

3/12/81  
Page 1

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

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director; Mr. William Hancock, Secretary, State Public Works Board; Dean Beaumont, College of Agriculture, University of Nevada.

A.C.R. 23

Mr. William Hancock, Secretary of the Public Works Board, said that the Interim Finance Committee authorized the State Public Works Board to use \$750,000 of University funds to construct a new dairy for the University's College of Agriculture. Mr. Hancock noted that the low bid for the project was submitted by S. J. Amarosa Construction Company in the amount of \$1,005,000. In order to construct the facility, authorization would be necessary to bring the project total from \$750,000 to \$1,162,000. Mr. Hancock added that the University Board of Regents has approved that increase in construction costs and has indicated that the money is available for that purpose.

Chairman Bremner asked what was the total amount derived from the sale of the former University dairy. Mr. Dale Beaumont, Dean of the College of Agriculture, University of Nevada, said that the former University dairy property in the Reno city limits was traded for 415 acres of new property plus \$1,250,000.

Chairman Bremner asked why the urgency in processing this transaction was necessary. Mr. Hancock said that there is a stipulation of a 30-day bid guarantee which expires on March 18, 1981, and it is desirable that the bid be awarded within that time frame.

Mr. Robinson asked what the balance of the funds derived from the sale of the dairy would be used for. Mr. Beaumont said that by agreement and intent, it is designated for agriculture improvements. Mr. Robinson referred to cuts proposed by the University in the area of county agents (4-H advisors) and questioned the possibility of applying some of the balance of the funds from the sale of the dairy to this area. Mr. Beaumont said that the money is required to be used for facilities and capital improvements only.

Chairman Bremner asked Mr. Beaumont to provide the committee with information relative to the authority that would prohibit using the funds in other areas of the University's budget. Mr. Beaumont said that he would. Mr. Beaumont added that there is legislation pending that depicts the continued intent of the trail of this money. In addition, the Board of Regents have committed these sale values to improve the purchased lands.

Chairman Bremner noted that the Legislature has the authority to designate the balance of the funds from the sale of the dairy plus any interest and reduce the General Fund support for the University budget. Mr. Beaumont said that using that amount for General Fund support was up to the discretion of the Legislature. In addition, Chairman Bremner asked that the committee be provided with the exact amount of money plus interest that is available.

Mr. Marvel moved DO PASS of A.C.R. 23, seconded by Mrs. Westall. The motion was carried with Mr. Coulter, Mrs. Hayes and Mr. Vergiels absent.

3/12/81 Committee Progress Report  
Page 2

Chairman Bremner asked Bill Bible to present a broad overview of the progress by the committee to date. Mr. Bible pointed out some changes in income since the beginning of the session. He referred to the Governor's projected revenue estimates that would result in a \$7.7 million windfall by moving all sales tax collections to a monthly basis (currently sales tax is paid on a quarterly basis.) He added that the Governor is proposing to do the same thing to casino entertainment tax, which would provide a one-time windfall of \$3.5 million. Additionally, the Executive Budget has recommended increases in sales taxes to be available for schools and local governments and from this there would be increased administration fees that would flow to the state General Fund in the amount of \$1.5 million the first year of the biennium and \$1.7 million in the second year.

Mr. Bible noted that when comparing the Governor's revenue estimates to the estimates provided to the committee by the Fiscal Division of the Legislative Counsel Bureau, the Fiscal Division's estimates still provide in the first year of the biennium an additional \$2.3 million and an additional \$4.2 million in the second year. He added that since the original revenue projections were submitted, the fourth calendar quarter, or the third collection in this fiscal year of gaming taxes, have been collected and are \$2.5 to \$2.9 million over the estimates.

Mr. Bible went on to say that on a one time basis in this current fiscal year, the State Treasurer has advised that interest income to be allocated to the state's General Fund will be in the neighborhood of \$24.3 million, which is higher than was estimated, and there will be an increase of \$4 million, one time, that will be available for legislative action. He said that it was his understanding that the Budget Office has reprojected gaming and other revenue items and has provided updated figures to Senate Finance. Chairman Bremner asked Mr. Alastuey to provide the committee with the updated figures. Mr. Bible said that the total income package will be reprojected in April after the January, February and March collection data from gaming and the various other revenue sources are submitted which will provide updated revenue forecasts for the committee.

