already been spent, wherein the others are anticipating higher levels of expenditures. Mr. Robinson stated that many of the department heads would be in trouble if the supplemental appropriations being requested were not made.

Mr. Alastuey continued that the Aid to Dependent Children program is requesting a supplemental appropriation of \$2,161,837. He explained that there had been a drastic underestimate as to the number of clients the program would serve, and in addition, the Welfare Division had a difficult time in meeting the average grant budgeted. He said that last year there was a case load of 9,500 cases budgeted and that the actual case load was nearly 11,000. He said that this trend is continuing and if the economy continues in its present condition, more and more people will be likely to apply for assistance and stay on assistance as long as possible.

He added that this appropriation needs to be acted on before the end of January because a welfare payroll is coming up the first of February and said that if this appropriation is not made by then, the account will be in deficit. He said that a bill draft request has been prepared and that once a BDR number is assigned, a request will be made for introduction and passage of the bill immediately.

Mr. Barengo observed that there is a difference between expending monies for services that must be rendered as direct life support aid and expending sums under the discretionary power of department heads in excess of budgeted amounts. Mrs. Westall asked why a

decrease in average family size would generate an increase in average grant amount. Mr. Alastuey stated that under this grant system the first and second members of the family actually get more per each than do additional members of the family. He said that there is a constant number of welfare recipients and that constant number is made up of more families, resulting in a more expensive average client.

He continued that the next supplemental request is for the Child Welfare Section of the Welfare Division for \$636,454. He explained that the caseloads in this program and the average costs per client were once again rising beyond those that were anticipated in the budget approved in 1979. He added appropriation of these funds would draw approximately \$179,000 in federal funds.

He said that the next recommendation is for the Medical Care Unit of the Welfare Division for \$13,641,407. He explained that because of the unanticipated growth in the welfare case loads and principally because of the cost of long term care, hospitals, nursing homes, and intermediate care, those facilities under the federal Title XIX regulations may receive full cost auditable reimbursement. He added that the Title XIX program is running vastly higher expenditures than were anticipated at the time the budget was approved and said that overall, the medical costs for those who deliver outpatient services are not rising nearly as fast as the inpatient component of the program. Mr. Bremner stated that the Human Resources subcommittee will be taking a serious look at the facets of these programs to avoid such future requests.

Mr. Alastuey continued that a supplemental appropriation is being requested for the Department of Taxation for \$46,161 to cover the cost of unbudgeted building rent. Mr. Glover requested further information and justification of this request.

Mr. Barengo questioned the "lowest cost over five year period" justification and asked for a copy of the lease and other documentation that would justify the additional \$46,000 expense this fiscal year. Mr. Alastuey said he would provide this information.

Mr. Bible explained that if the recommended one-shot and supplemental appropriations and the recommended capital improvement program costs are subtracted from the estimated unappropriated balance of \$67.2 million on July 1, 1981, a balance of \$24.5 million dollars in unappropriated funds would remain.

Chairman Bremner adjourned the meeting at 10:40 a.m.

REQUESTED APPROPRIATIONS 1980-81

Interim Finance Committee \$ 5,237,000

A General Fund appropriation of \$5,237,000 is being requested to bring the balance of the Contingency Fund to the \$6,000,000 level.

State agencies wanting allocations from the fund must petition the Board of Examiners. If the request is recommended by the Board, the Interim Finance Committee meets and considers the recommendation. If approved by the Committee, amounts may be transferred to State agency accounts.

State Claims Fund - NRS 353.097 \$ 110,600

The State Claims Fund, administered by the Board of Examiners, was established to pay claims presented by an agency after the account from which the claim should have been paid was reverted. Payment of state claims for an agency may not exceed the amount reverted by that agency for the fiscal year during which the obligations were incurred.

