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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. Rhoads  
Mr. Robinson  
Mr. Vergiels  
Mrs. Westall

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

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

A.J.R. 26 Memorializes Congress to enact legislation exempting  
certain retirement benefits from income tax.

Mr. Warren Fowler, representing the Retired Public Employees of Nevada, said A.J.R. 26 is a resolution asking Congress to remove federal income tax assessments from the retirement income received by retirees after payment of allowances equivalent to the member's contributions. He explained that the current IRS practice of treating all benefits received after a person has received allowances equivalent to his contributions is unfair because retirees have already paid income taxes on the money they contributed to the retirement system. He noted that according to Congressman Santini, the House of Representatives' Select Committee on Aging has favorably considered legislation similar to that requested by this resolution and plans to introduce it this session of Congress. Mr. Fowler said it was his opinion that this resolution is very meritorious.

Mr. Rhoads asked what the fiscal impact would be nationwide if this legislation were passed. Mr. Fowler said he did not know the fiscal impact.

A.B. 170 Makes appropriation to economize use of energy in  
state facilities.

Mr. Kelly Jackson, Nevada Department of Energy, testified in favor of A.B. 170. He said that many state facilities were built at a time when energy was inexpensive and no emphasis was placed on energy conservation measures. Mr. Jackson noted that the 1979 Legislature appropriated \$250,000 to the Department of Energy to economize the use of energy in state facilities. He said that through the 1979 Legislation, the Department of Energy was instructed to review energy consumption of all state facilities, conduct extensive energy audits and implement energy saving measures. He said over the biennium, the Department did analyze energy consumption in 65 or 70 different facilities, audits have been completed of 11 state facilities which includes 50 buildings and recommendations have been made to Interim Finance to spend \$125,000 of the \$250,000 that was appropriated. In addition, a request has been prepared recommending the expenditure of the remaining \$125,000. Mr. Jackson pointed out that once the entire \$250,000 is invested in retrofit measures that have been recommended, the state will have a return on the investment in one and one-half years. He added that over the next 10 years, the implementation of the measures that will be recommended to the next Interim Finance Committee meeting will save the state \$1.7 million in energy bills for a \$250,000 investment which amounted to a 500% rate of return.

Mr. Jackson said that A.B. 170 makes a request of an additional \$250,000 for the coming biennium to continue the implementation of energy saving measures in state buildings.

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Mr. Robinson asked how it was determined that the state would receive a 500% investment return on the energy saving measures. Mr. Jackson said that the audits are very detailed engineering audits that precisely calculate the energy impact. He said that even though they are projections, they are confident that the results are accurate within plus or minus 5% of the estimations.

Mr. Robinson asked why the Department has to spend the \$250,000 to conduct the audits when the estimations are based on historical data. Mr. Jackson said the Department is not spending \$250,000 to conduct the audits -- it costs approximately \$5,000 to \$7,000 per building for the energy audit and the \$250,000 request is used to implement the conservation measures once they have been identified.

Mr. Marvel asked for an example of some energy conserving measures that would be implemented by the Department of Energy. Mr. Jackson distributed a handout to the committee detailing the energy measures that were suggested for the buildings that have been audited to date and an estimation of the savings generated by these measures. (EXHIBIT A)

Chairman Bremner pointed out that after the implementation of energy saving measures in the Governor's Mansion, the requested utility increases were 60%. Mr. Jackson said that without those measures, the increases would have been 100%.

Mr. Alastuey interjected that in the case of A.B. 170, 171 and 174, there is language in a section concerning reversion which states that any remaining balance made by section 1 must not be committed for expenditure after June 30, 1983, and reverts on that date to the General Fund. He said that it would be the plan of the Budget Office to allow commitment of expenditures through June 30th and disbursement of funds possibly after that date to fully take care of those obligations. He said if something can be obligated through June 30th then it appears to be a technical contradiction with the language as contained in this bill that the reversion could take place on that date.

Chairman Bremner referred to Mr. Jackson's previous statement whereby he said that there is \$125,000 remaining from the \$250,000 appropriated last session and asked if those funds have been obligated. Mr. Jackson said they have not been obligated; however, there is a recommendation pending to be presented to Interim Finance that would allocate the remaining \$125,000 for use on the Nevada Youth Training Center in Elko and the Nevada Mental Health Institute in Reno. Chairman Bremner suggested reducing the request of \$250,000 as contained in A.B. 170 by the \$125,000 remaining from the money appropriated by the 1979 Legislature. Mr. Jackson said that assuming all \$250,000 is utilized, there is still \$500,000 worth of energy conservation projects that are necessary but there is insufficient money to implement them. He said these projects do not include the Maximum Security Prison and the National Guard facilities.

