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

MEMBERS ABSENT: Mr. Coulter (excused)

OTHERS PRESENT: Bill Bible, Fiscal Analyst
Judy Matteucci, Deputy Fiscal Analyst
Mike Alastuey, Deputy Budget Director

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

The committee had requests to introduce two bills, Chairman Bremner said. *One bill makes an appropriation for quail and quail guzzlers in Clark County, and the other removes the limitation on salaries of classified state employees based on salaries of their immediate supervisors.

Mr. Vergiels moved for committee introduction of the bills with referral back to committee. Seconded by Mr. Horn and carried.

Mr. Robinson voted no.

Mr. Glover moved to approve the minutes of the meetings of February 6, 9, 10, 11, 12, 13 and 16, 1981. Seconded by Mr. Vergiels and carried.
Mr. Robinson voted no.

BUDGETS

DEPARTMENT OF THE MILITARY

Mr. Bible presented the committee a Closing Reconciliation Form, a copy of which is attached as EXHIBIT A, which had been prepared by the Fiscal Analysis Division after Mrs. Matteucci had conferred with the Adjutant General. The Fiscal Division recommends that the amount of transfer from the Adjutant General's General Construction Fund be increased from \$2,000 to \$6,200 since this fund represents payments from local armories for use of armories and it should reflect increases in utilities. It is further recommended that the position of General Building Tradesman be disapproved and instead some additional moneys be provided to reclassify an existing Craftsman Helper to a General Building Tradesman. Mr. Bible further explained the various changes under the Operating category and said that the Adjutant General generally concurred with the recommendations.

Mr. Bible recommended that all utility accounts that have General Fund support be taken out of the Operating category and established in a special category. If the agency then wants to use the funds in other areas of the budget, they must obtain approval from the Interim Finance Committee to transfer them.

Chairman Bremner complimented the staff on its work and on saving approximately \$27,000 on this budget.

Mr. Glover moved to amend the budget to adopt the changes recommended by staff. Seconded by Mr. Marvel and carried.

*AB 435 as BDR 3-1565

† AB 434 as BDR 23-1493

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A motion to adopt the Governor's recommendation, as amended, made by Mr. Glover; seconded by Mr. Marvel. Motion approved; budget closed.

ADJUTANT GENERAL CONSTRUCTION FUND

Mr. Bible recommended that Armory Rental be increased by \$4,200 the first year, \$5,136 the second year, and expenditures by a like amount.

Mr. Marvel moved to amend the budget to adopt the changes recommended by staff. Seconded by Mr. Glover and carried.

A motion to adopt the Governor's recommendation, as amended, made by Mr. Marvel; seconded by Mr. Glover. Motion approved; budget closed.

NATIONAL GUARD BENEFITS

Under Tuition Waiver, Mr. Bible said the \$62,500 should be changed to \$55,500 for the first and second year. In the General Appropriations Act, they should be given the authority to transfer the funds between the two years.

Mr. Glover moved to amend the budget to adopt the changes recommended by staff. Seconded by Mr. Rhoads and carried.

A motion to adopt the Governor's recommendation, as amended, made by Mr. Glover; seconded by Mr. Rhoads. Motion approved; budget closed.

LABOR COMMISSION

Referring to In-State Travel under Apprenticeship Training, Mr. Glover asked why the Governor recommended nothing while the agency had requested \$2,500. Mr. Alastuey explained the Budget Office sought to reduce the program strictly to the report which is all federally funded. Mr. Bible asked if funds for the apprenticeship council to travel would be available. Mr. Alastuey said that if the council continues and there is a statutory obligation, they would have to be paid from funds in the salary category which are not budgeted at the level required to pay. Mr. Alastuey also said he could not answer Mr. Bible's questions regarding Board and Commission salaries and would obtain the information for him.

Mr. Robinson questioned the removal of the Deputy Labor Commissioner and an Administrative Aid in the Las Vegas office. Mr. Alastuey said the Administrative Aid had been changed to a Range A but there would be no objection to restoration of that position. He further said that the Deputy Labor Commissioner had been recommended to be restored in Las Vegas and removed in Carson City.

Mr. Glover moved that the Administrative Aid Range A be restored to the Las Vegas office for both years of the biennium. Seconded by Mrs. Westall.

This motion was discussed by the committee and Mr. Rhoads stated he had a problem with adding additional positions anywhere and felt that positions should be eliminated in this difficult time. Mr. Robinson said the position was not being added; it was just not being eliminated as recommended.