Cash Balance December, 1978	\$ 48,172.49
General Fund Appropriation	151,745.00
Reimbursements	884.93
To be Accounted For	\$200,802.42

Expenditures	
Administration, Department of	\$ 231.08
Administrative Office of Courts	2,121.71
Agriculture	1,370.78
Athletic Commission	228.84
Attorney General	1,562.94
Department of Commerce	231.96
Department of Conservation	106.40
Controller	90.29
Council on the Arts	2,181.15
Crime Commission	30,576.55
Dental Health	419.00
Education	44.83
Department of Energy	4,400.00
Environmental Protection	161.45
Equal Rights Commission	150.00
Gaming	296.89
Governor	1,260.24
Health Division	2,231.79

Human Resources	36.00
Insurance Division	485.00
Investigation and Narcotics	16.71
Labor Commission	55.00
Legislative Counsel Bureau	14.20
Mental Hygiene/Mental Retardation	13,102.49
Department of the Military	229.43
Department of Motor Vehicles	30.00
Parole and Probation	540.21
Predatory Animals	174.00
Prison	30,748.04
Public Works Board	97.91
Real Estate Division	98.55
Rehabilitation Division	7,133.07
Statewide Leases	1,551.73
Supreme Court	1,086.21
Department of Taxation	4,481.35
Transportation - Refund	16.00
Welfare Division	593.69
Youth Services	3,246.34
Balance as of December, 1980	111,401.83
	\$ 89,400.59

A General Fund appropriation of \$110,600 is recommended to bring the balance in the State Claims Fund to \$200,000.

Reserve for Statutory Contingency Fund - NRS 353.264 \$ 334,831

The Reserve for Statutory Contingency Fund, administered by the Board of Examiners, was established in 1963 to pay specific claims against the State. An outline of the claims eligible for payment from this fund is shown below:

Eligible Expenses from Reserve for Statutory Contingency Fund - Nevada Revised Statutes:

41.03435	Defense of State Employees Named in Civil Actions
41.037	Tort Claims Against the State up to \$50,000
176.485	Costs of Specified Investigations
179.310	Rewards for the Apprehension of Robbers
212.040	Expenses for the Recapture and Return of Escaped Prisoners

REQUESTED APPROPRIATIONS 1980-81 - Continued

212.050	Rewards for the Apprehension of Criminals and Escaped Prisoners
212.070	Costs of Prosecution and Defense Related to Crimes Committed in Prison
214.040	Claims Arising from the Interstate Compact on Juveniles
282.290	Restitution of Losses Suffered by Local Subdivisions on Surety Bonds Issued Under Prior Law
282.315	Costs of Investigations of Losses Due to Negligence or Malfeasance of Public Officers or Employees
293.253	Costs of Publishing Proposed Statewide Ballot Questions and Explanations
293.405	Costs of a Recount of the Vote in a Statewide Election When the Defeated Candidate Prevails
353.120	Specified Refunds
353.262	Reimbursement of Terminal Leave Pay up to \$3,500 for Unused Sick Leave and Unused Annual Leave
412.154	Defense of Members of the State Militia
475.230	Local Fire Department Losses Incurred on State Property

Eligible Expenses from Reserve for Statutory Contingency Fund When the Regular Budget is Depleted - Nevada Revised Statutes:

7.125	Attorneys' Fees for Indigent Prisoners
176.223	Expenses for the Return of Probation Violators
177.345	Post-Conviction Relief Proceeding Costs for Indigent Prisoners
179.225	Extradition Costs
213.153	Expenses for Return of Parole Violators
361.055	Payment of In-Lieu Property Taxes

Cash Balance December, 1978	\$ 128,641.14
General Fund Appropriation	1,921,359.00
Reimbursement	2,144.75
Recovered Funds	100.00
	<u>\$2,052,244.89</u>

Expenditures	
Special Defense Counsel	\$ 510.00
Tort Claims	1,458,722.78
Investigations	1,625.00
Recapture and Return of Escaped Prisoners	11,617.13

Prosecution and Defense of Escaped Prisoners	34,182.34
Interstate Compact on Juveniles	802.40
Publication Costs of Statewide Measures	12,108.83
Presidential Preference Primary	119,550.52
Terminal Sick and Annual Leave	125,628.27
Fire Department Losses	964.56
Court Appointed Attorneys	3,593.50
Return Probationer to Nevada	3,700.62
Extradition Costs	87,999.59
Return Parole Violators	28,070.59
Total Expenditures	<u>\$1,887,076.13</u>
Balance as of December, 1980	\$ 165,168.78

A General Fund Appropriation of \$334,831.00 is recommended to bring the balance of the Statutory Contingency Fund to \$500,000.