A.B. 171 Makes appropriation for study of "Nevada plan" of financing public education.

Mr. Ted Sanders, Superintendent of Public Instruction, introduced Doug Sever, Director of Fiscal Services, and distributed to the committee a handout (EXHIBIT B) in support of A.B. 171. He said this particular bill calls for a study of the Nevada Plan for financing education. He added that since the present plan's inception in 1967, there have been a number of changes attendant to the plan but the basic structure is sound. He said that a major problem with the existing plan is the manner in which the distribution of the Distributive School Fund is handled. If the Legislature agrees to fund the study, Mr. Sanders said, it would be the intent of the Department of Education to engage the services of a nationally recognized person in school finance to assure that the study addresses some of the current national issues in school finance that the courts are looking at as they contemplate the quality of distribution of state finance plans. He added that, as a result of the study, a computer based model would be designed

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that could be used in the future between and during legislative sessions to provide for a quick examination of how possible changes in the tax structure would effect the school districts. He said that another issue that would be reviewed is the problem of school district boundaries.

Chairman Bremner suggested including legislators as members of the study committee for the restructuring of the Nevada Plan. Mr. Sanders said that the Department of Education favors legislative involvement in the study.

Mr. Glover asked what accomplishments can be anticipated as a result of the study that were not considered two years ago. Mr. Sanders said that the major difference is that two years ago the study did not identify the need to and the desire to build an automated computer based model to effectively conduct ongoing studies of the plan. He said the additional issue of studying school boundaries that was suggested by the Ways and Means Committee was not included in the plan two years ago. Mr. Glover pointed out that the request contained in A.B. 171 is approximately 50% greater than the request two years ago.

Mr. Sanders said that the request before the 1979 Legislature in the amount of \$50,000 was based on a very rough estimate. He said that in compiling the request for A.B. 171, the Department of Education contacted Dr. Allen Auden, a nationally known school finance expert, and he said that to conduct the kind of study that is being proposed, it would cost approximately \$75,000 to \$80,000.

Mr. Richard Brown, Nevada Association of School Administrators, introduced Doug Byington, Chairman of the Nevada Association of School Administrators' Legislative Committee, and said that their organization is in favor of passage of A.B. 171. Mr. Byington gave a brief background on the financing procedures for school financing and noted that approximately every 10 years changes have been made in the plan for financing schools.

Mr. Robinson asked when the proposed study would be completed. Mr. Sanders said that the study would be completed with recommendations to the Legislature by the 1983 session.

Mr. Clifford Lawrence, Superintendent of Schools for Carson City, said that he strongly supports the proposed study as contained in A.B. 171 noting that equity in the school distributive plan is absolutely essential.

Mr. Coulter asked if there were qualified individuals to conduct the study in Nevada. Mr. Lawrence said that it is essential that someone from outside Nevada conduct the study to obtain the objectivity necessary.

A.B. 174 Makes appropriation for system of filing and storage for vital statistics section of health division of department of human resources.

Mr. Bill Moell, Administrator of the Vital Statistics Section, said that A.B. 174 is a request for a one-shot appropriation of \$40,000 to expand and upgrade the already overflowing records maintenance capabilities of the section. He said that, specifically, the request is to purchase safe and secure specialized records maintenance equipment, expansion of the vault to accomodate growth for the next 15 years and the installation of fire retardant and containment equipment.

Mrs. Westall asked if more than one copy of birth and death certificates are on file. Mr. Moell said that only one copy is on file in the Vital Statistics Section; however, there is a copy on microfilm in a back-up vault stored at Lake Tahoe.

Mr. Robinson asked if a fee was charged for filing birth, death, adoption or divorce certificates. Mr. Moell said that the only fee charged is a \$1.00 filing fee for marriage certificates that is part of the \$20 fee assessed by counties.

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Chairman Bremner pointed out that there is other legislation pending before the Ways and Means Committee that will impose certain fee schedules in order to make this section more self-supporting. Mr. Moell said that the fees will go directly to the General Fund and not come through Vital Statistic's budget.

Mr. Robinson asked if the fee charged for copies of birth or death, etc., certificates is adequate to cover the cost of administering the program. Mr. Moell said that it does not -- it is merely a token fee. Mr. Robinson said it was his opinion that vital statistics are a public trust and he objected to using the vital statistics as a revenue source. Mr. Moell explained that A.B. 144 updates the fees charged for verifying copies and for certified copies to come more in line with the related costs. Mr. Robinson said that he objected to another piece of legislation that would use such fees for a revenue source for social purposes.

