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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  
Heber Hardy, Commissioner, Public Service  
Commission  
Larry Struve, Chief Deputy Attorney General  
Ernest Adler, Deputy Attorney General  
Ken Smith, Chief Auditor, Public Service  
Commission

Chairman Bremner called the meeting to order at 7:00 a.m.

PUBLIC SERVICE COMMISSION

Mr. Heber Hardy, Commissioner, appeared on behalf of this revised budget, a copy of which is attached as EXHIBIT A. Mr. Hardy also presented a Schedule of Existing Classified Positions requested to be Unclassified (EXHIBIT B), and a document covering Major Increased Expense Items (EXHIBIT C).

Mr. Hardy said he has previously told the committee the Commission would seek to hire its own legal counsel as opposed to having Deputy Attorneys General assigned. Since that time, A.B. 473, which has been passed by the Assembly, does permit the PSC to hire its own legal counsel. Thus, Mr. Hardy continued, this budget has been revised to include the position of legal counsel in the payroll and salary category.

Mr. Hardy called the committee's attention to two inadvertent errors in this revised budget: (1) the Manager of Transportation Regulations position on page 2 should have a U beside it as it is PSC's intention to have the position unclassified; (2) under new positions, the Director of Regulatory Operations, the agency request should reflect \$44,000 for the first year, and under agency request for 1982-83, the figure should be \$48,400. Mr. Hardy referred to a detailed narrative previously supplied the committee (at the February 24, 1981 hearing) on the Commission's proposed reorganization, the reasons for unclassification of many positions, and the justification of salary levels for the unclassified positions.

While the proposed revised budget (EXHIBIT A) has not been specifically acted upon by the Budget Director or the Governor, Mr. Hardy said the Governor recommends columns were primarily taken from the two budgets originally submitted. The only items not specifically reviewed by the Budget Division are the salaries for the Legal Counsel, Assistant Legal Counsel and the Legal Researcher, all listed under New Positions.

Mr. Hardy called the committee's attention to the management consultant report of Cresap, McCormick and Paget Inc., which is the source of many of the recommended changes the PSC is requesting in its revised budget. Mr. Hardy requested permission to read excerpts from the report in order that the committee might have the background of certain requests.

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The first such excerpt stated, "Continued, indeed accelerated development of the capabilities and resources of the PSCN, is, therefore, clearly warranted; fundamental - rather than incremental - improvement and progress are likely to be required to enable the Commission to keep pace with its rapidly changing environment."

From Section III, page 13, Mr. Hardy quoted, "As in many states, Nevada's Administrative Procedures Act precludes ex parte communication between a Commissioner and a member of the regulatory staff who is involved in the case... and it often serves to isolate the Commissioners from access to technically knowledgeable staff." Mr. Hardy continued reading, "Similarly, the application and rigorous interpretation of Nevada's Open Meeting Law has had the effect of undermining the Commission concept".

Mr. Hardy said the reason for quoting those particular sections of the report was the PSC's request for four major positions under the Commission support staff as opposed to the regulatory operation staff. The positions are two financial analysts, one utility operations and rate specialist, and one public education and statistical analyst.

Because of the Open Meeting Law, Mr. Hardy said the commissioners cannot communicate with each other outside of an open meeting or at the decision-making meeting. Also, under the Administrative Procedure Act, the commissioners cannot have conversations or communications with any staff member who is working on a particular case. The four positions, as a support staff, would analyze a case when it is first filed, assist in evaluation of the testimony and evidence presented and file a brief on the issues so that the commissioner is totally aware of all aspects of the case. The Cresap report does not suggest those particular positions but suggested hiring outside consultants on a case-by-case basis to assist the Commission in this area. Mr. Hardy expressed the opinion that it would be too expensive to contract consultants for the amount of time they were needed.

Further quoting from the Cresap report, Mr. Hardy read, "The single, most evident weakness in present PSCN staff arrangements is the absence of a clear focal point for leadership, direction, and management of the staff". Mr. Hardy said PSC was proposing to correct this weakness by placing the regulatory operations staff under the direction and supervision of the Director of Regulatory Operations. The commission would direct the support staff only.

Mr. Hardy commented that the Cresap report indicates that while they prefer the merit system, because of the problems the PSC has had in obtaining qualified applicants at the salary levels offered by classified service, they made a strong recommendation that all Commission management and professional positions be unclassified. Mr. Hardy referred to the fact that two years ago the Ways and Means Committee and the legislature unclassified the entire audit department which resulted in a phenomenal improvement in that department.

Continuing to the area of salary ranges, Mr. Hardy quoted from the Cresap report as follows, "Salary ranges set for all PSCN exempt positions should be sufficient to both: (1) render the compensation offered competitive under present market conditions for professional staff, and (2) incorporate a realistic projection of inflation levels over the next biennium". The report then suggests that the level for Commissioners should be above the \$40,000 level in 1980 dollars and, "base salary levels of up to \$40,000 (in 1980 dollars) should be established for the positions of Deputy Commissioner and Director of Regulatory Operations".

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The salaries requested in the budget for Commissioners, Deputy Commissioner and Director of Regulatory Operations are base upon this recommendation, Mr. Hardy stated. These salaries were arrived at by taking a 10 percent inflation factor and recommending a salary of \$44,000 for the Deputy Director and Director of Regulatory Operations and adding 5 percent above those for Chairman of the Commission for a total of \$46,200 and a 2½ percent differential for the Commissioners for a salary of \$45,100.

Mr. Hardy further stated that a survey of 11 states conducted by the Personnel Division indicated that the salary of the Chairman of the Nevada PSC is second from the lowest. In Utah, the salary for the Chairman was \$48,000 for 1980, or \$13,600 more than the salary of the Chairman in Nevada. Oregon also paid its Chairman over \$13,000 more than Nevada in 1980. Mr. Hardy said that the Governor was experiencing difficulties in filling the vacancy of Chairman of the Commission and it was his opinion that part of the reason is the inadequate salary for this position of responsibility.

Mr. Hardy discussed the requested new position of Public Education Statistical Analyst and the importance of such a position in developing better public relations for the Commission. The Cresap report recommended this be a half-time position, but the Commission feels it should be full time if it is to be effective. The Cresap report also made a strong recommendation that the Commission enlarge the area of computer service use which accounts for the request for a Data Processing Systems Analyst. The duties and responsibilities of other positions were discussed and explained by Mr. Hardy. He stressed the importance of adequate salaries to retain competent personnel in view of the competitive salaries offered by the utilities. The salary requested for Staff Counsel is on the same level as that approved for the Consumer Advocate and Mr. Hardy expressed the opinion that Staff Counsel had far greater responsibilities than the Consumer Advocate. He urged the committee not to set a lower salary for Staff Counsel than that given to the Consumer Advocate.