Board of Examiners' Emergency Fund - NRS 353.263 \$ 98,035

The Board of Examiners is authorized to expend up to \$50,000 from the Emergency Fund in the event of invasion, insurrection, riot, epidemic or natural disaster. This report fulfills the statutory requirements for enumerating expenditures from the Fund made in the preceding biennium. This fund can also be used to compensate victims of criminal acts.

Cash Balance December, 1978	\$ 11,145.93
Appropriation	90,760.00
To be Accounted For	<u>\$101,905.93</u>

Expenditures	
Riot Suppression	\$ 4,761.40
Fire Suppression	75,000.00
Victims of Crimes	5,466.00
Flood Control	14,714.08

Balance \$ 1,964.45

A General Fund appropriation of \$98,035 is recommended to bring the balance in the Emergency Fund back to \$100,000.

REQUESTED APPROPRIATIONS 1980-81 - Continued

Department of Economic Development \$ 50,000

March 19, 1981, is the 50th anniversary of legalized gaming in Nevada. An appropriation of \$50,000 is recommended to allow Economic Development to increase advertising and tourism promotion for the 50th anniversary of gaming.

Central Data Processing \$ 52,800

An appropriation of \$52,800 is recommended for the Division of Central Data Processing of the Department of General Services to develop a computer file storage and retrieval system for the Division of Water Resources of the Department of Conservation and Natural Resources. This system will have basin abstracting summary and instant access to 50,000 plus files. The files will be indexed by hydrologic basin, owner of record, legal description, and by the State Engineer's serial number.

Division of Forestry \$ 350,000

An appropriation of \$350,000 is recommended for the Division of Forestry, Department of Conservation and Natural Resources, to purchase special equipment as follows:

Jet Helicopter	\$300,000
Replacement Engines in Beechcraft Baron	35,000
Auto-Pilot Beechcraft Baron	15,000
	<u>\$350,000</u>

Water Resources \$ 200,000

An appropriation of \$200,000 is recommended from the State General Fund to the Division of Water Resources of the Department of Conservation and Natural Resources for the purpose of paying legal fees, court costs and other costs of litigation involving water rights and water supply on the Truckee River stream system, and for the purpose of paying costs of consulting experts in administration of water resources statewide.

Southern Nevada Children's Home \$ 61,798

An appropriation of \$61,798 is recommended for the Southern Nevada Children's Home to provide for replacement of drapes and carpeting.

Nevada Mental Health Institute \$ 124,289

An appropriation of \$124,289 is recommended for the Nevada Mental Health Institute to allow for electronic data processing costs associated with system development and operation of an automated client accounting, tracking and reporting system during the 1981-83 biennium. The proposed system would provide on-line computer terminals and printers at the Institute and Children's Behavioral Services to allow input of client data, service data and cost information, and to provide the capability of generating client bills for services rendered on request.

Nevada Mental Health Institute \$ 105,012

An appropriation of \$105,012 is recommended for the Nevada Mental Health Institute for the following projects:

Building 1	
Flush and Clean Piping	\$ 11,400
Install New Heat Coils	14,934
Building 8	
Install Vinyl Flooring in Dining Area	3,612
Security Screens	16,416
Repaint Interior	18,527
New Ceiling Tile	22,123
Remodel Two Shower Rooms	18,000
Total	<u>\$105,012</u>

The above projects will allow the Institute to move the Geriatrics Unit into the north end of Building 8 from Building 7 and increase the capacity of the Geriatrics Unit from 18 to 24 beds. The projects will also allow the movement of the Secure Intensive Unit from Building 4 into Building 8 and will permit the increase of the bed capacity from 24 to 32 beds. There is no increase in staff proposed with the increased bed capacity.

REQUESTED APPROPRIATIONS 1980-81 - Continued

Division of Mental Hygiene and Mental Retardation Resident Placement Fund \$ 150,000

An appropriation of \$150,000 is recommended to enable the Division of Mental Hygiene and Mental Retardation to provide start-up money to facilities serving the mentally retarded to enable these facilities to be certified as eligible to receive Title XIX funds of the Social Security Act. Once certified to receive Title XIX funds these facilities could be supported with 50% State dollars instead of 100% State dollars. Start-up money is needed for these facilities since each program must comply with federal standards prior to certification for reimbursement. Once certified, many of the costs involved in start-up can be reimbursed to the State prorated over a period of some years. The Division is proposing the conversion of 25 existing beds and the establishment of 35 additional beds. Start-up costs are based on 10 additional group homes at \$15,000 per group home.