Mr. Marvel asked what the projected revenue will be from the increased fee schedule if the proposed legislation is adopted. Mr. Moell said that this current year approximately \$46,000 will be deposited in the General Fund and with the new schedule in fiscal year 1982 there will be \$129,000.

A.B. 272 Makes appropriation for working capital for the Nevada Magazine.

Ms. C. J. Hadley, Editor of Nevada Magazine, said that this bill appropriates \$50,000 to Nevada Magazine for working capital. Ms. Hadley said that by December 1981 enough revenue should have been generated from the sales of the special gaming issue of the magazine to over-take the \$50,000, but by July 1982, an additional \$50,000 will be needed.

Mr. Marvel asked how the special gaming education of the magazine is selling. Ms. Hadley said that it cost \$193,000 to print the 200,284 copies of the special issue. She noted that response has been good and the magazine is on almost every major airline.

A.B. 274 Makes certain administrative changes in state purchasing and increases amounts which may be paid for automobiles.

Mr. Terry Sullivan, State Purchasing, said that A.B. 274 increases the statutorily set amount that State Purchasing can pay for an automobile. He said that presently no automobile can be purchased because the limit set by the Legislature of \$6,000 is too low. He noted that primarily the compact cars work very well for general use; however, the purchase price on such cars was \$6,216. He added that due to energy problems, air conditioning is now only included on cars for the southern portion of the state. Mr. Sullivan asked that this bill be amended for approval upon passage in order to utilize the time left to purchase a few cars this year.

Chairman Bremner asked why the bill requests the repeal of NRS 333.170. Mr. Sullivan said that this statute gives the impression that the state has an in-state preference and regardless of the bids submitted only businesses in Nevada will be considered. He added that this section is out of context and by simply eliminating it confusion will be avoided in the future. He said there is another section of NRS that covers in-state preference.

Mr. Glover asked if State Purchasing buys cars directly from the factory. Mr. Sullivan said they purchase cars under factory supported bids which are price protected for a year which is the advantage of having the factory involved.

Mr. Horn said it was his impression that subcompact cars could be purchased for \$5,300, specifically a Toyota. Mr. Sullivan said that the state does not purchase foreign cars.

Mr. Coulter questioned the logic in the state not buying foreign cars when it is difficult to distinguish the difference as many foreign car companies now have plants in the United States and vice versa. He said the main emphasis should be placed on price in selecting cars for state use. Mr. Sullivan said that bids

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from foreign car companies are not even opened so one has no price comparison. He said an additional problem exists because it is almost impossible to purchase a foreign car equipped exactly the way it is needed.

Mr. Coulter asked if this policy is a department regulation. Mr. Sullivan said that it is a Board of Examiner's policy.

Mr. Horn said it was his opinion that refusing bids on foreign cars would be a disadvantage in terms of free enterprise to the Nevadans who own foreign car dealerships. Mr. Sullivan said that state automobiles are highly visible and it appears that foreign cars are objected to by the general public.

Mr. Hickey said that he supported the issue of state government buying only American made products and concurs with the position of the Board of Examiners.

Mrs. Hayes said that she, too, agrees with the policy and further noted that all cars should be purchased through Nevada dealers.

Mr. Alastuey said that A.B. 358 includes the one-shot appropriation of \$500,000 for the purchasing operating revolving fund and asked that the committee give their attention to this matter as soon as possible.

A.B. 316 Makes appropriation for electronic scales for state mailrooms in Carson City and Las Vegas.

Mr. Mike Meizel, State Mail Room, said that this bill proposes the purchase of two electronic mail scales for Carson City and two scales for Las Vegas in the amount of \$18,632. He said that the implementation of the electronic scales will eliminate the error rate that now exists with the use of manually operated scales. He explained the United States Postal Service has conducted studies that indicate mechanical scales have an inherent error rate that results in too much postage being placed on each piece of mail. Mr. Meizel said the estimated savings that can be realized by changing to electronic scales according to the Postal Service is 15%.

Chairman Bremner asked if the purchase of the electronic scales is a Task Force recommendation. Mr. Meizel said the Task Force recommended the scales for Carson City only because they did not realize the same function exists in Las Vegas. Chairman Bremner said the Task Force recommendation noted that a savings of \$70,000 could be expected from the implementation of the electronic scales and asked if that savings is reflected by a reduction in the budget for the agency. Mr. Meizel said that the Task Force recommendation was based on 6 months of postage costs projected into a \$500,000 yearly postage cost and applying an estimation if the error rate were reduced by 15%. He added that if the error rate were reduced by 2%, then the \$18,632 appropriated for the new scales would be recovered in two years.

