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

MEMBERS ABSENT: Mr. Rhoads (Excused)

OTHERS PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director (SEE ATTACHED GUEST LIST)

ATHLETIC COMMISSION

Mr. Roy Tennison, Secretary of the Commission, stated that during the last biennium, the Athletic Commission has generated over \$1 million in revenue for the state through the Boxing Commission. He said the number of shows is increasing, and in October of 1980, \$275,000 was generated at Caesar's Palace in Las Vegas for one show. He said that small budgetary increases have been requested in the salary and operating expense line items.

Chairman Bremner asked for an explanation of the amateur program line item. Mr. Tennison stated that this money is used to purchase equipment for the amateur boxing clubs throughout the state. Mr. Jack Davis, a member of the Athletic Commission, added that the funds are also used to pay for supervision of the amateur boxing matches. Mr. Tennison stated that \$2,000 to \$2,500 is used as administrative funds.

Chairman Bremner asked for comments on the requested salary increase for the Commissioner of Boxing. Mr. Davis stated that it has been six years since they have received a raise in salary. After a comparison of similar types of jobs in the state, Mr. Davis stated that they determined the position should have a substantial salary raise. He added that the position is a seven day per week type job and hours are highly irregular, so it is felt that a substantial increase is justified for the position.

Chairman Bremner asked that a written justification be prepared and submitted to the committee setting forth the responsibilities of the position as compared to other state jobs.

Mr. Marvel asked what the secretary of the Racing Commission receives in salary. Mr. Davis stated that position is salaried at about \$30,000 annually.

Mr. Alastuey stated that the Executive Secretary of the Henderson Track operation is now at \$36,375 and is recommended at \$30,068.

Mr. Horn asked that a time analysis be submitted to the committee indicating how much time the director spends performing his various duties. Mr. Davis stated that he would provide this for the committee.

Mr. Glover asked if the Mohamad Ali promotion company that was doing business in California was ever licensed in Nevada. Mr. Davis stated that they would not license that company because they could not provide the correct financial statement to the regulating agency here in Nevada.

Mr. Glover asked if many new people are coming into Nevada to compete in the boxing matches. Mr. Tennison stated there are not too many new people; however, some of the hotels in Las Vegas are getting involved now, for example, The Showboat and The Hacienda.

3/24/81 Chairman Bremner asked if they can expect like revenues from this
Page 2 time forward as shown in the budget. Mr. Tennison stated that he
thinks this is possible. Mr. Davis added that perhaps even more
will be realized.

Mr. Tennison stated that last year he put in 450 hours of uncompensated overtime performing his duties as the Director of the Commission. Mr. Davis stated that he will document this for the committee and perhaps it will give a better understanding of the duties of the position.

Mr. Davis commented that the travel funds are needed to attend a WBC convention in Seoul, Korea in October of 1981. He stated that they will need two Commissioners and the Executive Secretary to attend. He pointed out that they do not know at this time where the SBC convention will be held in 1982 so they have estimated the amount of funds needed. He stated there is a WBA convention that one person will attend in Panama City. He added that 4 commissioners and the Executive Secretary will attend the NABF convention at Lake Tahoe this year and next year in El Paso, Texas. He said the attendance of the commissioners and the secretary at these conventions is very helpful in promoting boxers and fights in the State of Nevada because of the interaction of the commission members from Nevada with others about the world.

Mr. Robinson asked for an explanation of the contractual services line item. Mr. Tennison stated that they have a chief inspector in Northern Nevada and a chief inspector in Southern Nevada who are paid \$550 a month for their part time services. He added that they have intermittent inspectors that are hired at the big shows at \$50 per assignment.

Mr. Marvel asked if the doctor's fees are covered in the contractual services line item. Mr. Tennison stated that the doctor's fees are paid by the promoter.

Mr. Horn asked if a round by round scoring system had been considered during the last biennium. Mr. Tennison stated that only one such machine is presently being worked on and it is highly inefficient at this time. Mr. Davis added that it is preferred that judges not see each other's scores as the bouts progress to achieve the most impartial scoring methods possible.

Mr. Robinson asked if any equipment other than boxing equipment is purchased for the amateur programs and where is it being distributed. Mr. Tennison stated that he has an inventory of all the equipment that has been purchased and it is distributed to the various amateur and non-profit boxing clubs throughout the State of Nevada. He said the equipment is handled by Purchasing Division and the clubs must buy it direct from them.

Mr. Robinson asked if the \$20,000 request would be sufficient to replace equipment through the next biennium as it wears out. Mr. Tennison stated that it would be sufficient.

Mr. Robinson asked if equipment and supervision would be purchased for other amateur sports such as tennis. Mr. Tennison stated that equipment and supervision will be purchased for boxing only. Mr. Davis added that this is the intent of the Legislature that the Commission service boxing only. He added that they service wrestling also, but not amateur wrestling.

NEVADA INDUSTRIAL COMMISSION

Mr. Joseph Nusbaum, Director of the Nevada Industrial Commission, commented on a handout distributed to all members of the committee. He stated that it was compiled by his office in response to inquiries previously asked by the committee members. (A copy is on file in the Fiscal Analysis Division.)

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Inspector of Mines

Mr. Nusbaum stated that this budget is combined in the NIC administrative budget at this time and will not be handled as a separate budget. He said that the number of mines in the state and the mining activity has increased dramatically during the last biennium. He stated that they are using the federal program mainly for training of miners and mine operators in the state.

Rehabilitation Center

Mr. Nusbaum distributed a statement to the committee of his comments previously made to the committee on the administrative budget and the current statement concerning the Rehabilitation Center.
(EXHIBIT A)

Mr. Nusbaum stated that the expenditures as requested in the budget are reasonable, but only if the patient load increases. He said they tied into the Commission's approval of the Rehabilitation Center's Budget estimates on further condition that they had to meet certain patient load estimates and this is being administered through the percentage of fees as a percentage of expenditures. He said in FY 80 the Center produced from revenues, 1/3 of its costs. He said this year it is projected at a 50 percent revenue collection. He indicated that he does not feel that they will spend at the 50 percent level. He said in FY 83, a 60 percent estimate is projected for revenue collection, and FY 84, a 75 percent estimate is projected. He said the ultimate goal is to be at or near 100 percent with the Center covering all of its costs from fees.

Mr. Nusbaum stated that the real savings is not monetary but is in the preventing of claimants becoming totally disabled, getting them back to work earlier, and getting them off compensation earlier.

Mr. Vergiels asked if it costs more when Northern Nevada claimants are served at Northern California institutions. He asked if it would be more feasible to service these claimants at the Southern Nevada Center since they have such a large and complete center there. Mr. Nusbaum stated this has been considered but NIC does not direct the treatment of any patients, it is done by private physicians. Mr. Vergiels stated that NIC should not have to subsidize the treatment of patients and put the patients wherever the treating physicians requests.