Mr. Glover's motion carried, with Mr. Horn and Mr. Brady voting no.

Mr. Vergiels moved that the Management Assistant I be deleted from the Carson City office. Seconded by Mr. Horn.

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Mr. Alastuey said that Mr. McGoldrick, Labor Commissioner, was a disadvantage since he did not prepare the budget, but that the Budget Division supported his proposed addition of the Administrative Aid to Range A in Las Vegas and they urge that the committee give Mr. McGoldrick enough leeway with the existing clerical positions he has and not eliminate the proposed positions. Mr. Glover supported retaining the position and said that the Carson City office worked many hours and had a heavy workload. Chairman Bremner questioned why there should be a change of budget because the incumbent changed. Mr. Alastuey stated that in this case there was no change between the Governor's recommendation and the original budget.

Mr. Vergiel's motion to delete the Management Assistant I in the Carson City office failed.

Motion to adopt the Governor's recommendation, as amended, made by Mr. Glover; seconded by Mrs. Westall. Motion approved; budget closed.

ATHLETIC COMMISSION

Mr. Robinson questioned the increase in the Executive Secretary's salary. Chairman Bremner reminded him that all salaries would be reviewed by the subcommittee studying unclassified salaries.

Motion to adopt the Governor's recommendation made by Mr. Marvel; seconded by Mr. Rhoads. Motion approved; budget closed.

DEPARTMENT OF ENERGY

When Mr. Glover asked what would happen if this budget were totally deleted, Mr. Alastuey responded that he thought they would not be in a position to receive the federal money they are receiving now; unless there is an agency designated to perform energy-related duties and to coordinate energy-related duties that are carried on by other state agencies, he felt there would be problems constructing state plans in order to obtain federal grants.

In response to a question of whether this could be handled by the Budget office, Mr. Alastuey said that they would not be in a position to do energy audits, to be able to evaluate proposals of private contractors to do energy audits, to write grants, or to evaluate measures designed to reduce the consumption of energy.

Mr. Marvel commented that he did not feel this department should be funded.

Mr. Robinson said that in prior testimony, Noel Clark indicated that federal funds might be forthcoming in the first year but not the second year of the biennium, that if any moneys were received, they could be transferred to DRI along with the duties formerly performed by the DOE.

Mr. Vergiels noted that it was his understanding that the Governor can designate which agency shall receive grants.

Mr. Alastuey stated that they would like to continue the Department of Energy to coordinate the federal money; that if the DRI were designated to receive this money, there would be substantial changes: 1) The DRI does not operate out of the State Treasury and therefore is not subject to the same category constraints as other state agencies; 2) If there is involvement with the Board of Regents, the policy-making role of the legislature might have to take a different view.

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Mr. Vergiels explained that DRI was used as an example only and that he felt that there was some other agency that could be designated.

Mr. Robinson commented that just because the federal government makes funds available, the state is not required to accept them.

Mr. Marvel moved to eliminate the Department of Energy, seconded by Mr. Brady.

Mr. Alastuey advised that if this is done, there will have to be substantial legislative change particularly in regard to who has the responsibility for the Colorado River Commission.

Mr. Marvel suggested that this commission could be the responsibility of the Department of Conservation and Natural Resources.

Mr. Horn moved to amend the motion to allow the Division of Conservation and Planning to exist because he felt that the Department of Energy Conservation is the one area that is working.

Chairman Bremner pointed out that by eliminating the Department of Energy, the Division of Conservation and Planning would not be affected as they have a separate budget.

Mr. Robinson asked if legislation would be necessary for the other three divisions: Colorado River Resources, R and D, and Conservation and Planning. Chairman Bremner replied that the committee would have to look into this if the motion passed.

Mr. Glover commented that since this was a drastic move, maybe further study should be given as to what other areas would be affected and what new legislation may be involved.

Mr. Vergiels and Mr. Brady both observed that the department could be eliminated now, and if further study proved this to be a wrong move, the committee could reconsider at a later date.

Chairman Bremner informed the committee that any budget that has been closed can be reopened at a later date if new or significant information becomes available; that the committee is making decisions on what is known now.

Mr. Glover noted that it takes a two-thirds vote to reopen a budget.

On the motion made by Mr. Marvel to eliminate the Department of Energy, seconded by Mr. Brady, the motion carried with Chairman Bremner voting no.

RESEARCH AND DEVELOPMENT

Mr. Horn moved to approve this budget at the 1980-81 work program level of \$298,000. This motion died for lack of a second.