Chairman Bremner suggested the possibility of decreasing the postage appropriation in various budgets due to the implementation of the more accurate scales. Mr. Meizel said that an accurate estimate of postage savings would be difficult without a measurement of how much the postage has been reduced with the new scales. He added that postage increases should be a consideration in this matter.

A.B. 334 Makes supplemental appropriation to pay medical bills of recipients of public welfare.

Mr. John Duarte, Welfare Division, said that A.B. 334 provides for an appropriation of \$13,641,407 to the Welfare Division for the purpose of paying the medical bill of recipients of public welfare. He said the need for the supplemental appropriation is due to the increased caseload in the Title XIX program of 18.6% for the biennium over the budgeted amount. Mr. Duarte requested that the bill be amended in two areas due to updated information. He said the fiscal agent costs were originally projected at \$138,728

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but that \$179,000 was now necessary. He said that under need payments, the required amount could be reduced from \$13,503,120 to \$13,300,000. He said the total reduction requested by this amendment amounted to \$162,407.

Chairman Bremner asked Mr. Duarte to detail for the committee why the supplemental appropriation is necessary. Mr. Duarte said that over the last biennium, the ADC program was budgeted for 9,500 recipients when actually 10,976 recipients were involved in the program in 1980 for a 15.5% increase. For fiscal year 1981 in the ADC program, 10,000 recipients were budgeted and the average number of recipients at the present time is 12,994 for a 29.9% increase in that category. He added that for the biennium in the ADC program, there was a 34.3% increase over what was budgeted. He said that in the Child Welfare program in fiscal year 1980, funds were budgeted for 525 recipients and the actual experience was 585, or an 11.4% increase. For fiscal year 1981, the program was budgeted for 563 recipients and the actual number through February is 646, or a 14.7% increase. It is anticipated that for the biennium there will be a 16.6% increase in recipients. He said for the Aged category, 3,780 recipients were budgeted in 1980 while the actual experience was 4,121 recipients, for a 9% increase. In fiscal year 1981, 3,990 recipients had been budgeted for and 4,468 recipients have been involved in the program, or a 12% increase. It is anticipated through the biennium there will be an 11.7% increase in the Aged category. He said there was a reduction in the Blind category from what was budgeted. Mr. Duarte said that the Disabled category was budgeted for 2,100 recipients in fiscal year 1980 and 2,247 recipients were involved in the program for a 7% increase in that category. In fiscal year 1981, 2,300 disabled were budgeted and it is anticipated 2,371 will be the caseload for a 3.1% increase. It is anticipated that a 5.8% increase over the biennium will be experienced. He said that in comparing the actual and budgeted caseloads for both years, the Welfare Division is anticipating an 18.6% increase in the total number of recipients.

He pointed out the 11.7% increase in Aging recipients and the 5.8% increase in disabled recipients were particularly expensive.

Mr. Brady asked what would happen if only half of the requested amount were appropriated. Mr. Duarte said that the division cannot pay any bills for fiscal year 1980 after April 17, 1981. There is an urgency because of the flow of federal dollars. He said that the division has already expended a great deal of this money and the vendors would simply not get paid.

Mr. Marvel asked why the projected caseload amounts for the last biennium were so far from the actual caseload experienced. Mr. Duarte said that previous to the 1979 Legislature, there was a decrease in caseload and contrary to the predictions by the Welfare Division, the Legislature projected the caseload would not be increasing as quickly as it did.

Mr. Rhoads suggested that a closer look be taken at the eligibility requirements for welfare recipients and asked if a change in requirements accounted for the large increase in recipients. Mr. Duarte said the eligibility requirements have not changed -- the main reason for the increase was the depressed economy.

Chairman Bremner asked if the payments per recipient as budgeted over the last biennium have been accurate. Mr. Duarte said that the biggest discrepancy has existed in the actual number of recipients not in amounts of payments.

Mr. Marvel asked if waivers have been considered. Mr. Duarte said that a consolidated effort has to be made in determining where the state wants to go with the Medicaid program.

A.B. 319 Makes supplemental appropriation for the child welfare program.

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Mr. Duarte, State Welfare Division, said this bill appropriates additional funds for the Child Welfare Program because the expenditures over the biennium in this program are 13.5% higher than was anticipated and that there had been a 37.4% increase in institutional care program costs. He said that \$119,000 of the \$636,454 is for a transfer that was made from this fiscal year back to fiscal year 1980.