Las Vegas Mental Health Center \$ 40,000

An appropriation of \$40,000 is recommended to repaint the exterior of all buildings of the Las Vegas Mental Health Center due to the deterioration of painted surfaces and repainting and repairs of the interior of the multipurpose room.

Lake's Crossing Facility for the Mentally Disordered Offender \$ 3,728

An appropriation of \$3,728 is recommended for the Lake's Crossing Facility to install psychiatric screens for \$2,280 and to replace a roll-up metal door for \$1,448. The roll-up metal door will replace one that is defective and represents a safety hazard by spontaneous closing. The psychiatric screens are needed for security in a client room.

Department of Prisons - Compensatory Time \$ 279,308

It is recommended that \$279,308 be appropriated to the Department of Prisons for the purpose of paying off compensatory time that exists system-wide on their books. Once this is paid, the Department has assured the Budget Division that all possible measures available will be taken to avoid accumulating additional compensatory time.

Department of Prisons - Prison Dairy Working Capital \$ 100,000

It is recommended that \$100,000 be appropriated to the Department of Prisons for use as working capital for the Prison Dairy. The Executive Budget recommends that the Dairy be established as an Industry Account. The \$100,000 will provide a revolving fund which the Prison could use to alleviate cash flow problems if they occur.

Department of Prisons - Electronic Data Processing Development \$ 40,000

It is recommended that \$40,000 be appropriated to Central Data Processing for use in developing an internal accounting information system for the Department of Prisons. The anticipated cost of developing this system is broken down as follows:

Systems Programming Design and Budget	
Accounting Package	\$15,000
Hardware	20,000
Installation, Supplies	5,000

Once operating, this system will provide the Department of Prisons with timely financial information which will enable them to more effectively manage the Prison finances.

Department of Prisons - Working Capital Prison Industry \$ 200,000

An appropriation of \$200,000 to the Department of Prisons is recommended to provide working capital for Prison Industry Programs. Nevada Revised Statutes 209.189 established the Prison Industry Fund as an enterprise fund to which all revenues derived from the vocational training and employment of offenders will be deposited. This statute also gives the Director of the Department, subject to the approval of the Board of Examiners, the authority to expend money deposited in this fund for the promotion and development of the industry program. The recommended appropriation of \$200,000 may be used to establish a Sign Fabrication Shop or an Industrial Soap and Detergent Factory at the Nevada State Prison.

REQUESTED APPROPRIATIONS 1980-81 - Continued

Department of Prisons - Southern Nevada Correctional Center \$ 25,500

An appropriation of \$25,500 is recommended for the Southern Nevada Correctional Center to obtain equipment for the Vocational Education Programs. Southern Nevada Correctional Center currently has five Vocational Education Programs. This appropriation will provide equipment for the following programs:

Bakery	\$ 5,200
Automotive Repair	4,000
Landscaping	2,800
Building Trades	9,500
Laundry and Dry Cleaning	4,000
Total	\$25,500

Department of Prisons - Southern Desert Correctional Center \$ 409,430

A one-time appropriation of \$409,430 is recommended to purchase start-up equipment as well as the initial collection of Law Library books and Library books for the Southern Desert Correctional Center. It should be noted that the recommended appropriation provides for equipment other than that provided by the Public Works Board's furnishings budget and the Public Works Contingency Fund for the Southern Desert Correctional Center.