In discussing the four positions of Consumer Service Representative, Mr. Hardy said that while the Commission was requesting these be unclassified, if that presents a problem for the committee they could remain as classified employees. However, Mr. Hardy strongly recommended that the Office Manager Consumer Representative, Las Vegas, be unclassified since that is a managerial position. Chairman Bremner informed Mr. Hardy that he did not believe the committee had any problem with unclassifying positions.

Mr. Hardy turned to the area of out-of-state travel and the increased amount requested. (See Page 1 of EXHIBIT C). He said that there is a national association for Commission employees and they do belong to working committees of the association. Since there is no college training for public service commission employees, they must rely on seminars and workshops to obtain this training. The lack of funds for out-of-state travel has limited this activity. Commissioners are also involved in the national association as well as regional, and Mr. Hardy said these meet only on a very limited basis. He strongly recommended that out-of-state travel be increased to \$27,450.

The increased amount for contractual services and other contract services is necessitated by inflation, increased number of rate cases and other added expenses (as explained on Pages 6 and 7 of EXHIBIT C), Mr. Hardy said. He also said it was necessary to receive permission from Interim Finance to transfer funds into the contract services account since it was overspent in this category during the current biennium.

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In response to Chairman Bremner's request for an explanation of the increase in the other building rent request, Mr. Hardy said additional space was required to accommodate the Carson City staff and no space was available in state-owned buildings. He believed that commercial space would cost approximately \$1 per square foot. (See Page 8, EXHIBIT C). Chairman Bremner stated that the Tax Commission had obtained space at .85 cents per square foot for a 5-year lease in a commercial building.

Mr. Hardy then discussed employee transfer and moving costs as shown on page 9 of EXHIBIT C.

Mr. Robinson referred to Appendix B of the Cresap report which had to do with the potential impact of a Consumer Advocate on the Commission and said it appeared that the Consumer Advocate might be in a more adverse position to the Commission than it would be to the utilities. He asked Mr. Hardy how many of the 16 new positions requested were the result of the creation of a Consumer Advocate. Mr. Hardy said that none were the direct result but some might be considered to be the indirect result. He further said any future increase in the budget would depend on inflation and increased work load, but it was his feeling that this budget would be the basic structure for many years to come and that as far as restructuring or reorganization, this budget should hopefully stand for a number of years.

Mr. Hardy stated that under the Open Meeting Law no two members of the Commission could have any communication with each other regarding any matter which is pending before them.

Chairman Bremner expressed the hope that the Consumer Advocate and the Commission would work together and work toward the same goal. He did not agree with Mr. Hardy that the Consumer Advocate was more or less in an adversary position.

#### OFFICE OF CONSUMER ADVOCATE

Mr. Larry Struve, Chief Deputy Attorney General, presented the proposed budget for the Consumer Advocate, a copy of which is attached as EXHIBIT D. Mr. Struve said the the Attorney General's office had been requested by a subcommittee of the Government Affairs Committee to work with them on A.B. 473 which creates the office of Consumer Advocate in the Attorney General's office. Mr. Struve explained that the proposed budget was developed with the cooperation of the Fiscal Analysis Division, the Attorney General, and the Public Service Commission and has been tentatively approved by the Government Affairs subcommittee.

Mr. Struve pointed out that the budget must provide for adequate funds to attract people who have the necessary expertise and background to effectively represent consumers before the Public Service Commission. If a budget is established with salaries too low, people with the requisite background and qualifications probably cannot be attracted and that will reduce the effectiveness of the office, according to Mr. Struve.

Accordingly, Mr. Struve continued, the professional salaries which are shown in EXHIBIT D have been developed based on salaries that the Public Service Commission has requested for their staff and it was the opinion of the subcommittee that the Consumer Advocate's office should be able to compete with the PSC in attracting talent to effectively represent consumers in the proceedings.

Mr. Struve further pointed out that the effectiveness of consumer advocacy will be directly reflective of the amount of money made available for consultants. The cases basically involve the presentation of expert testimony and a staff is needed to put the case together, assemble charts, exhibits and complex testimony which will be presented, but then, Mr. Struve said, the experts themselves will go on the witness stand.

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Expert witness fees and consultants have been estimated at \$150,000 in EXHIBIT D and this is a critical part of a Consumer Advocate's budget. Mr. Struve said the financing for this budget would come from a mill tax as A.B. 473 would authorize the assessment by the Public Service Commission of a 3/4 mill tax which will raise sufficient revenues to fund the budget. He further stated that for the two months remaining in this fiscal year, a \$200,000 appropriation is contained in A.B. 473 which is in the nature of a loan. It would go to the Treasury and they would establish a fund which would be paid back by March 30, 1983. It is estimated that the 3/4 mill tax will raise over \$529,000 in 1981-82 and \$608,000 in 1982-83, Mr. Struve said, and any excess funds would be placed in a contingency fund which could be allocated for additional expenditures.

Chairman Bremner told Mr. Glover that in the future this budget would be included in the Attorney General's budget. Mr. Struve said building space is being sought to house the agency and the staff would not be combined with PSC staff.

The salary of the Staff Attorney position was discussed by Mr. Coulter and Mr. Struve, and Mr. Struve commented that the staff attorney position was to be comparable to what the Public Service Commission said they felt a staff attorney with considerable experience should be getting. He believed the salary would have to be higher than normal entry positions in order to obtain an experienced attorney. He told Mr. Rhoads that an attorney would be given the highest preference for the Director's position but it would be difficult to find an attorney in Nevada with utility experience. It was not written into the law that this position must be an attorney so that the Attorney General might have flexibility, but the intent of the subcommittee clearly was that preference should be given to an attorney, Mr. Struve said.

Mr. Struve assured Mr. Bergevin that any individual hired a Director would have considerable experience in utilities and rate-making, regardless of whether he was an attorney. Mr. Bergevin asked if Mr. Struve considered the Consumer Advocate as an adversary to the PSC. Mr. Struve replied in the negative and said the concept is that the Public Service Commission sits as an independent arbitrator and the function of the Consumer Advocate is to determine what the requests for rate increases are or the other relief that the utilities want and to examine them to see that they are based on the law and present findings to the Commission so it will have proper evidence on both sides.

In response to Mr. Rhoads' question, Mr. Struve said he did not believe the Consumer Advocate's office would present a problem by terrific growth or mushrooming of the staff and the agency would be reviewed every 2 years. He further said the budget process would determine the size of the staff.