Mr. Vergiels asked if it would be feasible to put trailers at the Rehabilitation Center to further accommodate patients being treated. Mr. Nusbaum stated that this is an alternative and is being looked into as a possibility.

Mr. Robinson asked about the housing plans at the Rehab Center in the southern part of the state. He asked if any consideration had been given to getting a private franchise to put up a motel and coffee shop at or near the facility. Mr. Nusbaum said the original plan for the center did call for a housing unit to accommodate out-patients. He said the Department is reluctant to get into housing and hesitates to make the first commitment to this type of program. He stated that this will be done only as a last resort.

Mr. Marvel asked if the Southern Rehab facility received referrals from Northern Nevada, if this would provide the incentive to establish housing facilities to accommodate patients and their families. Mr. Nusbaum stated that with housing available to patients and their families, this would probably provide the inducement for Northern Nevada patients to travel to Southern Nevada and receive treatment at that facility.

Mr. Marvel asked what percentage of the patients treated in the South come from Northern Nevada. Mr. Nusbaum stated at present it is approximately 1 percent and they don't see any prospect of it getting higher.

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Mr. Nusbaum stated that the new positions requested are predicated upon the patient load going up to meet the revenue requirements. He said these positions will not be filled if this does not happen. He added that during the first year there are 22 new positions requested, 12 in direct treatment, 6 are in auxiliary positions such as administration and 4 positions are in direct support of the treatment positions. He said during the second year, 8 of the 10 new positions are in direct treatment and 2 are in auxiliary areas. He said at present they have all of the staff that they need, but if the patient load increases, then they will need the additional requested personnel.

Mr. Nusbaum stated that insurance has increased substantially due to the increased cost of insurance premiums. He stated that special reports and projects line item has increased due to the increased demands for supplies in the treatment programs. He said the number of patients will have a direct bearing on the expenditures in this account.

Mr. Marvel asked what the contract services line item encompasses. Mr. Melvin Bergener, Manager of the Administrative Services in the Southern Rehabilitation Center, stated that this includes the doctors who are working at the center on contracts, and includes contracts for repairs and maintenance on some of the equipment. Mr. Bergener distributed a list of the contracts, EXHIBIT B.

Mr. Horn asked if it would be more feasible to service their own typewriters, or just pay for the service calls individually instead of paying such a large equipment maintenance contract for typewriters. Mr. Tom Farrah, Budget Analyst for NIC, stated that the typewriters are used so much, and must be kept in excellent condition that the Department feels that it is more feasible to maintain them through the maintenance contracts rather than pay for the individual service calls.

Mr. J. R. Clark, Fiscal and Office Services Manager, stated that in some instances it has been beneficial for the Department to drop service contracts on equipment, such as calculators. He said the price has dropped on calculators so much that it is more cost efficient to buy new calculators than to repair the old ones. He said, however, that just the reverse is true on typewriters; the cost of purchase is rising so rapidly, that it is almost equivalent to the cost of the maintenance contract.

Mr. Horn asked for further information on the total costs paid for maintenance contracts and the types of equipment covered by the contracts.

Mr. Hickey stated that perhaps a person could be hired to take care of all maintenance in-house. Mr. Nusbaum stated that this will be considered, however, from past experience this also carries with it some problems on training and retraining personnel as they are hired away from the division for one reason or another.

Mr. Marvel asked what the bad debts line item encompasses. Mr. Nusbaum stated that this usually is premium payments that employers fail to pay. He indicated that 1/10th of 1 percent of premium payments are never collected. He said an additional type of bad debt is the uninsured employer, usually brought to the attention of the Department when a claim is filed by an employee against the employer.

Mr. Marvel asked if the claims of individuals filed against employers who have no insurance have to be processed by NIC. Mr. Nusbaum stated that they are obligated by law to process these claims. He said the employee has another choice instead of collecting NIC and that is to sue the employer, which most often is a fruitless venture. Mr. Nusbaum stated that they attempt to collect from the employer if the employee goes on NIC but they are not often successful in their efforts to collect.

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Mr. Glover asked if NIC keeps a record of employers who do not keep insurance who are no longer in business to see if they go back into business in Nevada so that attempts to collect back premiums can be collected at that time. Mr. Nusbaum stated that if the employer reenters business under the same name, the computer will automatically pick them up but if they are doing business under another name, they have no way of tracking this down and collecting arrearages.

Mr. Hickey asked for additional information on the funds that are proposed to be expended on four psychiatrists. Mr. Nusbaum stated they would provide information to the committee. Mr. Bergener stated that these doctors are on a contract basis at \$60 per hour for the time that they spend in the center with patient followup, staff training, and in their regular staff meetings that they hold with the treatment team in reviewing the progress of patients. He added that they will provide a breakdown by doctor.

Mr. Horn asked about the 112 vacancies that are present within the Department. Mr. Nusbaum stated that some have not been approved for recruiting, some have been filled, and some are actively being recruited at this time. He said some additional vacancies have occurred through normal turnover since the lists were made.

Mr. Horn asked about the average wholesale price that is paid for prescriptions by NIC. Mr. Nusbaum said that NIC's policy is to set a maximum that they will pay for different drugs, and they have established a formula of 2 times the wholesale price plus \$.90. He said this is not the cheapest price that they could authorize but in order to get pharmacies to accept NIC claims, they must pay enough to make it worth the while of the druggist. He stated that some people do mislead the pharmacist and get their prescriptions paid for by NIC, or at least attempt to, and the druggist ends up being the loser.

Mr. Horn stated that it appears that the amount that NIC will pay for some drugs appears to be more than the amount the druggist has to charge the customer. Mr. Nusbaum stated that this may happen in some cases, but in general the druggists are complaining about the payment schedule, stating that they do not receive enough. He said he is not aware of anyone abusing the policy by turning in claims for amounts higher than that charged to the customer.

Mr. Horn asked if the NIC's drug purchase policies could be reviewed. Mr. Nusbaum stated that the policies can be reviewed at any time, however, he said that the policies are very much in line with other policies of this type.

Hearings/Appeals Division

Mr. Howard E. Barrett, Chief of the Hearing Division, Department of Administration, stated that this division was established by the Legislature and is financed with funds from an NIC appropriation. He said it took the hearings function out of NIC and made it a division of the Department of Administration. He said there are two budgets for the one division, one for the hearings officers, and one for the appeals officers. He said they are requesting that the two budgets be combined for the next biennium, that the agency is too small to justify having two separate budgets.

Mr. Barrett stated that in the present biennium, they have 1 hearing officer in the north, 2 in the south, 2 clericals in the north and 3 in the south. He added in the Appeals Division they presently have 1 appeals officer in the north, 1 clerical in the north, and in the south, 1 appeals officer and 2 clericals. He said the current budget shows that they have 12 positions, when actually they do not have that many. He said 12 were authorized by the last session of the Legislature, but were not all filled, and are not all needed. He indicated that it was overestimated, the amount of staff that they would need. He added that the Department is suggesting that the positions be eliminated.