Mr. Bible pointed out to the committee that the biggest expansion area that is being recommended in the budget is salary and fringe benefits increases for state employees. The Executive Budget is recommending total General Fund expenditures in next fiscal year of \$19.3 million to increase compensation for state classified employees and university classified and professional employees. In the second year of the biennium that number grows to \$28.6 million. In addition, Mr. Bible pointed out that the Executive Budget is recommending a substantial increase in monies allocated to Title XIX. He pointed out that a group from N.C.S.L. is scheduled on March 25, 1981, to present an overview to a combined meeting of the Ways and Means Committee and Senate Finance Committee on possible cost containment measures within Title XIX.

Chairman Bremner pointed out the importance of this issue noting the substantial increases in Title XIX. Mr. Bible said that, in summary, the four areas of expansion within the budget are state employees salaries, mental health and mental retardation, public safety and gaming control.

Mr. Bible indicated that probably the four problem areas within the University system's budget are the proposed fee increases, amounts of money allocated in the utility area, a 10% increase in the instructional ratios and the reduction of some program areas such as the removal of the 4-H agents in the cooperative extension service.

Mr. Bible referred to the Distributive School Fund and noted that due to the possibility that the L.S.S.T. distribution cycle is mechanized to the point that on a one time basis, 13 months worth of school support tax distributions can be made and if, in fact, the checks are reaching the school districts prior to July, the committee has the option of making an accounting change that would provide a one time windfall for the school district of approximately \$3 million in the first year of the biennium.

3/12/81  
Page 3

Mr. Glover said it was his opinion that more consideration should be given to environmental protection as a possible area where cuts could be made. Chairman Bremner said that another subcommittee could be appointed to study this issue further.

Mr. Robinson referred to Mr. Bible's previous statement whereby the Governor is recommending that sales taxes be collected on a monthly basis rather than quarterly and said that could propose a hardship for small businesses. He suggested consideration be given to the possibility of setting limits on the amounts of sales tax collection that would be due on a monthly basis. Mr. Alastuey said that a dollar amount cut-off point could be established in the collection of taxable sales.

Mr. Bergevin said that at the present time the Department of Taxation has the authority, by regulation, to mandate the collection of taxable sales on a monthly basis unless the Legislature deems otherwise. He added that small accounts could be exempted from the monthly payment.

Mr. Glover reported to the committee on his inspection of the new high school in Dayton noting there has been a tentative completion date set of July 1, 1981. He added that it is not fully equipped but the landscaping is in.

Mr. Bergevin observed that nine months ago the school district was aware that they would be \$722,000 short of funds, and it was sufficient time to pass an additional bond issue as the availability of assessed value is there.

#### A.B. 212

Mr. Bible said that A.B. 212 proposes to appropriate \$113,194 for the purpose of continuing the travel differential to employees who commute to the prison facility at Jean, Nevada. He said that in compliance with the committee's request, some reductions in this requested appropriation have been made as follows: \$7,156 was allocated for 6 positions that currently reside in Jean and would not be receiving the travel differential; a vacancy rate, as was experienced in October, November and December, 1980, would result in a reduction of \$8,112; a leave factor exists in that some individuals are on annual or sick leave resulting in a possible reduction of \$9,369; \$3,048 could be eliminated for individuals that have left the institution between January 1, 1981 and to date; and as indicated by the prison, a balance of \$33,694 remains from a work program revision approved by Interim Finance in September, 1980. In total, deductions in the amount of \$61,406 would leave \$51,788 necessary to continue the employee differential payments rather than the \$113,194.

He said that if the committee wanted to make these reductions yet allow some flexibility, an appropriation of \$55,000 could be budgeted.

Mr. Hickey moved to amend A.B. 212 reducing the appropriation from \$113,194 to \$55,000, seconded by Mr. Marvel.

Mr. Alastuey said that the Executive Budget did not subtract for the 6 individuals that reside in Jean because there is no guarantee that all or some of the 6 employees would in fact continue to live in Jean during the next biennium. He said that the factor for leave time may or may not be realized because depending on the perceived staffing levels at the prison, those positions that are staffed by people on leave have to be covered by people traveling from Las Vegas. In addition, Mr. Alastuey urged that the committee not subtract the \$33,694 at this time. He suggested consideration of the amount of \$88,000 which is a combination of \$54,250 plus the \$33,694.

Mr. Hickey said it was his opinion that some controls should be placed on this budget. He said the \$33,694 was specifically budgeted for travel and should be turned over to this fund.