Mr. Glover asked if the Consumer Advocate would have the ability to intervene in other states. Mr. Struve said it would have the legal ability to intervene in other states but the extent to which it could intervene will depend upon the financial resources available.

A.B. 457: Provides for reversion to state general fund of prior appropriation made to attorney general.

Mr. Stuve said this appropriation was made to the Attorney General's office in 1973, and at that time there were a number of lawsuits being filed against the State of Nevada arising out of actions of the Tahoe Regional Planning Agency.

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He further said that apparently there is a large sum of money left in this account which was to be available should such litigation proceed and result in some contingent liabilities. Since there has been no activity in this budget and only one case is currently active, Mr. Struve said he did not anticipate there is going to be a need for this money unless there are additional suits based on the new compact. The Attorney General recommends that the money be reverted.

In a totally unrelated matter, Mr. Struve said he was requesting a deputy attorney general, Mr. Ernest Adler, who is assigned to the Department of Prisons and who has been involved in the recent activities of Craig V. Hocker, to pass out a memorandum in this regard. A copy of this memorandum is attached as EXHIBIT E, and explains Mr. Struve's request.

Mr. Horn referred to the Inmate Welfare Fund and asked why this fund could not be attached and let the prisoners pay these attorney fees over a period of time. Mr. Struve suggested this would take a finding of the court that such funds were attachable for attorneys fees awarded against the state and he would strongly advise the committee to ascertain if such procedure were legally feasible.

Mr. Glover asked who would go to jail if the money was not appropriated. As a speculative answer, Mr. Struve said the first named defendant was the former Warden Hocker, so he assumed the successor to Mr. Hocker could be called into court and members of the Prison Board. He further told Mr. Glover there had been no request for interest on the \$77,680 at this time.

Mr. Glover asked if Washoe Legal Aid receives state funds. Mr. Adler said that the state did not give a direct appropriation to Washoe Legal Services; however, there is a filing fee provision in Nevada wherein all legal aid service organizations are entitled to a certain portion of the filing fees and he believed Washoe Legal Services received filing fees of between \$35,000 to \$40,000 a year. Mr. Adler said that a bill in Assembly Judiciary deals with the problem of the state funding a program and then being sued by the same program for attorneys' fees. Mr. Adler said Washoe Legal Services received federal funds, filing fee funds and some charitable contributions.

Mr. Struve said that the Attorney General had corresponded with Nevada's Congressional Delegation asking that the double-dipping possibilities that have been created by the Federal Attorneys' Fee Bill be reviewed so that double-dipping can be prevented.

Mr. Hickey said he would like to receive justification for the attorneys' fees and also any procedures that could be taken to appeal the District Court's decision. Mr. Adler said the appeal question has already been resolved since the only grounds for appeal was double-dipping. He told Mr. Hickey he would give him a copy of the legal opinion in this regard.

Mr. Bergevin moved DO PASS A.B. 457. Seconded by Mr. Rhoads and carried unanimously.

The meeting was adjourned at 9 a.m.

PUBLIC SERVICE COMMISSION REGULATORY FUND - 3920

(Revised 4/07/81)	1979-80 Actual	1980-81 Work Program	-----1981-82-----			-----1982-83-----		
			Agency Request	Governor Recommends	Legislature Approved	Adj. Agency Request	Governor Recommends	Legislature Approved
Highway Appropriation	476,288	462,023	337,621	337,621		367,248	367,248	
Bal Fwd from old yr	1,226,897	1,132,463	1,132,463	1,132,463		560,068	501,951	
Bal Fwd to New year	(1,132,463)							
Excess property sales	456							
Refunds	13,492	2,353						
PSC Reg. Assessments	1,250,564	1,409,492	2,293,906	2,293,906		2,840,915	2,840,915	
PSC Application Fees	23,791	23,000	24,000	24,000		26,000	26,000	
PSC Taxi Cab Fees	11,502	9,000	11,500	11,500		13,000	13,000	
Federal Funds	14,080							
Federal Gas Pipeline Safety	15,873	21,452	15,800	15,800		17,000	17,000	
Xerox Service Fees	1,567	1,400	1,600	1,600		1,600	1,600	
Tow Truck License Fees	11,955	10,000	12,000	12,000		12,000	12,000	
Warehouse Permit Fees	515	700	500	500		500	500	
Federal Railroad Safety		15,998	14,670	14,670		15,118	15,118	
PURPA Program	100,000	200,000	182,700	182,700		182,700	182,700	
<b>Total Funds Available</b>	<b>\$ 2,014,517</b>	<b>\$ 3,287,881</b>	<b>\$ 4,026,760</b>	<b>\$ 4,026,760</b>		<b>\$ 4,036,149</b>	<b>\$ 3,978,032</b>	

Existing Positions

Chairman	U	1.00	34,815	1.00	46,200	42,522	1.00	50,820	42,522
PSC Commissioner	U	1.00	33,233	1.00	45,100	41,610	1.00	49,610	41,610
PSC Commissioner	U	1.00	33,233	1.00	45,100	41,610	1.00	49,610	41,610
Dpty Commissioner	U	1.00	31,650	1.00	44,000	36,081	1.00	48,400	36,081
Admin. Asst	U	1.00	21,100	1.00	24,265	24,054	1.00	26,692	24,054
Admin Asst	U	1.00	21,100	1.00	24,265	24,054	1.00	26,692	24,054
Admin Asst	U	1.00	20,256	1.00	24,265	24,054	1.00	26,692	24,054
Senior Auditor	U	1.00	30,384						
Financial Analyst	U			1.00	34,942	34,638	1.00	38,436	34,638
Elect. Engineer III		1.00	19,251						
Util. Oper & Rate Spec.	U			1.00	34,942	34,638	1.00	38,436	34,638
Sec-Admin Officer		1.00	29,267						
Asst. Comm Secretary		1.00	19,251	1.00	19,251	19,251	1.00	19,251	19,251
Mgmt. Asst III		1.00	16,458	1.00	16,461	16,461	1.00	16,797	16,797
Prin. Clerk Steno		1.00	12,588						
Mgmt. Asst I				1.00	13,161	13,161	1.00	13,737	13,737
Senior Legal Steno		1.00	11,867	1.00	12,398	12,398	1.00	12,962	12,962
Tariff Clerk		1.00	13,405	1.00	16,745	16,745	1.00	16,797	16,797
Staff Counsel	U	1.00	26,375	1.00	40,280	39,930	1.00	44,308	39,930
Ass't Staff Counsel	U	1.00	25,320	1.00	34,942	34,638	1.00	38,436	34,638
Mgr. Consumer Services	U	1.00	24,001	1.00	30,800	30,532	1.00	33,880	30,532