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Mr. Barrett stated that new requests for the upcoming biennium, include 1 appeals officer and 1 clerical position in the south. He stated that SB 191, now pending, will remove from the statute the limit of 2 appeals officers. He stated they would encourage favorable consideration of this bill as soon as possible because they would like to hire the new appeals officer around April 1, 1981.

Mr. Barrett stated that they have a reserve for growth included in the budget, for the first year \$48,468 for salaries. He said they anticipate they may need an additional appeals or hearing officer in the next biennium. He said they cannot now justify or identify this and because they cannot come and ask for interim finance monies, they put in the reserve for growth. He said they must ask for funds from industrial monies, not from Interim Finance.

He said with the recent move to go to the self insurance instead of relying on NIC for industrial insurance, they cannot predict what the case load is going to be for this agency.

Mr. Horn asked if filling the hearing officer position in the south would decrease the work load presently being experienced in the appeals work. Mr. Barrett stated that the hearing officer is at one level of the proceedings, and the appeals officer is at another and filling the hearing officer position in Las Vegas would not affect the case load of the appeals officer. They are two separate positions performing two separate functions.

Mr. Jim Salo, Appeals Officer, stated that the hearing officer is a lay person and the appeals officers are attorneys and the appeals hearings are complex and long. He added that the hearing officers render their decisions very quickly, however, at the appeals level, the process is much more involved and the decisions are not rendered so quickly.

Mr. Marvel asked if all of the appeals processes and costs are built into the NIC premiums that are being paid. Mr. Barrett stated that it is.

Mr. Glover asked if they are required to render decisions in any specified period of time. Mr. Salo stated that the statutory limit indicates that the decisions are to be out in 30 days, however, they have not been able to meet this due to the increased case load and the complexity of the hearings coming before the officers. He added that there is no penalty stated in the statute for violation, however, someone could bring an action against them for administrative mandamus.

Industrial Attorney

Mr. Scott Baker, State Industrial Attorney, stated that his office represents indigent claimants who find it necessary to appeal their cases to the Appeals Officer level in the Department of Administration. He said they currently represent approximately 50 percent of the people who go to the appeals level. He stated that the case load has increased dramatically and the complexity of the cases has increased also. He said it now takes at least 2 man days to process a case. He said due to these factors, they have requested additional staff to help with the increased case load. He said the other increases in the line items are minimal and reflect only inflationary factors.

Mr. Baker pointed out a dramatic increase in the legal and court expense line item is also indicative of the complexity of the cases they are receiving and the increased case load.

Mr. Horn asked how many cases the office had last year. Mr. Baker stated that they had 288 cases last year, which reflected a 72% increase over the previous year. He added that during 1980-81, it has leveled off and will probably be the same number of cases; however, this will probably pick up next year because the self insured impact is just beginning to be felt.

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Mr. Horn asked if there is a sufficient number of cases at this time to bring on line the additional attorney. Mr. Baker stated that at the present time, the Carson City office has a low work load and the Las Vegas office has a high work load. He said by September or October the additional attorney in Las Vegas will be a necessity.

Mr. Horn asked what percentage of the cases come from Las Vegas. Mr. Baker said 70 percent of the case load is in Las Vegas and they presently have 2 attorneys in Las Vegas to handle the case load. Mr. Baker added that they provide counsel to injured workers who come in off the street seeking advice.

RACING COMMISSION

Ms. Sharon Brandsness, a member of the Racing Commission, introduced Mr. Duane Goble, Executive Secretary of the Nevada State Racing Commission, who stated that the Racing Commission is asking for funding to properly regulate control of racing in Nevada. He stated that in 58 days of racing in Las Vegas Downs, \$125,126 has been contributed to the General Fund. \$62,562 to the City of Henderson and a like amount to the Racing Commission.

Mr. Goble handed out new budget requests (EXHIBIT D) which were brought about by a change in administration within the Commission. He stated that at present, the Commission is funded by 1 percent Peri Mutual tax based on anticipated \$100,000 per performance of greyhound and horses at Las Vegas Downs, and a projection of \$20,000 per meet at the fair meet. He added it is expected that \$411,600 will be received as the Commission's revenue.

Mr. Goble stated that they would like to transfer the stewards into contract services and thus save the state and the Racing Commission approximately \$7,000 per steward over the year. He said they would like to put the chief investigator into an unclassified status.

Mr. Goble stated that operating supplies includes the film, fingerprint supplies, specimen cups, sample tags, and veterinarian supplies. He said an additional \$2,000 allocation is included to develop and implement a system to attach a non-removable tag to horses enroute from the track to the test barn to make sure they are positively identified when they get to the test barn.

He stated that under contract services is an allocation for the veterinarian who is presently under contract and additionally the two stewards who are proposed to be put under contract will be funded from this line item.

He pointed out that the dues line item is an allocation with which they will pay dues to the National Association of State Racing Commissions, for which dues are assessed based upon the "handle" and would amount to approximately \$7,700.

He stated that under the laboratory research line item they are requesting \$2,500 to be used in conjunction with the State Laboratory in analyzing new drugs and testing older drugs that are sometimes used illegally on racing animals.

Mr. Goble stated that the racing fund allows the Commission to award Nevada bread breeders by 10 percent of the winning purse if the money is so allocated. He said this would result in people racing their animals in Nevada as opposed to shipping them out of state. He said they would like to have purse supplements to the fair circuit which would attract bigger and better horses at these events.

Mr. Goble stated that SB 183 allows the commissioners to be compensated at a daily rate, while they are presently serving without compensation. He stated they are requesting the daily compensation funds in the budget.

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Mr. Vergiels asked why the budget totals show a deficit figure. Ms. Brandsness stated that the Commission reviewed the budget and attempted to construct it at a basic minimum. She said the budget as they are presenting it today is somewhat disorganized because of pending legislation that directly affects the budget that they will finalize and operate on.

Mr. Vergiels asked if the changes in the budget are based upon the 140 day racing term. Mr. Goble stated that it is based upon the present legislation which is 100 days of racing.

Mr. Vergiels asked how the budget would be affected if the legislation was changed to lower the racing term to 40 days. Ms. Brandsness stated there would not be much change because the budget figures include 60 additional days for the contract employees. She said they will not make that much money off of it, only a "break even situation." She said the money they would make off of the additional 60 days would barely meet their expenses, so it would probably be a wash.

She said that this budget, as presented, is done so under the assumption that they will have to operate under the 1 percent take from the Peri Mutual funds. She added that there is a bill that will change that and if it passes, then the funds necessary to operate the Commission would then come from the General Fund. She said the deficit now as it exists, may have to be cured by going to a 1 to 1 1/2 percent ratio in order to clear this up.