Mr. Rhoads asked if previously had there ever been a reversion to the General Fund due to an overestimation of the amounts budgeted. Mr. Duarte said that has occurred in the past. He added that for fiscal year 1979 it is anticipated that between \$75,000 and \$90,000 of the money received from Interim Finance in March 1980 will be reverted to the General Fund.

S.B. 277 Makes supplemental appropriation to youth services division of department of human resources.

Mr. Frank Carmen, Director of the Youth Services Division of the Department of Human Resources, said the bill makes a request for \$4,733 to supplement the budget of this agency. He said that a shortage in the budget exists because the total program costs were estimated when the program was established in 1979.

S.B. 305 Makes appropriation from state general fund to legislative fund for increased dues to Council of State Governments.

Senator Keith Ashworth said that he is Chairman of the Western Conference for the Council of State Governments and, at a recent meeting, it was determined that the increase of dues for membership to the council would be requested at this session of the Legislature. He added that this bill allows for an appropriation of \$2,200 from the State General Fund to the Legislative Fund to pay the increased dues of the Council of State Governments for fiscal year 1980-81.

Senator Ashworth said that a provision was adopted at the national meeting that in the future a percentage of the monies from the increased assessment in dues collected from the western states and southern states would remain in the respective regions to aid in regional programs such as the Sagebrush Rebellion.

Mr. Robinson asked if all the states in the western region are in support of the Sagebrush Rebellion. Senator Ashworth said that \$10,000 is assessed each state for the support of the Sagebrush Rebellion and, to date, 4 states (Nevada, Utah, Wyoming and Colorado) have paid that assessment.

Mr. Rhoads asked if California is a member of the Western Conference of the Council of State Governments. Senator Ashworth noted that California is a member but only pays 50% of their dues and they do not send any representation to the meetings. Additionally, Mr. Rhoads asked if consideration has been given to moving the central office of the Western Conference of the Council of State Governments from San Francisco to Denver. Senator Ashworth said that consideration has been given to that issue and, in fact, information received from Utah indicates that if the office is located in Salt Lake City, the State of Utah will provide office and secretarial services for the Western Conference.

A.B. 354 Retains earned interest in fund for industrial development of small counties and facilitates allocation.

Mr. Bible said this bill makes some adjustments in the Fund for Industrial Development which was initiated during the 1979 Legislature. He explained the Fund for Industrial Development allowed the sum of \$5 million to be used for industrial development purposes in counties that are experiencing economic problems. During the interim, the entire \$5 million was allocated by the Interim Finance Committee to White Pine County for the purpose of locating Lynch Communications in that county. He added that the \$5 million was allocated to White Pine County with the stipulation that \$700,000, the interest from the \$5 million in the Fund for Industrial Development, be allocated to Lyon County for the development of Kennedy Sky-Lites in that county.

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Mr. Bible said that A.B. 354 allows for the compounding of interest of the Fund for Industrial Development. He referred to Section 2 which allows the Interim Finance Committee to meet during the Legislative Session to further negotiate the loan with Lyon County to establish Kennedy Sky-Lites in that county.

He further noted that Section 3 amends NRS 621 of the 1979 Legislative Session and accelerates the reversion date and in effect "closes down" the Fund for Industrial Development as of July 1, 1981 so there will be no further loans and any balance will be transferred to the General Fund.

Mr. Glover asked for an update of the situation with Lynch Communication and White Pine County. Mr. Bible said that one stipulation was that Lynch Communication would guarantee to the extent of one-half the amount of bank draws of the total allocation by the time it was made the repayment of those loans with a letter of credit. He said that to date a letter of credit has not been secured by Lynch Communications and a number of loans have been made. Mr. Bible said that the Industrial Development subcommittee indicated that Lynch should comply with the terms of the agreement and provide a letter of credit.

Mr. Marvel asked how much of the \$5 million would actually revert to the General Fund. Mr. Bible said that practically none would revert to the General Fund.

S.B. 337 Makes supplemental appropriation for cost of utilities for department of the military.

Chairman Bremner said this bill was heard previously by the committee and, since that time, it has been determined that it could be amended by decreasing the amount requested from \$58,200 to \$51,200. An additional amendment would delete line 8 of section 2 and insert, "and reverts to the state General Fund as soon as all payments of money committed have been made."

Mr. Glover moved to adopt the amendment, seconded by Mr. Horn. Motion carried with Mr. Hickey absent.