PUBLIC SERVICE COMMISSION REGULATORY FUND - 3920

	1979-80	1980-81	-----1981-82-----			-----1982-83-----		
	Actual	Work Program	Agency Request	Governor Recommends	Legislature Approved	Adj. Agency Request	Governor Recommends	Legislature Approved
Senior Accountant	1.00	22,768	1.00	23,168	23,168	1.00	23,168	23,168
Account Clerk	1.00	9,718	1.00	10,142	10,142	1.00	10,573	10,573
Management Asst. II	1.00	15,346	1.00	15,346	15,346	1.00	15,346	15,346
Sub-Total		471,386		555,773	535,033	600,643	536,992	
Mgr. Transp. Reg. U	1.00	26,639	1.00	30,635	30,369	1.00	33,699	30,369
Inspector PSC	2.00	43,224	2.00	42,220	42,220	2.00	42,220	42,220
RR Safety Inspector	1.00	16,372	1.00	17,134	17,134	1.00	17,935	17,935
Util. Rate/ Tariff Sp. U	1.00	26,639	1.00	27,912	27,670	1.00	30,703	27,670
Mgr. Engineering Serv. U	1.00	34,620	1.00	40,280	39,930	1.00	44,308	39,930
Elect Engin. III	2.00	54,555						
Engineer - Comm U			1.00	34,942	34,638	1.00	38,436	34,638
Engineer - Elect. U			1.00	34,942	34,638	1.00	38,436	34,638
Mechanical Eng.	1.00	26,639						
Engineer - Water			1.00	34,942	34,638	1.00	38,436	34,638
Gas Util. Engineer	1.00	26,639						
Eng. - Gas Pipeline Safety U			1.00	34,942	34,638	1.00	38,436	34,638
Consumer Serv. Rep	2.00	36,127						
Consumer Serv. Rep Tr	1.00	16,952						
Consumer Serv. Rep	1.00	16,258						
Consumer Serv. Rep U			4.00	100,000	99,132	4.00	110,000	99,132
Mgr. Audit Fin. Serv. U	1.00	35,026	1.00	40,280	39,930	1.00	44,308	39,930
Auditor - PSC U	9.00	248,769	9.00	286,083	283,599	9.00	314,694	283,599
Senior Auditor PSC U	4.00	121,536	4.00	139,768	138,552	4.00	153,744	138,552
Senior Legal Steno	1.00	13,941	1.00	14,583	14,583	1.00	15,251	15,251
Managment Asst I	5.00	61,738	5.00	60,464	60,464	5.00	62,532	62,532
Supervising Admin Aid	1.00	14,032	1.00	14,032	14,032	1.00	14,032	14,032
Admin Aid II Range B	1.00	9,495	1.00	9,904	9,904	1.00	10,338	10,338
Admin Aid II Range A	2.00	18,719	2.00	19,532	19,532	2.00	20,370	20,370
Transp. Rate Spec.	1.00	16,797	1.00	18,396	18,396	1.00	19,251	19,251
Economist - PSC	1.00	28,962						
Economist - U			1.00	37,500	37,174	1.00	41,250	37,174



PUBLIC SERVICE COMMISSION REGULATORY FUND - 3920

	1979-80	1980-81	-----1981-82-----			-----1982-83-----		
	Actual	Work Program	Agency Request	Governor Recommends	Legislature Approved	Adj. Agency Request	Governor Recommends	Legislature Approved
<u>Deleted Positions</u>								
Utility Officer	1.00	34,271						
Sr. Aviation Inspector	1.00	23,168						
Deprec. Eng. III	1.00	26,639						
Sr. Management Analyst	1.00	19,251						
<u>Transfer ro 4717 DMV</u>								
M/C Inspector	6.00	117,464						
Sub-totals	\$1,287,350	71.00						
<u>New Positions</u>								
Financial Analyst U			1.00	34,942	34,638	1.00	38,436	34,638
Public Educ/Stat. Anal U			1.00	28,600	28,351	1.00	31,460	28,351
Dir. of Reg. Operations U			1.00	45,100 <i>44,000</i>	41,610	1.00	49,610 <i>48,400</i>	41,610
D.P. Systems Analyst U			1.00	37,500	37,174	1.00	41,250	37,174
Manager Admin Svcs U			1.00	33,657	33,365	1.00	37,023	33,365
Manager Rates & Tariff U			1.00	36,689	36,370	1.00	40,358	36,370
Asst. Staff Counsel U			1.00	34,942	34,638	1.00	38,436	34,638
Senior Analyst U			1.00	31,787	31,511	1.00	34,966	31,511
Consumer Rep - CC U			1.00	25,000	24,783	1.00	27,500	24,783
Off. Mgr. Cons. Rep. LV U			1.00	26,250	26,022	1.00	28,875	26,022
Eng. Tech. V			1.00	16,053	16,053	1.00	16,797	16,797
Eng. Tech. IV			1.00	14,677	14,677	1.00	15,346	15,346
Management Asst III			1.00	12,284	12,284	1.00	12,842	12,842
Legal Counsel U			1.00	39,930	39,930	1.00	39,930	39,930
Asst. Legal Counsel U			1.00	34,638	34,638	1.00	34,638	34,638
Legal Researcher U			1.00	17,000	17,000	1.00	17,000	17,000
Sub-Total Payroll				\$2,063,313	\$2,029,250		\$2,233,489	\$2,038,844