Ms. Brandsness stated that another problem is the race track opening in Reno this fall. She said the budget reflects no funds to operate this facility and also reflects no revenue coming in from this facility. She said that it has been suggested to them by the Budget Division that they come to Interim Finance when they are ready to operate this facility. She stated that she is not comfortable coming to Interim Finance and asking for \$250,000 when the Legislature is in session this year, but this was the suggestion from the Budget Division.

She said the per diem increase bill is in to raise the commissioner's per diem from \$40 to \$60 and this is not reflected in the budget as proposed. She said there are so many matters that are incomplete and which directly affect the budget, it is difficult to present a complete budget package to the committee at this time.

Ms. Brandsness stated that she would like the opinion of the committee as to whether the Reno track figures should be included in the budget at this time.

Mr. Marvel asked if any feasibility studies have been done on the Reno track showing a justification for opening it. Ms. Brandsness stated that the individuals who are building the track supposedly have done a feasibility study but they have not delivered this information to the Commission as yet. She stated that they are at least 4 to 6 months away from licensing this track to open, and there is a great deal of information that will have to be provided prior to opening the facility.

Mr. Hickey stated that it is not proper for the Commission to come to Interim Finance for such large requests as will be needed for the Reno track. He added that it would be better to put such a request through the normal channels, and he inquired as to who stated that the Commission should handle this in this manner. Mr. Alastuey stated that any estimate of what the Reno track would bring at this point is speculative. He pointed out that the Henderson track is functional and statistics are coming in on its operations. He added that when operations are completed for one year, they will have a better and more accurate idea of what the revenues derived from the facility will be. He said putting together a budget for the Reno track would be highly speculative at this time.

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Mr. Hickey stated that this was done two years ago for the Henderson facility, even though at that time it was speculative. He stated that it is improper to expect Interim Finance to operate as a legislature on such items as the Reno track requests.

Ms. Brandsness stated that it would be no problem to do projections such as were done for the Las Vegas track two years ago for the Reno track.

Chairman Bremner asked why the revenues at the Las Vegas facility are down from what was projected. Mrs. Brandsness stated this projection came from a previous executive secretary who released this figure before the Commission had reviewed it. She said when they did review it, it was found to be inaccurate and was reviewed and a new figure was submitted.

Mr. Robinson asked that the committee be provided with a breakdown of the expenditures in the contractual services line item.

Ms. Brandsness stated that she would leave this information with the committee, however, basically what this line item covers is salaries for the track stewards.

Ms. Brandsness stated that the deficit that is shown of \$62,000 in the new budget projections as presented, should be compensated for by the receipt of \$800,000 in revenues for the 12 months of racing coming up.

Chairman Bremner directed the attention of the committee and witnesses to revenue projections prepared by Duane Goble on January 5, 1981 which are higher than the figures currently submitted by the Commission in its revised budget. Mr. Goble stated that these were his own estimates prior to the opening of the track and were only stated at that time as estimates for other uses. Ms. Brandsness stated that it appears at this time that those figures are inaccurate.

Mr. Glover asked what the Commission's feelings are on some of the legislation that is circulating at this time. Ms. Brandsness stated that she believes that the Senate Bill that would turn them over to gaming is a dead issue. She said she did not have a feeling on the legislation pending to remove the 1 percent Peri Mutual and giving the 2 percent to General Fund and then to place everything into the General Fund and receive Commission funds from there.

Mr. Marvel asked how the Nevada racing fees compare with other states. Ms. Brandsness stated that the overall take out of 18 percent is a little high.

Mr. Brady asked for further information on racing promotion. Ms. Brandsness stated that this figure has been reduced by \$50,000 and the funds are used for the Nevada breeders program where they keep the breeding of thoroughbreds and quarter horses within the State of Nevada. She added that the Commission is trying to get a circuit going and build up racing in the State of Nevada and these funds are used to promote these efforts.

Mr. Hickey asked if the problem of breakage has been brought up in the Taxation Committees. Ms. Brandsness stated that it has not but added that it is something that the Legislature should look into. Mr. Robinson stated that there is legislation coming up covering this matter.

Mr. Robinson asked if Nevada bread dogs are getting the same consideration as Nevada bread horses. Ms. Brandsness stated that they do receive compensation under a similar program.

The meeting was adjourned at 10:50 a.m.

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DATE: March 24, 1981

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

Roy TENDISON

Athletic Commission

JACK DAVIS

ATHLETIC COM

Mitchell Landsberg

Jay Neumann

NIC

J.B. CLARK

NIC

M.F. BURGNER

NIC

R.H. Johnston

NIC

Tom Ferrer

NIC

F. E. Du Bois III

NIC

E.H.A.

NIC BUDGET PRESENTATION

BY JOE E. NUSBAUM, CHAIRMAN

Mr. Chairman, if I may, I would like to spend a few minutes talking about the current status of NIC and its programs and my assessment of some of the problems.

After I was appointed chairman one year ago, I soon became aware that NIC had serious problems with claimants and policyholders and consequently with the Legislature. I was puzzled by this because in many respects, Nevada's workers' compensation program and safety program appear to be advanced in comparison with many other states.

The State Insurance Fund is actuarially sound with money reserves sufficient, in the judgment of professional actuaries, to cover every liability of the Fund. Nevada lawmakers can be justifiably proud of this somewhat rare condition which must be due in part to their resistance of the temptation to put the cost of today's benefits on future generations.

By any measure, Nevada's benefits are good and Nevada's premiums and administrative costs are low. This is a record that many states look to with envy as they see their premium rates increasing year after year and the cost of administration, including heavy cost of litigation, spiraling upward. Nevada has not had a rate increase for four years.

The statutory policies governing workers' compensation and safety are in a number of ways ahead of many states. The Nevada workers' compensation system with its lifetime reopening and rehabilitation rights emphasizes incentives for injured workers to return to work. As the Advisory Board of Review has commented, Nevada appears to be in the forefront with its rehabilitation efforts. Within the last year NIC has split out its safety consulting services from its safety regulation functions and has been building a professional staff to provide loss control advice to policyholders.

Nevertheless there were and are problems and I was determined to get on top of them. Fortunately, I had two special avenues for dealing with these problems, both of which were provided by the 1979 Legislature.

One was the compliance audit of NIC. I saw this as an opportunity to get the benefit of a professional staff independent of NIC reviewing in detail its operations and reporting on the deficiencies. I was not disappointed in the report of the Legislative Auditor. The work was thoroughly and well done. We agreed with practically every recommendation made by the Legislative Auditor, have already corrected a number of the deficiencies and are working on the others.

The other opportunity was the Advisory Board of Review for NIC created by the 1979 Legislature. I was determined to work closely with this citizen board in carrying out its legislative mandate to review the organization and operation of NIC and to make recommendations to the Legislature, the Governor and NIC. Jointly we prepared a list of studies of what we saw as some major problem areas and proceeded to tackle them

one by one. As with the Legislative Auditor's report, the Advisory Board issued a thorough and thoughtful report with many recommendations for improvements in the organization, operation and statutory policy for workers' compensation and safety.