The recommendation provides for the following:

Sedan for Administration	\$ 6,000
Two Transportation Vans	22,000
Cushman Scooter, 20-Cubic Yard Compacter Truck, Used Fire Truck, Half-Ton Compact Pickup, Two 3-yard Trash Compactors, Hand Tools and Equipment, Electric Warehouse Forklift, Four Pallet Racks, One Floor Scale, Two Hand Trucks	109,408
Two Heavy Duty Vacuums, One Industrial Wet/Dry Vacuum, Six Floor Buffers, Twelve Laundry Carts	8,150
Radio Equipment, Pager Units, Base Station	23,696
Custody Equipment (Rifles, Shotguns, Revolvers Handcuffs, etc.)	8,985
I.D. Equipment (Cameras, etc.)	1,825

Pharmacy Equipment	950
Office Equipment (Typewriters, Calculators, Cassette Recorders, etc.)	17,428
Educational and Vocational Equipment	43,500
Recreational Equipment	13,100
Initial Collection Law Library Books	46,146
Initial Collection Library Books	15,000
Culinary Equipment	72,399
Medical and Dental Equipment	20,813
Total	\$409,430

Department of Prisons - Southern Nevada Correctional Center \$ 81,000

An appropriation of \$81,000 is recommended for the Department of Prisons to replace floor tile and linoleum at the Southern Nevada Correctional Center. This appropriation will provide funds to replace the carpeting in the culinary and housing unit areas, where funding will permit, with tile and/or linoleum.

Department of Motor Vehicles \$ 158,020

An appropriation of \$158,020 from the Highway Fund is recommended to the Department of Motor Vehicles to be used to move to their new building in Carson City and to provide operating funds for costs that may be incurred as a result of the move such as rent and operation of a call sequencer and paging system. It is anticipated that the construction of the new building will be completed by December of 1981, but since there may be delays, it is recommended that the costs associated with the move be paid with this separate appropriation.

Western Interstate Commission for Higher Education (WICHE) Loan Fund \$ 1,018,443

It is recommended that \$1,018,443 be appropriated to the Western Interstate Commission for Higher Education Loan Fund. At the current rate of withdrawal, current loan funds will be depleted in fiscal year 1982-83. The amount recommended will be sufficient to fund the current number of students through the 1983-85 biennium unless current inflationary trends are exceeded.

REQUESTED APPROPRIATIONS 1980-81 - Continued

Department of Education - Study of Nevada Plan for
Distributive School Fund \$ 75,000

It is recommended that \$75,000 be appropriated for a study of the formula under which apportionments are made from the State Distributive School Fund to Nevada's school districts. Such a study would be aimed at a complete reevaluation of the factors in the formula including relative wealth in the districts, pupil transportation costs, class sizes, and cost of special education. The study would be centered around a contract with an outside entity having expertise in school finance issues and would develop recommendations for changes in the Nevada Plan.

Attorney General \$ 14,950

It is recommended that \$14,950 be appropriated to the Attorney General for the development of an automated docket control system. This system would monitor all cases within the Attorney General's Office. Funds recommended would allow for system implementation by Central Data Processing.

Department of Energy \$ 250,000

It is recommended that \$250,000 be appropriated to the Department of Energy to economize the use of energy in State facilities. Each proposed project must be approved by the Interim Finance Committee before it is begun and must be carried out under the supervision of the State Public Works Board.

Buildings and Grounds \$ 443,850

An appropriation of \$443,850 is recommended for the Buildings and Grounds Division for re-roofing the State-owned buildings. The concept is to contract with two professional roofers to direct inmate labor in work on twenty-one buildings in the Prison Complex, four buildings in the Capitol Complex, six Nevada Mental Health Institute buildings, and the Yerington and Reno armories. Also, the armories at Winnemucca and Ely will be re-roofed through outside contracts as part of this project. The recommended amount includes the purchase of a two-ton truck with hydraulic lift, a 350-gallon tar pot, tools and materials, in addition to labor and contract costs.

Gaming Control Board \$ 56,802

An appropriation of \$56,802 is recommended for the Gaming Control Board to

purchase equipment for testing of electronic gaming devices used within the State. At present, the Board's testing capability cannot match the gaming industry's design capacity nor can it adequately inspect those machines already licensed. The equipment requested includes:

Prom Comparator Printer
Archival Storage/Enhancement
for existing Laboratory Computer
Logic Analyzer
Power Supplies
Computer Terminal
Modern Interface
Teleprinter
Environmental Tester
Digital Multimeter
Hewlett-Packard "Trouble Shooting Kit"
Hand Tools

Gaming Control Board \$ 972,518

An appropriation of \$972,518 is recommended for the purchase and installation of an information management system for the Gaming Control Board. The system will provide on-line automated indexing and retrieval of investigative information, sophisticated word processing and electronic mail service. This system will enhance the Board's performance through more effective operations and decision-making capability.