PUBLIC SERVICE COMMISSION REGULATORY FUND - 3920

	1979-80 Actual	1980-81 Work Program	-----1981-82-----			-----1982-83-----		
			Agency Request	Governor Recommends	Legislature Approved	Adj. Agency Request	Governor Recommends	Legislature Approved
Industrial Insurance	10,207	24,269	40,590	40,585		49,547	45,874	
Retirement	101,437	126,068	162,313	162,340		176,169	163,107	
Personnel Assessment	11,101	13,397	17,246	3,653		18,718	3,670	
Group Insurance	34,471	54,672	68,376	69,603		74,844	76,049	
Payroll Assessment CLA	4,475	5,515	7,101	4,667		7,708	4,689	
Retirement Group Ins.			---	2,435		---	2,447	
Unemployment Comp.	3,202	3,940	5,073	8,523		5,505	8,563	
Overtime Pay (non Holiday)	193							
Unallocated Salary		1,948						
Salary Adjust Need		( 30,614)						
Terminal Sick Pay	3,000							
Terminal Annual Leave	14,567							
Communication Exp	219							
Salary Adj. Res Non G.F.			70,804	171,877		73,560	277,894	
Longevity Pay	6,650	7,964	7,939	7,939		8,952	8,952	
<b>Total Salary - Payroll</b>	<b>\$1,476,872</b>	<b>\$1,783,017</b>	<b>\$2,442,755</b>	<b>\$2,500,872</b>		<b>\$2,648,492</b>	<b>\$ 2,630,089</b>	
<b>Total Out-of-State Travel</b>	<b>11,863</b>	<b>13,500</b>	<b>27,450</b>	<b>27,450</b>		<b>30,195</b>	<b>30,195</b>	
<b>Total In-State Travel</b>	<b>77,568</b>	<b>90,000</b>	<b>82,580</b>	<b>82,580</b>		<b>90,838</b>	<b>90,838</b>	
Off Supplies & Expense	7,347	5,926	9,829	9,829		10,812	10,812	
Operating Supplies	8,177	8,492	10,939	10,939		12,033	12,033	
Communication Expense	34,280	29,897	43,471	43,471		44,082	44,082	
Print Duplicating Copy	13,238	15,685	17,348	17,348		19,083	19,083	
Insurance Expense	1,316	1,352	1,651	1,651		1,796	1,796	
Contractual Services	115,942	178,278	200,000	200,000		200,000	200,000	
Other Contract Service	19,074	11,855	55,938	55,938		47,255	47,255	
Legal and Court Expense	96,942	87,951	38,773	38,773		41,282	41,282	
State Owned bldg rent	67,484	65,258	11,477	11,477		13,199	13,199	
Other bldg. rent	1,219	143	216,000	216,000		248,400	248,400	
Maint of bldg & grnds	1,408	500	1,724	1,724		1,896	1,896	
EDP Sys. Progr Fac. Chg.	6,153	25,600	50,820	50,820		68,790	68,790	
Other Gov't service:	1,714							
Dues & Registrations	8,089	3,894	10,736	10,736		11,810	11,810	
Employee Transfer			31,700	31,700		11,500	11,500	
<b>Total Operating Exp.</b>	<b>\$ 382,383</b>	<b>\$ 434,831</b>	<b>\$ 700,406</b>	<b>\$ 700,406</b>		<b>\$ 731,938</b>	<b>\$ 731,938</b>	

PUBLIC SERVICE COMMISSION REGULATORY FUND - 3920

	1979-80 Actual	1980-81 Work Program	-----1981-82-----			-----1982-83-----		
			Agency Request	Governor Recommends	Legislature Approved	Adj. Agency Request	Governor Recommends	Legislature Approved
Off. Furniture & Equip	30,148	3,791	15,801	15,801		2,752	2,752	
Other Furniture & Equip	29							
Specialized Equipment	2,502							
<b>Total Capital Outlay e.q.</b>	<b>\$ 32,679</b>	<b>\$ 3,791</b>	<b>\$ 15,801</b>	<b>\$ 15,801</b>		<b>\$ 2,752</b>	<b>\$ 2,752</b>	
O/S Audits		10,000	15,000	15,000		15,000	15,000	
Per Diem Out of State	2,162							
M/P Out of State	25							
Public Trans Out-of-State	406							
Personal Vehicles Out-of-State	219							
Air Trans. Out-of-State	1,934							
<b>Total for Sub Acct. 10</b>	<b>\$ 4,746</b>	<b>\$ 10,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>		<b>\$ 15,000</b>	<b>\$ 15,000</b>	
PURPA		200,000	182,700	182,700		182,700	182,700	
Per Diem Out-of-State	1,406							
M/P Out-of-State	2							
Public Trans. Out-of-State	83							
Personal Trans. Out-of-State	495							
Air Trans Out-of-State	1,906							
Per Diem in State	589							
Motor Pool in State	15							
Public Transportation	16							
Air Transportation in State	1,663							
Communication Expense	142							
Communication Expense	23							
Contractual service	20,000							
Legal and Court Expense	768							
Legal and Court Expense	323							
Other building rent	50							
Dues & Registration	925							
<b>Total for Sub Account 12</b>	<b>\$ 28,406</b>	<b>\$ 200,000</b>	<b>\$ 182,700</b>	<b>\$ 182,700</b>		<b>\$ 182,700</b>	<b>\$ 182,700</b>	
Re-classification		87,111						
Reserve		665,631	560,068	501,951		334,234	294,520	
<b>Total Agency Expenditures</b>	<b>\$2,014,517</b>	<b>\$3,287,881</b>		<b>\$4,026,760</b>		<b>\$4,036,149</b>	<b>\$3,978,032</b>	

PUBLIC SERVICE COMMISSION OF NEVADA  
 Schedule of Existing Classified Positions Requested To Be Unclassified  
 1981-83 Biennium

Position	Classified FY 1980-81	Agency Request Unclassified FY 1981-82	Agency Request Unclassified FY 1982-83
Manager Transportation Regulation	26,639	30,635	33,699
Utility Rate/Tariff Specialist	26,639	27,912	30,703
Manager Engineering Services	34,620	40,280	44,308
Engineer - Communication	26,639	34,942	38,436
Engineer - Electric	26,639	34,942	38,436
Engineer - Water	26,639	34,942	38,436
Engineer - Gas P. L. Safety	26,639	34,942	38,436
Consumer Service Rep - C.C.	20,155	25,000	27,500
Consumer Service Rep - C.C.	16,796	25,000	27,500
Consumer Service Rep - L.V.	16,952	25,000	27,500
Consumer Service Rep - L.V.	16,258	25,000	27,500
Economist	29,267	37,500	41,250

PUBLIC SERVICE COMMISSION OF NEVADA  
Major Increased Expense Items  
1981-83 Biennium

TRAVEL EXPENSE

02 - Out of State Travel

The Public Service Commission by its nature requires the Commissioners and Staff to be educated, updated, and trained in regulatory innovations used in other states. Practically all of the natural gas consumed in Nevada comes from outside the state. Electricity is produced in Nevada and some is sold to utilities outside the state. Electricity is also purchased from utilities outside the state. It is good business to keep informed and be able to discuss mutual problems with counterparts from other states at the National Association of Regulatory Utility Commissioners (NARUC) in order to do a better job here at home. The Commission hires professional experts who require continuing education courses in order to keep a valid license. Some of the meetings and courses are held in Nevada, but most are held outside the state. The budget request is very modest when compared to the benefits derived as a better informed Commission and Staff. The 1980-81 work program authorized \$13,500. We are recommending that \$27,450 be authorized for FY 1981-82 and \$30,195 for FY 1982-83.