Perhaps the single most important recommendation of the Advisory Board is for a major reorganization of NIC's present functions. Due mainly to the introduction of self-insurance and the division of the regulation of workers' compensation between two state agencies, NIC and the Insurance Commissioner, the Advisory Board has recommended a splitting of NIC's insurance functions and its regulatory functions and restoring state regulation to one agency. This recommendation which is now being drafted in bill form provides for a successor to NIC's insurance operation called the State Industrial Insurance System, a public corporation solely providing workers' compensation insurance, consulting safety services and rehabilitation services. The System would be run by a board of directors and a general manager.

The regulatory functions of NIC, under a plan approved by the Governor, would be combined with the functions of the Labor Commissioner into a new Department of Industrial Relations. This department would be responsible for workers' compensation compliance, occupational safety and health, mine inspection and employment standards. The workers' compensation compliance division would be the regulatory agency for all insurers, including the State Industrial Insurance System and self-insured employers. Certification of self-insurers and rate review would remain with the Commissioner of Insurance.

The reports of the Legislative Auditor and the Advisory Board of Review are proof that there are problems in administration. However, other than the organizational problem, none of them appear to be basic deficiencies in policy, financing or administration. They all appear to be subject to relatively easy changes in internal organization and administrative practices.

What I have found somewhat puzzling is that NIC was well aware of a number of its deficiencies. When I asked why we were not doing those things we knew we should be doing to provide better services for policyholders and claimants, I was told that we never seem to get caught up on the basic processing of claims and policies.

A look at the work load increases over the past four years shows dramatically why NIC has been playing a catch up game. From fiscal year 1976 to fiscal year 1980, the total number of claims increased from 42,600 to 74,400 per year an increase of 75% in four years. In claims involving disablement, that is claims involving compensation payments as well as medical payments, the increase was 74%. In total claims disbursements, that is compensation payments, the increase was 76%. In the number of individual medical payments, the increase was 97%. These various measures of claims load are the best indicators of the total volume of work of NIC and they indicate at least a 75% increase in the workload in a four-year period. On the employer accounts side, the number of active accounts increased from about 16,000 to almost 27,000, a 68% increase.

I believe that many of the problems noted by the Legislature in 1979, by the Legislative Auditor in 1980 and by the public hearings we conducted with claimants and policyholders in 1980 were caused by this tremendous increase in work load and the inability of NIC to foresee these increases and to staff to accommodate them. As an indication of the way NIC fell behind, the average number of filled positions in NIC's administrative budget increased from 325 positions in fiscal years 1976 to 471 positions in fiscal year 1980, an increase of 45%. Throughout this period, NIC was playing catch up.

NIC's total administrative budget including the safety functions of Occupational Safety and Health and Mine Inspection, in my judgment should be around 12% of the premiums paid in order to do an adequate job of providing services to claimants and policyholders. In fact, by this measure, the administrative budget dropped from 11.9% in 1976 to 9.6% in 1978 and last year was at 10.1%. The budgeted level for the current year is just below 12%.

Another means of testing NIC's administrative expenses is to use the insurance industry method of computing administrative overhead expense as a percentage of premiums. Under this method, the safety enforcement costs and the direct cost of administering claims are excluded. By that measure NIC's costs have been around 4% per year. During the same period, using the same measure, the average administrative cost of stock companies nationwide has been around 18% and of mutual companies around 12% to 13%. While we can expect that a state fund's cost will be less than that of private carriers, a three^{or four} to one relationship is, in my

judgment, abnormally low. ~~If we were providing adequate services, the relationship should be more like two-to-one.~~

Fiscal year 1981, the current year, should have been NIC's catch-up year. The claims volume has stabilized and, in fact, has fallen some due to the business recession and the introduction of self-insurance and NIC budgeted adequate staff and other expenses to properly handle our work. For a number of reasons, however, we have not in fact caught up. Some of these reasons are:

1. An outgoing chairman who did not want to commit the agency to major staff additions during his final months and an incoming chairman who wished to maintain the status quo until he had an opportunity to assess the needs of the agency.
2. Major studies and analyses by the Advisory Board of Review and the Legislative Auditor which could impact on the budget and the staffing patterns.
3. An executive policy that restricted the filling of positions, particularly new positions.

The result has been that NIC has continued to have a large number of vacant positions in its budgeted staff level. However, if we are to carry out the recommendations of the Legislative Auditor and the Advisory Board and are to provide a satisfactory level of service for claimants and policyholders, we must proceed with the filling of most of these positions.

The one remaining uncertainty is the reorganization plan which will involve some major changes in staffing patterns and classifications, though not changes in the total number of positions.

Before getting to the figures, let me make one comment about NIC's budget procedures. Most of my background has been in state government budgeting and executive agency administration. I was alarmed when I came into NIC, to find a very different budget system from what I was accustomed to. Until the 1979 Legislative Session, the budget adoption process in NIC was an annual process involving a matter of weeks or a month at most, prior to the beginning of each fiscal year. Likewise, the approved budget was handled in a simplified fashion. I must admit, however, that the final result was not overspending as I expected but, in fact, quite the contrary. In its day-to-day operations, the agency was extremely conservative in authorizing increased cost. Year after year many budgeted positions were not filled and expenditures were typically 10% or more below the budgeted level. I suspect this conservative attitude also played a part in NIC's failure to keep up with the work load increases.

While I do not want to change the prudent approach to spending, we are attempting now to do a better job of biennial planning and are working on a more adequate system of administering the budget so that we have more current and complete information on the status of the budget month by month. We did spend three solid months in the development and analysis of this budget and I hope the first effort by NIC in biennial budget planning is reflected in the quality of information available

to you. We do not have the budget administration system in place as yet, but these changes are in progress.

I should note certain assumptions that were made in preparing the budget. We assumed inflation of 15% for the current fiscal year over FY 1980 and 10% per year for the next two years. In terms of employment in Nevada and its impact on our claims load, we assumed the recession would follow the pattern of the 1974-1975 recession with recovery beginning in 1981-82. We assumed self-insurance would have a 15% impact on our claims load at the cumulative rate of 5% per year. It now looks like the effect of self-insurance will be greater than 5% at least in the first year. In total we estimated the claims load would drop slightly below 70,000 this year and increase modestly to about 71,000 by the second year of the next biennium due to the normal growth offset of self-insurance losses.

We did not include MX in any of our assumptions.

Now let me get to the specifics of the budget.