3/12/81  
Page 4  
Chairman Bremner said that when this travel differential fund was first established, the monies were taken from operating categories and placed in the travel budgets and then they were not spent. He added that now the prison wants to spend this money in other areas.

Mr. Horn suggested reducing the travel appropriation to \$23,000 to cover the period from the first of April to the end of June until the regular budget begins and cover only the employees presently working during that time period. Mr. Alastuey said he would disagree with this approach because the decrease in the turnover rate since the implementation of the \$6.00 per diem travel differential reveals that a break in that payment would be a breach of faith to the employees at Jean.

Mr. Bergevin asked if the original action on this issue used money from existing prison operating budget or was new money appropriated. Chairman Bremner said originally the prison said they had monies within their present operating budget. Mr. Alastuey said that the joint Interim Finance Committee that appropriated the money was told by the prison that the money could be found within the current operating budget. He added that funds were found in sufficient amounts with the operating budget to pay the differential through January, 1981. There are now savings from those amounts which were deemed to be necessary at the time and the prison will be submitting to the Ways and Means Committee in the future a variety of work program modifications including the reallocation of the \$33,694.

Mr. Vergiels said he would agree with Mr. Horn's previous proposal if he could be assured that the employees would be paid the travel differential for the period of January through March, 1981. Mr. Horn said it was his understanding that there was no authorization to pay the differential beyond January 1, 1981. Mr. Alastuey noted that the proposal before the Interim Finance Committee was intended only to get the prison system sufficient monies in the salary category to pay the travel differential through January 1. At that time, the understanding was that when the Legislature commenced in January, a proposal would be submitted from January 1 forward. He added that to modify the proposal to April 1 would be a detriment to the employees at Jean. Chairman Bremner said that if the committee decides to reduce the appropriation to \$55,000 when Interim Finance meets on Monday, they would not be able to allow the prison to spend the \$33,694.

Mr. Hickey said it was his impression that the Legislature should have the authority on the expenditure of monies while in session rather than Interim Finance Committee. Mr. Alastuey asked if Mr. Hickey was proposing to apply this \$33,694 to the \$113,194 requested for the travel differential and allow the prison to request supplemental appropriations in order to meet needs. Mr. Hickey said the prison will have to make the determination on their needs.

Chairman Bremner noted that the prison indicated the monies were available in the operating budgets to pay the travel differential; now they are requesting to spend the money elsewhere. Mr. Alastuey said that the desired effect by the prison could have been achieved with more experience in paying travel differential. He added that instead of the original amount of \$33,694 being transferred in for the period ending January 1, a lesser amount based on a better estimate could have been transferred leaving in effect the \$33,694 elsewhere in the budget. Chairman Bremner asked if a legitimate shortfall of \$33,694 would now exist elsewhere in the budget. Mr. Alastuey said that determination would have to be made by the Department of Prisons.

Mr. Hickey moved to amend A.B. 212 reducing the appropriation from \$113,194 to \$55,000, seconded by Mr. Marvel and carried with Mr. Horn, Mr. Glover, and Mr. Robinson opposed.

Mr. Robinson said he was opposed to the reduction because in the case of leave time, even though an individual is on leave, another employee still has to cover for him.

3/12/81 Mr. Hickey pointed out that if the fund becomes short, there is the  
Page 5 option of making a request to Interim Finance.

Mr. Hickey moved DO PASS as amended, seconded by Mr. Marvel and carried unanimously.

Bill Draft Request for Division of Forestry (A.B. 335)

Chairman Bremner directed the committee's attention to a proposed bill draft request that would appropriate \$350,000 to the Division of Forestry. He noted that \$300,000 of the request is for a jet helicopter.

Mr. Rhoads said that according to information he has received, it appears that contracting the work would be less costly than purchasing a jet helicopter.

Mr. Alastuey said that regardless of any committee determination at a later date, he urged the committee to introduce the bill as drafted with the helicopter included and give it the same consideration as other bills.

Mr. Hickey moved for committee introduction of a bill appropriating \$350,000 to the Division of Forestry, seconded by Mr. Glover and carried unanimously.

A.B. 271

Mr. Alastuey asked that the committee consider A.B. 271 which is an appropriation to the Statutory Contingency Fund. He added that since the presentation that was made earlier in the session, there have been substantial disbursements from statutory contingency and the \$165,000 originally in the fund is now depleted. Mr. Alastuey added that this fund is administered by the State Board of Examiners for payment of claims that arise from defense and prosecution of crimes of prisoners, extradition costs, return of parole violators or publication costs of statewide measures such as bond and constitutional questions.