There are 33 travelers that require out-of-state travel to keep up to date on changes in the national energy picture, new developments in rate design and power load management as well as continuing education courses. All three Commissioners have been appointed to standing committees of NARUC and require travel to participate in NARUC courses and meetings in order to keep abreast of issues and information to accomplish good regulation under their direction and to make better decisions.

03 - In State Travel.

This travel category is used for Commissioners and Staff to preside and participate in:

1. Formal hearings held in various cities in Nevada;
2. Informal conferences to solve mutual problems of utility customers, utility practices and disputes over tariff provisions;
3. Audits of utilities and motor carriers whose books and records are located in Nevada;
4. Training sessions and seminars held in Nevada; and
5. Service and complaint investigations.

10 - Out of State Travel Audit.

This account is used much like a revolving fund in that out of state travel for audits of utilities whose records are located outside the state of Nevada are charged to this account. Subsequent to the audit trip the utility is billed for almost all of the cost of travel. With all Audit Staff positions filled and with increased emphasis being placed on compliance audits, the travel funds needed may exceed the unpaid billings to utilities by larger sums. A time difference between the actual travel and money received from utility reimbursement may reasonably expected to be 90 - 120 days. Fifteen thousand dollars (\$15,000) is needed to cover temporary cost of audit travel out of state.

04 OPERATING EXPENSE

Several changes are expected in operating expense costs included in the requested budget. Some operating costs result from changes in the number of employees, inflation, necessary and specific programs, moving of Carson City

office, and generally following the recommendations in the management study. The specific request by account uses the actual expenditures for the 1979-80 fiscal year as a base. This amount may be more or less than the budget figure.

During FY 79-80 the average number of employees was 61.67. The total number of employees requested in this budget is 76 including legal counsel. For purposes of estimating a budget figure and assuming that 75 positions would be filled during FY 81-82 and FY 82-83, some of the expense balances were brought to a FY 81-82 level of 75 employees before an inflation figure of 10% was applied to each fiscal year of the biennium. A more detailed explanation of each account is as follows:

7010 OFFICE SUPPLIES

The actual expended amount for FY 79-80 was \$7,348. An equivalent expenditure was calculated based on the FY 79-80 of 61.67 average employees to the expected 75 employees resulting in a new amount of \$8,936. Then by applying an inflation factor of 10% for FY 81-82 and 82-83 the requested amounts are \$9,830 and \$10,813 respectively.

7020 OPERATING SUPPLIES

The expended amount for FY 79-80 was \$8,177. An equivalent expenditure was calculated based on the FY 79-80 average employees of 61.67, to the expected 75 employees, resulting in a new amount of \$9,944. Then by applying an inflation factor of 10% for FY 81-82 and FY 82-83 the requested amounts are \$10,938 and \$12,032 respectively.

7030 COMMUNICATION - POSTAGE

The expended amount for FY 79-80 was \$10,141. Postage expense is not comparable to the number of employees of a given period. There will be a higher number of notices of filed cases sent out to interested members of the public and also the slight chance that postage rates may increase. A 10%

increase for additional business was used for each fiscal year of the biennium. The amount requested for 1981-82 is \$11,155 and for 1982-83 is \$12,270.

7031 COMMUNICATION - TELEPHONE EQUIPMENT

The expended amount for FY 79-80 was \$12,016. Telephone equipment costs for the Commission in the new office quarters will be almost the same as presently used during the 1979-80 fiscal year. The local service cost will be \$16.00/mo. per telephone for 75 telephones plus installation costs in the new building will be \$2,000. The FY 1981-82 requested amount will be \$16,400 and for FY 1982-83 the amount will be \$14,400.

7032 COMMUNICATION - TOLL

The expended amount for FY 79-80 was \$11,180. An equivalent expenditure was calculated based on the FY 79-80 average employees of 61.67 to the expected 75 employees, resulting in a new amount of \$13,596. Then by applying an inflation factor of 10% for FY 81-82 and FY 82-83, the requested amounts are \$14,955 and \$16,450 respectively.

7040 PRINT-STATIONERY

The expended amount for FY 79-80 was \$5,734. An equivalent expenditure was calculated based on the FY 79-80 average employees of 61.67, to the expected 75 employees, resulting in a new amount of \$6,974. Then by applying an inflation factor of 10% for FY 1981-82 and FY 82-83 the requested amounts are \$7,670 and \$8,437 respectively.

7041 PRINT-COPY COST

The expended amount for FY 79-80 was \$7,234. An equivalent expenditure was calculated based on the FY 79-80 average employees of 61.67, to the expected 75 employees, resulting in a new amount of \$8,798. Then by applying an inflation factor of 10% for FY 81-82 and FY 82-83, the requested amounts are \$9,678 and \$10,645 respectively.



7060 CONTRACTUAL SERVICES

The expended amount for FY 79-80 was \$115,942. It is projected that the full budgeted amount of \$178,000 will be spent in FY 80-81. The substantial increases in utility rates and charges has resulted in a public demand that all costs as well as efficiency in operations and management be more carefully scrutinized. Therefore, it is reasonable to expect that consulting services could increase to the level of \$200,000 per year over the next two years to assist the permanent staff in fulfilling its duties.

7070, 7071 OTHER CONTRACT SERVICES

The amount expended for FY 1979-80 was \$19,074. It is projected that expenditures for FY 1980-81 will be \$31,337.

The amount requested for purchase contracts on present equipment is expected to be maintained on a five year contract at the same rate. Presently the Commission uses an IBM word processor "System 6" to recall statistical data and some of the data control material, as well as presentation of Staff exhibits, testimony and opinions and orders of the Commission. We propose to replace the "System 6" with a more efficient and greater capacity word processing unit, the "Display Writer". The costs of the separate units are comparable. Maintenance of the existing equipment including calculators and typewriters are provided for on existing units with a 10% inflation factor on maintenance contracts. During FY 1981-82 existing furniture needs renovation at a cost of \$10,000.

The amount needed for contract services for FY 1981-82 is \$55,938 and \$47,255 for FY 1982-83.

(Schedule of equipment as follows:)

7070, 7071 OTHER CONTRACT SERVICES (Continued)

The amount expended for FY 1979-80 was \$19,074 (\$18,592 + \$482).