The budget we adopted last summer for the current fiscal year provides for a total spending level for administration of \$15.7 million and a staffing level of 577.75 positions. Because of the large number of vacancies, particularly in the first half of this year when we were awaiting the reports of the Legislative Auditor and the Advisory Board and because of the Governor's policy on filling of vacancies, our spending in the current year will fall \$1 million to \$1.5 million below the

budgeted level. The spending level proposed for next year is \$18.7 million covering 566.25 positions. This dollar figure includes approximately \$2 million for the Governor's recommended 14% salary adjustment. The spending level proposed for the second year of the biennium is approximately \$20.2 million, covering 566.50 positions. This includes approximately \$2.7 million for salary adjustments. Though the number of positions drops in the first year of the biennium and stays stable in the second, these total positions for the two years of the next biennium represent some further reductions in the existing positions and a few new positions.

In a very broad way the Administrative Budget can be summarized as follows:

	<u>1981-82</u>	<u>1982-83</u>
1980-81 budget level	\$15.7 million	\$15.7 million
Merit salary & fringe benefits	0.3	0.6
Salary adjustments (14% & 9%)	2.0	2.7
Travel increases	0.1	0.1
Operating expenses increases	0.4	0.8
Depreciation, transfers, etc.	<u>0.2</u>	<u>0.3</u>
Totals	\$18.7	\$20.2

Mr. Chairman, at this point I can either stop to respond to questions on the Administrative Budget or proceed with general comments on the Rehabilitation Center budget.

Rehabilitation Center

Let me briefly give some of the background of the Rehabilitation Center and my assessment of the current situation, based in part on the work done by the Advisory Board of Review and to a lesser extent by the Legislative Auditor.

The initiative for establishing a Rehabilitation Center began with a legislative subcommittee study report of December 1972, commonly known as the "Dodge Report." This report referenced a British Columbia rehabilitation facility record of 76% of injured workers returned to meaningful employment.

The plan that evolved was in two parts; a medical and therapy program and a vocational rehabilitation program. The injured worker was to be referred, as soon after the accident as the treating physician determined that therapy was necessary, to an intensive medical-therapeutic regime to strengthen the individual for an early return to productive employment. The treatment was to be handled on a team basis with a physiatrist as team leader assisted by physical, remedial, occupational and industrial therapists and a psychologist. Therapy would initially be for short periods of time and gradually increased until the patient had the physical endurance to do a full day's work without debilitating problems.

The second part of the plan involved vocational rehabilitation and included matching physical capacity with the physical needs of various vocations and rehabilitation to train the person to perform certain motions required in the vocation selected. What I am trying to say is

that we do not, for example, have an auto mechanic training program but we may train a person to use his hands and arms in a way that he can return to an auto mechanic job or be trained for such a job.

The planning of the physical facilities and of the medical, therapeutic and vocational programs assumed a maximum of 250 patients per day within five years from the opening of the facility. The Advisory Board which was acutely aware of criticisms of the Center requested a staff study on the utilization of the Center. The study noted three measures of utilization.

One measure is the physical facilities, that is the buildings and equipment. The present medical and therapy building and the vocational rehabilitation building, with present or budgeted equipment, has a capacity of up to 250 patients per day.

The second measure of capacity is the medical and therapy staff. The study indicated that the present staff (there are some chronic problems of recruiting certain staff) is utilized from 80% to 90% of capacity. Thus, the first limitation on full utilization of the Center may be a limitation on medical and therapy staff. However, if all positions budgeted for the next biennium can be filled, that staffing level should accommodate a case load near the physical capacity of the Center.

The third standard for measuring utilization is the number of qualified persons in need of the services of the Center. Presently, by law, only workers' compensation claimants and patients of the Vocational

Rehabilitation Division and other public agencies that enter into agreements with NIC may use the facility. The present usage of the Center is almost entirely by workers' compensation claimants within commuting distance of the Center. The growth in that number is not likely to be dramatic but will depend upon the normal increase in the number of workers' compensation claims in the area and the reputation for success of the Center with the Las Vegas treating physicians who control the treatment of their patients.

Under present law the major source for additional patients is workers' compensation claimants from beyond commuting distance from the Center, that is primarily from northern Nevada. There appear to be two major obstacles in increasing these numbers. One is the traditional practice of northern Nevada treating physicians to refer their patients who need specialized rehabilitation services to facilities in northern California or to local clinics. Related to that, the Rehabilitation Center has not established the same level of confidence with the northern Nevada physicians as it has with the Las Vegas area medical community.

The second obstacle is the lack of housing at the Center for patients from beyond commuting distance. Presently patients are put up in motels with no after-hour and weekend supervision, care and rehabilitation services. Some claimants, treating physicians and the NIC recognize this as not a good arrangement for many disabled persons.

The Advisory Board considered three alternatives which were somewhat similar to alternatives also suggested by the Legislative Auditor. Essentially they were:

1. A more concentrated effort under present law to increase the number of workers' compensation claimants at the Center recognizing that in the long run the Center will no doubt be fully utilized by such persons.

2. In addition to number 1, seek legislation to allow the admission of other traumatic injury patients but with priority for patients under Nevada's workers' compensation law.

3. The same as number 2 but to lease the facility to a professional medical facility administrator mainly to introduce the incentive of profit and eliminate the disincentive of governmental control from administration.

The conclusion of the Advisory Board was the following recommendation. "Due to the concern that the unique services of the Rehabilitation Center are denied to persons with traumatic injuries from nonindustrial accidents and the concern that some potential income to offset cost now cannot be realized, the Advisory Board unanimously recommends legislation to allow the admission of other traumatically injured patients but with priority for those patients under Nevada's worker compensation law."

The Advisory Board also recommended; "The Advisory Board unanimously recommends that the NIC make a greater effort to inform and work with the medical and rehabilitation community, particularly in Northern Nevada regarding the services of the Center, that NIC seek the means to resolve the present difficulties in recruiting medical and therapy staff, and that NIC assess the means of resolving the adverse housing arrangements with patients beyond commuting distance."

The Commission concurs in the Advisory Board's two recommendations. We are offering legislation that will open the Center up to other persons with traumatic injuries but with the proviso that priority must be for workers' compensation claimants. In the reorganization bill we are dealing with the recruiting problems for medical and therapy staff. A decision has not been made yet on the housing problem but it is likely that we will be requesting from this committee authority in the capital improvements program to proceed with the planning of a housing unit at the Center.

The following table summarizes certain important relationships in budget planning for the Center. (It should be noted that these figures are of the budget as submitted, that is, prior to the Governor's insertion of the salary adjustment amounts.)

	<u>1980-81</u> <u>Budgeted</u>	<u>1981-82</u> <u>Estimated</u>	<u>1982-83</u> <u>Estimated</u>
Positions	152	174	184
Expenditures	3,852,370	4,564,553	5,062,545
Revenues from fees	1,925,594	2,738,732	3,796,908
Fees as % of expenditures	50%	60%	75%
Average daily patients	126	210	242

While the NIC budget submittal established a relationship between revenues and expenditures prior to the salary adjustments recommended by the Governor, we are likely to increase the rates for services at the Center sufficient to maintain the 50%, 60% and 75% relationship of fees to expenditures after whatever salary increase is authorized by the Legislature.