Mr. Glover moved DO PASS AS AMENDED, seconded by Mr. Horn. Motion carried with Mr. Hickey absent.

A.J.R. 26 Memorializes Congress to enact legislation exempting certain retirement benefits from income tax.

Chairman Bremner directed the committee's attention to A.J.R. 26. Mr. Glover moved DO ADOPT on A.J.R. 26, seconded by Mr. Marvel. Motion carried unanimously with Mr. Hickey absent.

A.B. 170 Makes appropriation to economize use of energy in state facilities.

Chairman Bremner directed the committee's attention to A.B. 170 which appropriates \$250,000 to the Department of Energy to implement energy conservation measures. Mr. Robinson moved INDEFINITE POSTPONEMENT on A.B. 170, seconded by Mr. Bergevin.

Mr. Glover said it was his impression that if the state buildings are not energy efficient, it would be a good investment to consider this appropriation.

Mr. Robinson said there is a duplication of effort of several state agencies in this regard.

Motion carried to INDEFINITELY POSTPONE A.B. 170 with Mrs. Westall, Mr. Coulter, Mr. Bremner, Mr. Glover and Mr. Vergiels voting NO, and Mr. Hickey absent.

A.B. 174 Makes appropriation for system of filing and storage for vital statistics section of health division of department of human resources.



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Chairman Bremner directed the committee's attention to A.B. 174 which appropriates \$40,000 to the Vital Statistics Section of the Health Division. Mr. Robinson moved DO PASS on A.B. 174, seconded by Mr. Marvel. Motion carried unanimously with Mr. Hickey absent.

A.B. 272 Makes appropriation for working capital for the Nevada Magazine.

Chairman Bremner directed the committee's attention to A.B. 272 which appropriates \$50,000 to Nevada Magazine for operating capital. Mr. Horn moved DO PASS on A.B. 272, seconded by Mr. Vergiels. Motion unanimously carried with Mr. Hickey absent.

A.B. 316 Makes appropriation for electronic scales for state mailrooms in Carson City and Las Vegas.

Chairman Bremner directed the committee's attention to A.B. 316 which makes an appropriation for electronic scales for the Carson City and Las Vegas state mailrooms.

Mr. Bergevin moved DO PASS on A.B. 316, seconded by Mr. Glover. Motion carried unanimously with Mr. Coulter and Mr. Hickey absent.

A.B. 319 Makes supplemental appropriation for the child welfare program.

Chairman Bremner directed the committee's attention to A.B. 319. Mr. Robinson moved DO PASS on A.B. 319, seconded by Mrs. Hayes.

Mr. Vergiels pointed out that it was his opinion that these agencies in the Human Resources Department in the future will have to adhere to the budget constraints imposed by the Legislature.

Motion to DO PASS on A.B. 319 carried unanimously with Mr. Coulter absent.

A.B. 334 Makes supplemental appropriation to pay medical bills of recipients of public welfare.

Chairman Bremner directed the committee's attention to A.B. 334 which appropriates \$13,641,407 a supplemental appropriation to the State Welfare Division. Motion to amend A.B. 334 to read \$13,479,000 was made by Mr. Glover and seconded by Mr. Hickey. Motion carried unanimously.

Mr. Hickey moved DO PASS AS AMENDED of A.B. 334, seconded by Mr. Glover.

Mr. Brady said that it was his impression that at some point the state agencies have to learn to live within their budgets as directed by the Legislature.

Chairman Bremner said that the subcommittee on Human Resources is taking a close look at eligibility, unnecessary services and will attempt to impose caps on spending in these programs in the future.

Motion DO PASS AS AMENDED of A.B. 334 carried with Mr. Horn voting NO.

S.B. 277 Makes supplemental appropriation to youth services division of department of human resources.

Chairman Bremner directed the committee's attention to S.B. 277 which appropriates \$4,733 as a supplemental appropriation to the Youth Services Division of the Department of Human Resources. Mr. Brady said he would vote no on this requested appropriation because it was his opinion that if this money were not appropriated, the agency would find the money by making cuts or adjustments in their budget.

Mr. Glover moved DO PASS of S.B. 277, seconded by Mr. Hickey. Motion carried with Mr. Horn, Mr. Bergevin, Mr. Marvel and Mr. Brady voting NO.

'26/81 S.B. 305 Makes appropriation from state general fund to legislative  
page 10 fund for increased dues to Council of State Governments.

Chairman Bremner directed the committee's attention to S.B. 305 which increases the dues to \$2,200 for the Council of State Governments. Mr. Vergiels moved DO PASS of S.B. 305, seconded by Mr. Marvel. Motion approved unanimously.