(7070) Purchase contracts needed to be maintained for FY 1981-82 are:

1 Copier III with collator @\$780/month	\$ 9,360
4 Mag Card II @\$763/month (group	9,161
1 Two Station Display Writer @\$760/month	9,120
6 Electronic "75" Typewriters @\$344/month	<u>4,128</u>
Total Purchase Contracts	\$31,769

(7070) Maintenance agreements needed for FY 1981-82 are:

9 Selectric Typewriters @\$73.50 each/year	\$ 662
1 Copier III with Collator @\$300/month	3,600
4 Mag Card II @\$612.50 each/year	2,450
6 Electronic "75" Typewriters @\$260 each/year	1,560
1 Two station Display Writer	<u>3,700</u>
Total Maintenance (1980 rates)	\$11,972
Increase 10% for inflation	<u>1,197</u>
Total Maintenance Agreements	<u>13,169</u>
Total Purchase and Maintenance Contracts	<u>\$44,938</u>

(7071) Maintenance of Calculators

25 @\$40/year	\$ 1,000
Renovating existing furniture	<u>10,000</u>
Total Account 7071	<u>\$11,000</u>
Total Contract Service <u>FY 1981-82</u>	<u>\$55,938</u>

Other Contract Services (7070) FY 1982-83	
Purchase Contracts same as FY 1981-82	\$31,769
IBM Maintenance Agreement FY 1981-82 (same)	\$13,169
Increase by 10% inflation	<u>1,317</u>
Total Maintenance Agreement	<u>\$14,486</u>
Total Purchase & Maintenance Agreement (7070)	\$46,255
Calculator repair 25 @\$40/year	<u>1,000</u>
	<u>\$47,255</u>

7080 7081 7082 LEGAL AND COURT EXPENSE

Legislation has been proposed to authorize the Public Service Commission to hire its own legal counsel. This budget proposal has been adjusted reflecting a transfer of Attorney General operating expense to Salary - Payroll. The amounts of \$38,773 for FY 81-82 and \$41,282 includes projected expenses for court reporters (\$11,434 FY 81-82 and \$12,577 FY 82-83) and publication of legal notices (\$27,339 FY 81-82 and \$28,705 FY 82-83). Court reporter expense for FY 79-80 was \$10,395 legal publication expense for FY 79-80 was \$24,410.

7100 STATE OWNED BUILDING RENT

The expended amount for FY 1979-80 was \$67,484. This amount covered both the Carson City office and the Las Vegas office. It is proposed that new offices for Carson City will be included under 7110 other building rent.

The plans in the management study would transfer from the Las Vegas office one employee to Carson City and two employees to Department of Motor Vehicles. This move would reduce the number of square feet required in Las Vegas.

The Commission's office in the Bradley Building in Las Vegas will require 1944 square feet at 41¢ per foot totaling \$9,564. Per instructions from the budget office the 1981-82 fiscal year should have an increase of 20% over FY

79-80 or \$11,477. Also that the increase for FY 82-83 should be 38% over FY 79-80 or \$13,198.

7110 OTHER BUILDING RENT

The expended amount for FY 1979-80 was \$1,218. This amount covered office rental in Elko and Fallon. Personnel in these cities will be transferred to DMV.

The Commission needs additional space in Carson City to carry out its business. No more space is available in the Kinkead Building in Carson City. Requests have been filed with Buildings and Grounds for additional space. Space needed on a gross basis is 18,000 square feet to accommodate the Commission and Staff in the Carson City office. At the rate of \$1.00 per square foot the annual amount for FY 81-82 would be \$216,000.

The 1979-80 equivalent to the \$216,000 needed for FY 81-82 would be \$180,000, and was used to apply the 38% (per budget instructions) increase resulting in \$248,400 needed for 1982-83 fiscal year.

7140 BUILDINGS AND GROUNDS MAINTENANCE

The expended amount for FY 79-80 was \$1,288.

An equivalent expenditure was calculated based on the FY 79-80 average employees of 61.67, to the expected 75 employees, resulting in a new amount of \$1,567. Then by applying an inflation factor of 10% for FY 1981-82 and FY 1982-83 the requested amounts are \$1,724 and \$1,896 respectively.

7210 EDP SYSTEMS CHARGES

The expended amount for FY 1979-80 was \$3,415.

For the 1981-82 fiscal year the EDP equipment rental and lease/purchase amounts needed is \$5,820 for FY 1981-82 and \$8,790 for FY 1982-83.

Additionally, the charges for systems analysis and programming, operations (supplies, computer system time), and system development for enhancement of

case management, motor carrier operating authorities and economic analysis with Commission precedent research capability will be \$45,000 for FY 1981-82.

The cost for providing the same EDP assistance for FY 1982-83 with the additional system development for tariff reviewing and fuel cost monitoring will be \$60,000. To summarize, \$50,820 is needed for 1981-82 and \$68,790 is needed for 1982-83.

7300 DUES & REGISTRATION

The amount expended for FY 1979-80 was \$8,089. Annual dues for the National Association of Regulatory Commissioners are \$690, and the annual dues for the Western Conference of Public Service Commissions are \$50. The total dues for these two organizations are \$740 for FY 1981-82 and by applying an inflation factor of 10% for FY 1982-83, the amount needed is \$814.

The Public Service Commission by its nature requires the Commissioners and staff to be educated, updated, and trained in regulatory innovations used in other states. It is good business to keep informed and be able to discuss mutual problems with counterparts from other states at seminars and training schools so that Public Service Commission employees can do a better job here at home. The Commission hires professional experts who require continuing education courses in order to keep a valid license.

There are 33 employees that require registration fees for training sessions to keep up to date on changes in the National energy picture, new developments in rate design and power load management as well as the continuing education courses.

The amount needed for FY 1981-82 is \$10,736 and \$11,810 for FY 1982-83.

7380 EMPLOYEE TRANSFER & MOVING COST

There was no amount expended for FY 1979-80 in this account. As explained in Account 7110 - Other Building Rent it is necessary for the PSC to move its

Carson City office from the third floor of the Kinhead Building to new office space in Carson City. An estimate from a certificated household goods carrier indicated the cost will be \$4,700. It is expected that the move should take place in July, 1981 therefore this item should be in FY 1981-82.

As outlined in the management study on page IV-28:

"Concurrently with efforts to improve the competitiveness of PSCN salaries, the Commission should also request legislative relief from current policies precluding the payment of job-site visits and relocation expenses.

- ° Securing a waiver of current requirements in this area should also be regarded as an important step toward the development of a first-class regulatory staff."