NIC is controlling the budget both on the total expenditures and on the targeted percentage of revenues to offset those expenditures. In other words if revenues are not adequate in the current year to recover 50% of expenditures, expenditures must be decreased to come within that targeted figure.

You will note, of course, that the number of authorized positions at the Center in the current year exceeds the average number of patients on a daily basis. I might say that that relationship was approximately two-to-one last year but will decrease as the utilization rises.

Let me summarize the Rehabilitation Center increases in the same broad fashion I did for the administrative budget.

	<u>1981-82</u>	<u>1982-83</u>
1980-81 Budget level	\$ 3.9 million	\$ 3.9 million
Salary adjustments (14% & 9%)	.5	.7
Merit increases & fringe benefits	.2	.4
New positions	.3	.4
Operating expenses	<u>.2</u>	<u>.4</u>
Total	\$ 5.1	\$ 5.8

NEVADA INDUSTRIAL COMMISSION
REHABILITATION CENTER

7060 CONTRACT SERVICES -
SUMMARY

	<u>FY1980</u> <u>Actual</u>	<u>FY1981</u> <u>Work</u> <u>Program</u>	<u>FY1982</u> <u>Projected</u>	<u>FY1983</u> <u>Projected</u>
981 <u>Auditors</u>	\$ --	\$ 5,000	\$ 5,000	\$ 5,000
982 <u>Consultants-Outside</u>	\$ 73	\$ 19,488	\$ 12,959	\$ 2,955
983 <u>Patient-followup</u>	\$217,788	\$257,940	\$342,577	\$399,000
984 <u>Legal</u>	\$ --	\$ 2,000	\$ 2,000	\$ 2,000
985 <u>Training</u>	\$ 2,590	\$ 8,000	\$ 8,800	\$ 9,680
987 <u>Security</u>	\$ 61,410	\$ 85,946	\$103,518	\$125,670
7060 CONTRACT SERVICES - SUMMARY TOTAL	\$281,861	\$378,374	\$474,854	\$544,305

NEVADA INDUSTRIAL COMMISSION
REHABILITATION CENTER

7070 OTHER CONTRACT SERVICES -
SUMMARY

	<u>FY1980</u> <u>Actual</u>	<u>FY1981</u> <u>Work</u> <u>Program</u>	<u>FY1982</u> <u>Projected</u>	<u>FY1983</u> <u>Projected</u>
936 <u>MCST and System 6</u>	\$15,696	\$19,222	\$22,519	\$26,381
937 <u>Other Equipment Rental</u>	\$ 4,298	\$ 5,144	\$ 6,027	\$ 7,061
7070 CONTRACT SERVICES - SUMMARY TOTAL	\$19,994	\$24,366	\$28,546	\$33,442

7060 CONTRACT SERVICES

This category contains six (6) subaccounts: Auditors; Consultants-Outside; Patient Followup; Legal; Training; and Security.

981 Auditors

This is a new account to provide funds to cover the necessity for spot external audits as routinely occur in a good business venture.

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$ --	\$5,000	\$5,000	\$5,000

982 Consultants-Outside

This account is to provide, from time-to-time, for consultants to advise on any problem areas which routinely occur in a new Rehabilitation Center startup; such as the Nevada Industrial Commission Rehabilitation Center. Past consultants used in evaluations of productivity, policies and procedures are:

1. Carroll Brodsky, M.D.
2. R.A. Martin, M.D.
3. C.L. Roberts, M.D.
4. W.E. Fordyce, Ph.D.

Method of payment has been fee for service plus travel.

During Fiscal Year 1980 only one (1) minor consultation occurred. It is anticipated that an increase in patient load could necessitate some increase in the use of consultants-outside.

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$73	\$19,488	\$12,959	\$2,955

982 CONSULTANTS - OUTSIDE

Dr. Fordice - 2 trips x 2 days each @ \$1,200 day = \$ 4,800

Dr. Brodsky - 4 trips x 2 days each @ \$1,000 day = 8,000

Center Consultants

Dr. Martin }
Dr. Roberts } 6,688
Dr. Trigiano }

Fiscal Year 1981 Total \$19,488

7060 CONTRACT SERVICES (cont.)

983 Patient Followup

This account is to provide for the medical services of the four (4) physiatrists presently following the treatment regime of Nevada Industrial Commission patients at the NIC Rehabilitation Center. Additionally, the account allows funds for an increase of one (1) physiatrist and the expected attendant increase in patient load.

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$217,788	\$257,940	\$342,577	\$399,000

984 Legal

This new account is included to handle any legal matters of a minor nature which might, from time-to-time, need to be resolved for the Rehabilitation Center.

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$ --	\$2,000	\$2,000	\$2,000

985 Training

Group training is one of the newly initiated policies of the Nevada Industrial Commission aimed at greater comprehensive training of more staff personnel at less overall cost. The funds in this account are allotted to bring persons with specific types of medical expertise to the Rehabilitation Center in order to present training programs to groups of staff personnel.

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$2,590	\$8,000	\$8,800	\$9,680

7060 CONTRACT SERVICES (cont.)

987 Security

This account is used to provide contract security personnel, from Bryant's Merchant Patrol, on a 24-hour basis for the Rehabilitation Center. Two (2) security personnel are present on the premises during working hours and one (1) security person is on the premises at all other times. The projected increases to this account are due to contract renegotiation in Fiscal Year 1981 and anticipated contractual increases for Fiscal Year 1982 and Fiscal Year 1983.

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$61,410	\$85,946	\$103,518	\$125,670

The increased costs projected in this account are attributed to three factors:

1. Projected increased patient load;
2. Increased staff; and
3. An increased economic factor projected as 15 percent for Fiscal Year 1981 and 10 percent for each of the Fiscal Years 1982 and 1983.

7060 CONTRACT SERVICES - TOTAL

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$281,861	\$378,374	\$474,854	\$544,305

7070 OTHER CONTRACT SERVICES

This account is comprised of two sub-accounts; Magnetic Card Selectric Typewriter (MCST-II) and System 6 Computer Account; and Other Equipment Rental account.

936 MCST and System 6

This account is contracted to IBM for two (2) System 6's and two (2) MCST-II Units. The System 6 and MCST-II's are used for a "Billing and Performance-Measurement System" which interconnects to the main Nevada Industrial Center Computer System in Carson City.

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$15,696	\$19,222	\$22,519	\$26,381

937 Other Equipment Rental

This account is comprised of costs for rental of photocopiers, typewriters (on a temporary basis), a postage meter, an instant paging system (beepers) for security personnel, four (4) wheelchairs (on a temporary basis), an auto-viewer projector and a nerve stimulator.