Mr. Brady asked if this fund is replenished every two years. Mr. Alastuey said the amount of \$343,831 was intended to bring the fund to a working balance of \$500,000.

Chairman Bremner asked when the next meeting of the Board of Examiners is scheduled. Mr. Alastuey said he was not advised of the next meeting.

Mr. Robinson moved DO PASS of A.B. 271, seconded by Mr. Vergiels and carried unanimously.

A.B. 153

Mr. Frank Daykin, Legislative Counsel, said this bill would amend NRS 353.220 and was prepared at the request of the Interim Finance Committee to avoid the automatic approval of requests to accept grants or change work programs by state agencies to the Interim Finance Committee. He said that as the law presently reads, as an example, a grant is deemed approved unless the Interim Finance Committee acts positively to deny it. Mr. Daykin added that the word "considered" would mean that a work program revision would not be deemed approved unless it had not been discussed at all. If, for example, no meeting was held within the 45 day time limit, it would be deemed approved; if there was a meeting but the particular request was not considered, it would be deemed approved. He noted that if the meeting were held and the issue was discussed, even though no motion was made either to approve or deny, it would not be deemed approved.

When Chairman Bremner asked if placing an item on an agenda would mean that it had been considered, Mr. Daykin said that placing an item on an agenda would not amount to consideration unless it was actually discussed. Mr. Daykin added that "consideration" would require that it was actually discussed.

3/12/81  
Page 6

Mr. Robinson asked why language is not included in the bill that states that if an item is not approved within the 45 days it is deemed denied. Mr. Daykin indicated that he was under the impression that the committee was requesting the allowance of automatic approval if the committee failed to meet within the 45 day time period. He added that under Mr. Robinson's suggestion, "denied unless affirmatively approved by the committee" would mean that if the chairman did not call a meeting, the item would be approved.

Mr. Hickey questioned the possibility of extending the 45 day time limit. Mr. Daykin said that the 45 day time limit was a practical compromise because federal or private grants seeking approval may have a time limit on their acceptance and does not constrain the Interim Finance Committee too narrowly as to when it must meet.

Mr. Alastuey reiterated the Governor's concern of changing the wording to "consider" from "approve or deny" because there have been occasions where a single member on the Interim Finance Committee can disapprove an item repeatedly. Chairman Bremner pointed out that the present system allows for easier approval of grants.

Mr. Robinson expressed his concern that if the chairman of the Interim Finance Committee leaves an item off the agenda, it is automatically approved. Mr. Hickey said that a stipulation could be included that would state every application has to be placed on the agenda for consideration by the Interim Finance Committee. Chairman Bremner suggested that idea be included as an Interim Finance Committee rule.

Mr. Vergiels said that the problem will not be whether an item gets placed on the agenda, but rather that the agenda, with the large number of grants for approval, will be too extensive.

Mr. Hickey said consideration should be given to implementing a "consent agenda" for Interim Finance whereby items are approved unless there is objection from the committee.

Chairman Bremner said that due to the extensive agenda for the Interim Finance Committee meetings, consideration is being given to the idea of a "consent agenda."

Mr. Alastuey said there would be no objection from the Budget Office requiring that all applications for budgetary changes and classifications have to be placed at one point or another on the agenda.

Mr. Glover moved DO PASS on A.B. 153, seconded by Mr. Rhoads. Chairman Bremner asked if there was any further discussion on the issue. Mr. Robinson reiterated that it should be stipulated in the rules governing the Interim Finance Committee that every item be placed on the agenda.

Mr. Vergiels pointed out that S.B. 255 of the 1979 session mandates that all items are to be placed on the agenda.

Chairman Bremner said that a Letter of Intent could be sent to Interim Finance instructing them to adopt a standing rule that any item presented be placed on the agenda and considered.

Mr. Robinson asked that the motion to pass A.B. 153 be amended to include an additional sentence on page 2, line 25, following the word "approved" that states: "Any request not presented to the Interim Finance Committee for consideration shall be deemed denied." The motion was seconded by Mr. Brady. Chairman Bremner asked for discussion of the amendment.

Mr. Alastuey said that according to statute, if the chairman of the Interim Finance Committee does not place an item on the agenda, then it cannot be in effect considered and it would be approved under one section of the statute yet denied under the wording in the amendment that is being proposed by Mr. Robinson.