State Printing Office \$ 120,000

An appropriation of \$120,000 is recommended for the State Printing Office to purchase and install a binding and covering machine, a 25" folding machine and a sheet counter. These equipment items are a continuation of the printing plant modernization program.

General Services Mail \$ 18,632

An appropriation of \$18,632 is recommended for the purchase of electronic scales for the Carson City and Las Vegas mail rooms. These two scales are needed at each location; one with a 10 pound capacity and one with a 70 pound capacity. The greater accuracy of these scales over those currently used will eliminate excessive postage charges which have been estimated at \$78,000 per year.

REQUESTED APPROPRIATIONS 1980-81 - Continued

University Computer Center \$ 530,280

It is recommended that an appropriation of \$530,280 to the University System Computer Center be made. Funds would provide for the purchase of the following:

One Time-Share Computer	\$185,000
Two Communication Processors	300,000
Installation Cost - 64 Telephone Lines	37,580
Software License Fee	7,700
Total	<u>\$530,280</u>

This equipment would improve communication access to the two main computers. The current shortage prevents many users from using the computer during working hours. In addition, instructors would be able to expose students to a wider range of hardware and processors and at the same time relieve congestion on the two main computers.

Vital Statistics \$ 40,000

An appropriation of \$40,000 is recommended for the Vital Statistics Section of the Division of Health to purchase a moving-isle filing and storage system. This system will allow for a minimum of fifteen years of future storage requirements for Vital Statistics.

Nevada Magazine \$ 50,000

An appropriation of \$50,000 is recommended. This amount will be used by the Nevada Magazine to relieve the cash flow problem caused by the time lag between the payment of fixed expenses at the beginning of each fiscal year and the collection of subscription revenues. This \$50,000 will be carried forward each year.

Nevada Department of the Military \$ 15,000

An appropriation of \$15,000 is recommended to purchase swamp coolers for the Las Vegas and Henderson armories. Hard water has caused rusting and deterioration of existing swamp coolers. Water softeners have been installed to prevent future damage to the new coolers.

Also included in this recommendation are funds to repaint the Headquarters Office of the Adjutant General.

Richard King \$ 1,905

An appropriation of \$1,905 is recommended for Richard King to reimburse his expenses incurred during the Lincoln County corral incident. Richard King was a District Ranger for the Nevada Division of State Parks for Lincoln and White Pine Counties. On or about January 17, 1980, his maintenance crew tore down a corral which was on Bureau of Land Management land. The land was to be the site for the Nevada State Prison Honor Camp. His men had permission from a representative of the Prison. Mr. John McGimsey, Lincoln County District Attorney, decided to prosecute Richard King for the crime of grand theft corral. The Division of State Parks offered to put the corral back in better condition. Mr. McGimsey refused and as a result Richard King stood trial. The State of Nevada vs. Richard King was held on June 27, 1980. Judge Rodney Chadburn heard the evidence and dismissed the claim. Since Mr. McGimsey would not prosecute this case as a civil matter, Richard King had to bear all costs and did not receive any assistance from the State of Nevada.

State Purchasing \$ 500,000

An appropriation of \$500,000 is recommended for the working capital and operating fund. The current level of this fund is \$1,000,000, which is no longer sufficient to make timely payments to vendors and maintain adequate levels of stock in the warehouse. Since the fund was increased to its current level in 1975, the annual sales volume has increased from \$13,651,113 to more than \$33,000,000 this fiscal year.

SUPPLEMENTAL APPROPRIATIONS FOR 1980-81**Department of the Military \$ 73,200**

An appropriation of \$73,200 is recommended to allow the Department of the Military to pay utility bills in fiscal year 1980-81. With \$73,200 in State funds, the Department will be eligible for \$85,000 in federal funds for a total of \$158,200 in additional funds for the remainder of the year. The additional funds are required because of increases in prices.

Department of Motor Vehicles \$ 101,520

An appropriation from the Highway Fund is recommended to meet increased computer Facility costs. The estimated Facility charge for fiscal year 1981 is \$410,000. It is anticipated that the Records Search share of this will be \$10,000 and that Law Enforcement Switchers' share will be \$7,500. Drivers License currently has funding for \$14,520, and the Automation Division has funding for \$276,460. The net result is that it is expected the Department of Motor Vehicles will require \$101,520 in additional funding to pay the Computer Facility bills.