A.B. 354 Retains earned interest in fund for industrial development of small counties and facilitates allocation.

Chairman Bremner directed the committee's attention to A.B. 354 which retains earned interest in the Fund for Industrial Development for industrial development of small counties. Mr. Vergiels moved DO PASS, seconded by Mr. Bergevin. Motion carried unanimously.

Mr. Alastuey pointed out that on some of the appropriation bills heard by the committee it states that, "shall not be committed for expenditure after a certain date and reverts on that date..." He said that the Budget Office intends to administer the appropriations as it always has with reversion taking place after the specific date noted in the legislation. He requested that this request be placed in the record to avoid future audit exceptions.

Chairman Bremner adjourned the meeting at 10:35 a.m.

DATE: March 26-1981

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

Kelly Jackson

Nevada Department of Energy

BILL MORZL

NEVADA HEALTH DIVISION

PAUL COHEN

- - -

Caroline Hadley

Nevada Magazine

John G. Duvick

Wildlife Division

Warren T. Fowler

R.P.E.N.

Terry Sullivan

New State Purchasing

Bush G. Galt

Dept. of Gen. Services

F.P. PARMER

Youth Services Division

John Wilhelm

1

Doug Sever

Dept. of Education

TED SANDERS

DEPT OF EDUCATION

RICHARD F. BROWN

NEV. ASSOC. SCH. ADM.

DOUGLAS BYINGTON

NEV. ASSOC. OF SCH ADM.

PAUL FINK

PURCHASING

PETE ZADTA

DMV HIGHWAY PATROL



ROBERT LIST  
GOVERNOR

STATE OF NEVADA  
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NOEL A. CLARK  
DIRECTOR

February 24, 1981

To: Assembly Ways & Means Committee

From: Noel A. Clark

Subject: Summary State Building Audit/Retrofit Program

The 60th Session of the Nevada Legislature appropriated \$250,000 to be used "to economize the use of energy in state facilities." Pursuant to the terms of S.B. 509 the expenditure of the aforesaid appropriation is conditioned upon prior approval of specific projects by the Interim Finance Committee.

The Nevada Department of Energy (NDOE), in conjunction with the State Public Works Board (PWB) and the Department of General Services, determined that a three step approach should be used to identify conservation opportunities:

1. Review energy consumption of all state facilities and develop an energy utilization index for each.
2. Select those buildings which appear to offer the greatest potential for energy savings for full scale energy audits.
3. Conduct full scale energy audits of selected buildings to identify the conservation measures which should be recommended to the Interim Finance Committee.

Based upon the results of Step 1 the following structures have been selected for detailed analysis:

EXHIBIT A

Phase I

1. Governor's Mansion  
606 Mountain Street  
Carson City, NV 89701
2. Department of Motor Vehicles  
555 Wright Way  
Carson City, NV 89710
3. Department of Motor Vehicle  
305 Galletti Way  
Reno, NV 89502
4. Department of General Services  
Printing Division  
301 South Stewart Street  
Carson City, NV 89710
5. Department of Human Resources  
620 Belrose Street  
Las Vegas, NV 89107
6. Department of Motor Vehicles  
Highway Patrol Division  
215 E. Bonanza Road  
Las Vegas, NV 89101
7. Las Vegas Mental Health Center  
6161 West Charleston Boulevard  
Las Vegas, NV 89102

Phase II

8. Department of Prisons  
Northern Nevada Correctional Center  
Medium Security  
Carson City, NV
9. Department of Human Resources  
Nevada Mental Health Institute  
Galletti Way  
Reno, NV 89502
10. Department of Human Resources  
Youth Services Division  
Nevada Youth Training Center  
Elko, NV

The energy audit of the Governor's Mansion was performed by the NDOE. Contracts to perform audits of buildings 2 through 10 were executed with three engineering firms. Those audits have been completed.

As a result of the engineering analyses that were performed of the Governor's Mansion and the other state facilities the NDOE recommended and the Interim Finance Committee authorized the following expenditures:

1.	Governor's Mansion 606 North Mountain Street Carson City, NV 89701			
		1st yr. Savings	Cost	Simple pay-back
	a. Insulate all hot water pipes in crawl space	\$ 2,620	\$ 4,000	1.5 yrs.
	b. Install electric water heater for use in summer only (110°F)	475	1,300	2.7 yrs.
	c. Increase attic insulation to min R-30	1,394	2,400	1.7 yrs.
	d. Install R-19 insulation and operable vents on foundation walls	452	2,100	4.7 yrs.
	e. Install individual thermostat controls for each room	1,300	3,100	2.4 yrs.
	f. Contingency fee		675	
	g. Inspection fee		725	
	Sub-Totals	\$ 6,241	\$14,300	2.3 yrs.
2.	Department of Motor Vehicles 555 Wright Way Carson City, NV			
	a. Install equipment to shut off heating, ventilation and air conditioning (HVAC) systems when building is unoccupied	\$21,150	\$14,300	.7 yrs.