3/12/81  
Page 7

Mr. Rhoads said this bill would actually mandate that the Interim Finance Committee meet every 45 days. Chairman Bremner said that over the last biennium the committee did meet approximately once a month.

Mr. Alastuey suggested that the committee consider language that would stipulate that all items that are submitted by the Budget Office must be placed on the agenda unless the 45 days will elapse before the meeting.

Chairman Bremner asked Mr. Robinson if he would care to withdraw his proposed amendment. Mr. Robinson said he would withdraw the amendment.

Mr. Hickey proposed an amendment to A.B. 153 that would stipulate that any request submitted to the Interim Finance Committee has to be placed on the next agenda, seconded by Mr. Robinson. The amendment was carried with Mr. Glover and Mr. Bergevin opposed.

Mr. Alastuey asked that some language be included to stipulate that if in fact an item is placed on the next agenda, the 45 day period may have expired. Mr. Daykin clarified the point by noting that in that case, it would be approved.

Mr. Glover moved that A.B. 153 be amended and rereferred, seconded by Mr. Rhoads and motion carried unanimously.

#### A.B. 215

Mr. Daykin said that A.B. 215 makes a supplemental appropriation to the Department of Human Resources for payment of claims. Chairman Bremner asked Mr. Daykin to provide the committee with information on the opinion of the Attorney General in this regard. Mr. Daykin said the Attorney General determined that there had been no violation of NRS 353.260 with respect to the particular three vouchers that he was considering.

Chairman Bremner asked what would be the result if the committee passed this bill. Mr. Daykin said that in a sense the committee would be "condoning" the Department of Human Resources' actions in overspending money that was not available. He added that in the past, someone in the Department of Human Resources spent more money than was available but it was not to incur these particular claims so it would seem that these particular vendors ought to be paid.

Mr. Vergiels moved DO PASS of A.B. 215 with a letter of reprimand to be sent to the Department of Human Resources stating that this is not to happen again, seconded by Mr. Hickey. Chairman Bremner asked Mr. Alastuey if these particular vendors have been paid. Mr. Alastuey said that it was his understanding that the vendors have not been paid and that is why the specific amounts are contained in the bill.

Mrs. Hayes asked if this money was to be used to reimburse employees of the Department of Human Resources in travel claims. Mr. Alastuey said that \$270 of the appropriation was payable to a travel agency for plane fare and not for meals or lodging to an individual employee.

Mr. Vergiels' motion of DO PASS of A.B. 215, which was seconded by Mr. Hickey, carried unanimously.

There being no further business, Chairman Bremner adjourned the meeting at 10:35 a.m.

**Library Note:**

The following document, dated March 20, 1981, does not appear to have been submitted to the meeting as an exhibit. It appears to have been attached to the committee minutes at a later date.

Research Library  
October 2014



STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
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TH ASHWORTH, *Senator*, *man*  
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DONALD R. MELLO, *Assemblyman*, *Chairman*  
Ronald W. Sparks, *Senate Fiscal Analyst*  
William A. Bible, *Assembly Fiscal Analyst*

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627  
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620  
ANDREW P. GROSE, *Research Director* (702) 885-5637

March 20, 1981

Dr. Ralph Disibio, *Director*  
Department of Human Resources  
505 E. King Street, Room 600  
Capitol Complex  
Carson City, NV 89710

Dear Dr. Disibio:

The Ways and Means Committee, on March 12, 1981, approved Assembly Bill 215 which appropriates \$1,980 to your office for the payment of fiscal year 1978-79 claims. Committee action followed submission of an investigative report by the Attorney General's office that indicated that there were sufficient monies available to pay these claims at the time the commitment of the funds was made. Also, Legislative Counsel reviewed the Attorney General's report and indicated to the Committee that he felt that a violation of NRS 353.260 did occur. NRS 353.260 provides that it is unlawful for the head of any state department to expend more money than that which was appropriated for the department. This violation apparently did not occur in the claims covered by the Attorney General's report but later.

After reviewing these two opinions, the Committee approved the appropriations measure to provide payment to the vendors who provided goods or services to the state in good faith; however, the Committee also voted to send your office a letter of reprimand on this over expenditure of funds during fiscal year 1978-79. The Committee also directed that you take the necessary steps to prevent future overexpenditures.

Sincerely,

*William Bible*

William A. Bible  
Fiscal Analyst

WAB:np