Department of Prisons - Southern Nevada Correctional Center \$ 113,194

An appropriation in the amount of \$113,194 is recommended to continue the payment of the Travel Differential to the employees at Southern Nevada Correctional Center. This Travel Differential payment was first instituted in July of 1980 and has resulted in reducing employment turnover at that institution.

Department of Prisons - Southern Desert Correctional Center \$ 1,063

An appropriation in the amount of \$1,063 is recommended to begin paying a Travel Differential to the employees at Southern Desert Correctional Center. It is anticipated that four employees will be hired around May 1, 1981.

Youth Services Division \$ 4,733

A supplemental appropriation in the amount of \$4,733 is recommended for operating costs in the Administrator's budget, 101-3148, of the Youth Services Division for fiscal year 1981. Expenses anticipated to be over currently budgeted levels are in communications, duplicating, operating supplies, equipment repair, and special reports.

Department of Human Resources, Director's Office \$ 1,980

A supplemental appropriation of \$1,980 is recommended for the Department of Human Resources, Director's Office budget, 101-3150, to allow payment of fiscal year 1979 claims of:

S.O.C. Leasing Company	\$ 203.35
Travel Advisors, Inc.	270.00
Central Data Processing Division	1,506.49

All funds reverted from the Director's Office budget to the General Fund in fiscal year 1979 were salary adjustment monies and are not available for the payment of operating expenses.

Welfare Division - Aid to Dependent Children \$ 2,161,837

An appropriation in the amount of \$2,161,837 is recommended to be made to the Welfare Division for the Aid to Dependent Children Program. If approved, these funds would be matched by a like amount of federal funds. The average caseload in fiscal year 1979-80 was 10,976 per month compared to the budgeted caseload of 9,500 cases per month. The budgeted caseload in fiscal year 1980-81 is 10,000 per month compared with an October, 1980, caseload of 12,698. In addition, due to less participants having earned income and a decrease in the average family size, the average grant is increasing. Due to the above conditions, the amount of funding for aid payments to Aid to Dependent Children is almost depleted. According to the latest figures available, this supplemental appropriation needs to be acted upon before February 1, 1981, in order for the Welfare Division to have adequate funds to meet the month of February aid payments to Aid to Dependent Children recipients.

Welfare Division - Child Welfare \$ 636,454

An appropriation in the amount of \$636,454 is recommended to be made to the Welfare Division in support of the Child Welfare program. If approved these funds would be matched by approximately \$179,000 in federal funds. Additional funds are needed due to actual caseloads in the foster care category being larger than the caseloads that were budgeted for the 1979-81 biennium. In addition, the average grant in some aid categories is higher than the budget amount for the 1979-81 biennium. Due to these conditions, additional funds are necessary to meet the projected obligations of the Child Welfare program through June 30, 1981.

SUPPLEMENTAL APPROPRIATIONS 1980-81 - Continued

Welfare Division - Medical Care Unit

\$13,641,407

An appropriation in the amount of \$13,641,407 is recommended to be made to the Medical Care Unit of the Welfare Division. A total of \$13,503,120 is needed in order for the Welfare Division to meet its projected obligations for fiscal years 1979-80 and 1980-81 to medical vendors under the Title XIX Program. In addition, a total of \$138,287 is included to meet its expected obligation to the Title XIX Program fiscal intermediary, Nevada Blue Shield. If approved, State funds would be matched by a like amount of federal dollars for support of the Title XIX Program. Of the total amount recommended for payment to medical vendors, it is estimated that approximately \$1,300,000 will be used for payment to the Sierra and Desert Developmental Centers. These funds will be matched by a like amount of federal dollars and it is likely that a large amount of the matching federal dollars will revert to the General Fund.

Department of Taxation

\$ 46,161

A supplemental appropriation of \$46,161 is recommended for the Department of Taxation for unbudgeted building rent. When confronted with a large increase in lease charges at the Carson City location, the Department moved to new offices that would result in the lowest cost over the five year period. In spite of this, the amount needed for fiscal year 1980-81 exceeds the amount budgeted.