	1st yr. Savings	Cost	Simple pay-back
b. Repair and maintenance of existing HVAC systems	\$ 5,300	\$ 5,500	1.1 yrs.
c. Install new controls to reheat system	2,700	7,500	1.2 yrs.
d. Install individual light switches and replace existing fixtures with high efficiency units	7,150	8,500	1.2 yrs.
e. Design, Inspection, Advertising, and Contingencies		6,400	
Sub-totals	\$36,300	\$36,400	1.0 yrs.
3. Department of Motor Vehicles 305 Galletti Way Reno, NV			
a. Install new low leakage air dampers to reduce outside air requirements	4,600	4,125	.9 yr.
b. Retrofit radio dispatch room on a separate zone	700	3,460	5.0 yrs.
c. Install equipment to more closely match indoor and outdoor temperatures	1,650	5,470	3.3 yrs.
d. Separate HVAC system for garage from other parts of the building	1,000	2,125	2.1 yrs.
e. Install an energy management systems	12,400	18,820	1.5 yrs.
f. Design, inspection, advertising and contingencies		7,100	
Sub-Totals	\$20,350	\$41,100	2.0 yrs.

4. Department of General Services  
 Printing Division  
 301 South Stewart Street  
 Carson City, NV

	1st yr. Savings	Cost	Simple pay-back
a. Install controls to shut off HVAC when building is unoccupied	\$18,900	\$10,000	.5 yr.
b. Install controls to more closely match HVAC system output with heating and cooling requirements	7,100	5,500	.8 yr.
c. Enclose loading dock	2,000	11,500	5.7 yrs.
d. Design, inspection advertising and contingencies		5,900	
Sub-Total	\$28,000	\$32,900	1.2 yrs.
Total	\$90,891	\$124,700	1.4 yrs.

In addition the NDOE has identified a variety of conservation opportunities in the other state facilities that were audited. The annual energy savings that would result from completing those measures total nearly \$500,000. The estimated cost to implement those measures is estimated at \$1,725,000, which gives a simple pay-back of 3.45 years. Once the best alternatives have been identified the NDOE will make recommendations regarding the use of the remaining \$140,000. It is obvious, however, that additional funding is needed to implement the measures that cannot be implemented with the funds that are available. Furthermore, the additional appropriation may be used to improve the energy efficiency of buildings that have not as yet been audited.



COMPARISON OF REVENUE TO PROPOSED EXPENDITURES FOR 1981-82  
(WITH 1.5¢ LOCAL SCHOOL SUPPORT TAX WITHIN BASIC SUPPORT &  
59.7¢ AD VALOREM LEVY WITH FACTORED ASSESSED VALAUATION)

Counties	Projected Budget	Revenue (with above elements)	Percent of Budget	Difference
Carson City	\$ 13,028,866	\$ 12,517,107	96 %	\$ ( 511,759)
Churchill	5,966,962	5,668,133	95 %	( 298,829)
Clark	183,715,678	182,316,063	99 %	(1,399,615)
Douglas	9,224,651	9,820,728	106 %	596,077
Elko	9,929,516	9,409,181	95 %	( 520,335)
Esmeralda	455,635	687,290	151 %	231,655
Eureka	1,124,891	1,194,490	106 %	69,599
Humboldt	5,059,947	5,041,033	100 %	( 18,914)
Lander	2,852,595	2,873,450	101 %	20,855
Lincoln	2,948,275	2,772,189	94 %	( 176,086)
Lyon	7,132,721	6,730,416	94 %	( 402,305)
Mineral	3,371,535	3,126,523	93 %	( 245,012)
Nye	5,754,609	6,874,602	119 %	1,119,993
Pershing	2,104,172	1,953,836	93 %	( 150,336)
Storey	1,018,704	925,450	91 %	( 93,254)
Washoe	71,547,937	73,267,109	102 %	1,719,172
White Pine	4,247,424	3,998,068	94 %	( 249,356)
<b>Totals</b>	<b>\$ 329,484,118</b>	<b>\$ 329,175,668</b>	<b>100 %</b>	<b>\$ ( 308,450)</b>