7380 EMPLOYEE TRANSFER & MOVING COSTS (Cont.)

The Commission concurs with this quote from the management study, to reimburse professional candidates and newly hired employees for a portion of their moving costs. This proposal is intended to be a "pilot" program to attract qualified and experienced professional employees to the Commission staff. During the time period of the 1981-83 biennium new professional employees will be needed. Two existing engineers will be eligible for retirement, thereby creating additional openings that will require interview travel reimbursement and moving cost for replacement personnel. It is assumed that seven new employee positions will require moving cost reimbursement for FY 81-82 and three new employees for FY 82-83. There will be three or four candidates for each position opening that could require reimbursement of interview travel costs for job-site visits. The average travel cost reimbursement for new employee candidates would be \$250 for transportation only. Approximately twenty-four interview and job-site visits would be required at \$250 each for a total of \$6,000 for FY 81-82. Approximately ten interview and job-site visits would be required for FY 82-83 at \$250 each or \$2,500 for FY 82-83.

The moving cost reimbursement for seven new employees at \$3,000 each for FY 1981-82 would be \$21,000. Three new employees requiring "moving cost" reimbursement for FY 1982-83 would be \$9,000.

The total amount needed in this account for FY 81-82 would be \$31,700 and 11,500 for FY 82-83.

PROPOSED BUDGET

OFFICE OF THE CONSUMER ADVOCATE

	2 Months <u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>
Director (U)	\$ 6,600	\$ 40,000	\$ 40,000
Staff Attorney (U)	6,100	37,000	37,000
Utility Rate Specialist (U)	5,800	34,600	34,600
Accountant/C.P.A. (U)	5,800	34,600	34,600
Administrative Secretary (U)	3,300	20,000	20,000
Senior Legal Secretary	2,557	15,346	16,113
Total Salary	<u>\$30,157</u>	<u>\$181,546</u>	<u>\$182,313</u>
Retirement	\$ 2,412	\$ 14,524	\$ 14,585
Group Insurance		5,328	5,832
Personnel Assessment	271	127	134
Payroll Assessment	69	417	419
Retirement Group Insurance		218	219
Unemployment Compensation	126	762	766
Salary Adjustment Reserve		11,297	20,436
Total Salary/Payroll	<u>\$33,035</u>	<u>\$214,219</u>	<u>\$224,704</u>
Out-of-State Travel		\$ 1,000	\$ 1,000
In-State Travel	\$ 1,100	\$ 7,000	\$ 7,700
Operating:			
Office Supplies	\$ 250	\$ 1,500	\$ 1,650
Operating Supplies	250	1,500	1,650
Communications	600	3,700	4,070
Printing	500	3,000	3,300
Insurance		100	110
Other Contract Services	1,099	6,600	7,260
Equipment Repair		150	165
Maintenance B & G		100	110
Legal and Court Costs		15,000	16,500
Building Rent	2,700	16,200	17,820
Total	<u>\$ 5,399</u>	<u>\$ 47,850</u>	<u>\$ 52,635</u>
Equipment	\$ 5,000	\$ 5,000	\$ 1,000
Expert Witness Fees and Consultants:	<u>\$20,000</u>	<u>\$150,000</u>	<u>\$150,000</u>
	<u>\$64,534</u>	<u>\$425,069</u>	<u>\$437,039</u>



STATE OF NEVADA  
OFFICE OF THE ATTORNEY GENERAL

MEMORANDUM

TO: Assembly Ways and Means Committee      DATE: April 15, 1981

FROM: The Office of The Attorney General

SUBJECT: Craig v. Hocker, Order of Attorneys' Fees

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The Craig lawsuit began on May 2, 1972, when two inmates at the maximum security prison served a civil rights complaint on several state officials and employees claiming the overall living conditions at Nevada State Prison were violative of the United States Constitution. Shortly thereafter, Charles Zeh of Washoe Legal Services and two private attorneys were appointed to represent the inmates. After a great deal of work was performed by the inmates' attorneys, a trial was held on April 8, 1974.

The results of the trial were very unfavorable to the state. The inmates prevailed on most of the major issues raised except for the adequacy of medical care and the issue of whether the prison system as a whole violated the constitutional prohibition against cruel and unusual punishment. As a result, the Federal District Court issued a thirty-five page decision ordering the state to alleviate many of the conditions at Nevada State Prison.

Shortly after this decision the inmates, through Washoe Legal Services, appealed the Federal District Court's decision to the Ninth Circuit Court of Appeals. This appeal continued until August of 1980, when a negotiated settlement was entered between Washoe Legal Services and the State of Nevada.

On September 5, 1980, Washoe Legal Services made an application for attorneys' fees to the Federal District Court. Although not specific, their claim of fees and costs ranged up to \$200,000. The Attorney General's Office contested the claim and it was subsequently reduced by the Federal District Court to \$77,680. This reduction was made

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in part because of the Nevada Legislature's efforts to expand and improve the prison system between 1975 and 1980.

A break down of the awards shows: That \$68,000 was awarded for the time period between 1972 and 1975; \$5,000 was awarded for the time period between 1975 and 1977; and \$4,320 was awarded for the time period beginning February 1977 and ending November 1980.

#### BOARD OF EXAMINERS ACTION

The Board of Examiners of the State of Nevada deferred action on the Washoe Legal Services' claim for \$77,680, because under NRS 41.037 the Board had neither the power nor authority to pay a claim in excess of \$50,000. The Board referred the claim to the Nevada Legislature for consideration of a special appropriation to pay this particular claim, which apparently is the only procedure available to pay the judgment of the court directing payment of attorneys' fees to Washoe Legal Services.

However, the Board did pay the claims of the private attorneys involved in the Craig case since such claims were substantially less than the \$50,000 limit.

#### OPTIONS AVAILABLE TO FEDERAL COURT IF COURT ORDERED AWARD OF FEES IS NOT PAID

The United States Supreme Court has taken the position that the federal courts are not reduced to issuing orders against state officers and hoping for compliance. Hutto v. Finney, 437 U.S. 678 (1978). Instead, the federal courts have several methods of enforcing orders against State officials. They are as follows:

1. A civil contempt citation and a fine directed at the individually named defendants in the lawsuit, including members of the Prison Board, the Warden, and other named State employees.
2. A civil contempt citation which directs the jailing of the offending State officials until the judgment is paid.

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3. A criminal contempt citation and a fine.
4. A criminal contempt citation and a jail term.
5. Any combination of the above.

In Nevada, judgments entered against State officers and employees in any civil action arising out of their public employment are entitled to indemnification from the State, if acting in good faith. NRS 41.0349.

#### RECOMMENDATION

The Attorney General's Office recommends that the Legislature enact legislation authorizing payment of the claim of Washoe Legal Services, based on the Court judgment awarding attorneys' fees in the above matter.