The increases in costs are attributed to a projected patient load increase and normal economic indicator increases.

The companies in this account for Fiscal Year 1980 were:

o IBM	\$2,564
o Buffalo Safe Company, Inc.	600
o Pitney Bowes	274
o Vegas Instant Page	500
o Abbey Medical	100
o Southwest Medical	200
o Greyhound Exposition	<u>60</u>
	\$4,298

7070 OTHER CONTRACT SERVICES (cont.)

SUMMARY

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$4,298	\$5,144	\$6,027	\$7,061

7070 OTHER CONTRACT SERVICES - TOTAL

<u>FY1980 Actual</u>	<u>FY1981 Work Program</u>	<u>FY1982 Projected</u>	<u>FY1983 Projected</u>
\$19,994	\$24,366	\$28,546	\$33,442

Library Note:

There is an Exhibit C attached to the meeting. This exhibit is not mentioned in the minutes.

Research Library
October 2014

January 27, 1981

MEMORANDUM

TO: Senate Finance and Assembly Ways and Means Committee
FROM: Department of Administration, Hearings/Appeals Division
SUBJECT: Hearings Heard

	HEARINGS/APPEALS DIVISION			
	HEARINGS		APPEALS	
	<u>Carson City</u>	<u>Las Vegas</u>	<u>Carson City</u>	<u>Las Vegas</u>
1979:				
July	29	113	9	40
August	40	106	34	43
September	40	103	28	32
October	34	105	27	35
November	33	98	26	53
December	43	101	32 (9) **	49
1980:				
January	43	99	14	45
February	24	102	14	31
March	34	105	18 (3) **	33
April	30	101	20 (3) **	48
May	28	95	16 (15)**	63
June	23	105	14 (19)**	64
Total Fiscal	<u>401</u>	<u>1,233</u>	<u>252</u>	<u>536</u>
1980:				
July	69	98	15 (21)**	68
August	37	97	11 (26)**	73
September	47	104	5 (23)**	56
October	31	101	12 (22)**	57
November	58	102	11 (20)**	60
December	33 (26)*	104	14 (4) **	61
Total	<u>275</u>	<u>606</u>	<u>68</u>	<u>375</u>

*Hearings bracketed were heard by the Carson City Hearing Officer in Las Vegas. This amount is included in the Las Vegas total.

**Hearings bracketed were heard by the Carson City Appeals Officer in Las Vegas. This amount is included in the Las Vegas total.

	1979-80 Actual	1980-81 Work Program	1981-82		1982-83			
			Agency Request	Governor Recommends	Agency Request	Governor Recommends		
<u>Regular Appropriation</u>	\$43,216	\$	\$	\$	\$	\$		
<u>Reversions</u>	13,393							
<u>Balance Forward from Old Year</u>								
<u>Racing Commission Receipts</u>		211,500	420,000		470,000			
<u>Interim Finance Allocation</u>		43,216						
<u>Racing Fines</u>		1,500	5,000		5,000			
<u>Total Funds Available</u>	\$29,823	\$256,216	\$425,000		\$475,000			
<u>Existing Positions</u>								
Executive Secretary	U	\$	1.00	\$ 26,375	1.00	\$ 31,000	1.00	\$ 31,000
Steward	U		1.00	12,924				
Veterinarian	U		1.00					
Mutuel Manager	U		1.00	9,759	1.00	20,500	1.00	20,500
License Investigator	U		1.00	6,858	1.00	14,400	1.00	14,400
License Investigator								
License Insp.-Vet. Aid	U		1.00	5,539	1.00	11,632	1.00	11,632
Accountant			1.00	9,785	1.00	20,155	1.00	20,155
Management Assistant I			1.00	10,338	1.00	10,797	1.00	11,268
Administrative Aid II/Range A			1.00	3,929	1.00	9,296	1.00	9,693
Approved per SB 255								
Steward	U		1.00	11,078				
<u>Total Existing Positions</u>	\$ 9,650	10.00	\$ 96,585	7.00	\$117,780	7.00		
<u>New Positions</u>								
Chief of Security	U				1.00	\$ 25,600	1.00	\$ 25,600
<u>Total New Positions</u>					1.00	\$ 25,600	1.00	\$ 25,600
<u>Industrial Insurance</u>	\$ 124	\$ 1,487		\$ 2,868		\$ 3,246		
<u>Retirement</u>	772	7,727		11,470		11,540		
<u>Personnel Assessment</u>	82	821		334		341		
<u>Group Insurance</u>		3,752		7,104		7,776		
<u>Payroll Assessment Cla.</u>	33	338		330		332		
<u>Retirement Group Insurance</u>				172		173		
<u>Unemployment Compensation</u>	24	241		602		606		
<u>Salary Adjustment Res./Non-GF</u>		20,887						
<u>Longevity Pay</u>				750		750		
<u>Total Salary</u>	\$10,685	\$131,838		\$167,010		\$169,012		
<u>Total Out-of-State Travel</u>	\$ 2,244	\$ 3,500		\$ 11,300		\$ 12,100		
<u>Total In-State Travel</u>	\$ 1,045	\$ 4,500		\$ 10,412		\$ 14,850		

	1979-80	1980-81	1981-82		1982-83	
	Actual	Work Program	Agency Request	Governor Recommends	Agency Request	Governor Recommends
<u>Operating Expenses</u>						
Office Supplies and Expense	\$ 1,254	\$ 1,500	\$ 1,800	\$	\$ 1,900	\$
Operating Supplies		3,500	5,000		3,100	
Communications Expense	861	3,500	10,475		10,500	
Print Duplicating Copy	2,610	9,000	2,800		2,800	
Insurance Expense		32	32		32	
Contractual Services	135	74,507	225,786		274,570	
Other Contract Service	11					
Legal and Court Expense	150					
Equipment Repair		150				
Other Building Rent	1,224	9,624	10,800		10,800	
Maintenance of Buildings and Grounds	20					
Buildings and Grounds Services	76					
Dues and Registrations	300	7,700	7,700		7,700	
Instructional Supplies	650					
Special Project/Report	964					
Publications and Periodicals	39		400		400	
Total Operating Expense	\$ 8,294	\$109,513	\$264,793		\$311,802	
<u>Equipment and Furniture</u>						
Office Furniture and Equipment	\$ 7,533	\$ 3,845	\$ 3,750		\$ 1,000	
Other Furniture and Equipment	22					
Total Capital Outlay Equipment	\$ 7,555	\$ 3,845	\$ 3,750		\$ 1,000	
<u>Data Processing</u>		\$ 2,000				
<u>Repayment to General Fund</u>		1,020				
<u>Racing Promotion</u>			30,000		30,000	
Total Agency Expenditures	\$29,823	\$256,216	\$487,265		\$538,764	
AGENCY BALANCE			(\$ 62,265)		(\$ 63,764)	