Mr. Bergevin moved to approve the budget as the Governor recommends for the year 1981-82 and 1982-83 be contingent upon the receipt of federal funds in the second year of the biennium, seconded by Mr. Robinson.

Mr. Alastuey stated that they would not recommend this at all because, in the event that the agency does not have advance knowledge of state moneys available, they would not be in a competitive position to vie with other states for substantial amounts of federal funds; if federal funds are sought without state moneys to back them up, the federal funds would most likely not be forthcoming.

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Mr. Bergevin questioned when these funds would be sought. Mr. Alastuey said that depending upon the cycle of funds available and the length of time they are available, the agency could be in a tenuous position as far as not having an actual allocation of money to work with; in the absence of an appropriation, their position would not be as solid in competing for federal grants.

Mr. Bergevin stressed that the agency was not going to wait until July 1, 1982, to seek these federal funds.

Mr. Alastuey said that the application would certainly be submitted before the onset of the fiscal year; however, federal funds often depend upon the amount of state funds available for a project.

When Mr. Bergevin questioned what projects were included under Research and Development, Mr. Robinson replied that there are four: Solar, geothermal, hydro account for approximately \$300,000 in grants both years.

Mr. Alastuey said that if it was the intent of the committee for the agency to demonstrate the amount of funds they can obtain from the federal government, there must be an earmarked sum of money to give the agency a position with which to compete for the federal grants. He added that if the appropriation is made contingent upon presentation of a proposal, this is different than cutting the budget.

Chairman Bremner pointed out that the moneys will be there but cannot be expended if federal funds are not available in the second year of the biennium.

Chairman Bremner reminded the committee that there was a motion to approve the budget the Governor recommends the first year of the biennium, to approve the budget the Governor recommends in the second year of the biennium but that the regular appropriation cannot be spent if federal funds do not materialize. Motion carried; budget closed.

ENERGY BOARD

Motion to adopt the Governor's recommendation made by Mr. Robinson, seconded by Mr. Glover.

When Mr. Bergevin questioned the expenditure of \$15,000 for regional information which could be public knowledge, Mr. Alastuey said that he had not personally seen the information which the energy board might provide to the state, but he thought that their information might be assembled and provided in such a way as to not be available if they were not a member.

Mr. Bible indicated that in past years they have been involved in developing a regional approach to the transportation of radioactive waste. Mrs. Hayes noted that the Western coalition has supported Nevada in the Sagebrush Rebellion and that Nevada should likewise support other states.

Mr. Robinson's motion approved; budget closed.
Mr. Marvel, Mr. Brady, Mr. Bergevin and Mr. Horn voted no.

DIVISION OF CONSERVATION AND PLANNING

Mr. Bible explained that the new item of \$30,000 in the first year and \$55,000 in the second year of the biennium was to provide a 50 percent state match for the Energy Management Partnership Act Program which involves conducting energy audits in hospitals and schools. He added that under existing law federal money is available for retrofit activities only if the state has participated in 50 percent of the funding of energy audits.

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Mr. Rhoads moved to cut the regular appropriation from the budget, seconded by Mr. Brady.

Mr. Alastuey commented that if the regular appropriation is cut, the category called institutional grants on page 852 would not be funded and energy audits would be jeopardized that are necessary for applying for further federal funding.

When Mr. Marvel questioned the receipt of federal funds, Mr. Alastuey stated that it was his understanding that in 1982-83 all federal funds were in question for all budgets; that it would depend on when the project year falls.

Chairman Bremner reminded the committee of the motion on the floor to cut the regular appropriation from the budget made by Mr. Rhoads and seconded by Mr. Brady. Motion failed.

Mr. Glover moved to close the budget as the Governor recommends, seconded by Mr. Horn.

When Mr. Brady asked what would happen if there were no federal funds in the second year, Mr. Bible said that if there were federal moneys coming in for the institutional grant program, the state money would match those funds; that if they do not come in, the money would revert to the general fund.

Mr. Glover modified his motion so that if federal funds were not available in the second year of the biennium, the appropriation cannot be expended.

When Mr. Bergevin asked why this was not approved two years ago, Mr. Bible explained that it came in after the budget had been prepared as an expenditure over the budget and another program came forth at the same time that was felt to be more important.

On Mr. Glover's modified motion, seconded by Mr. Horn, the motion carried with Mr. Rhoads and Mr. Bergevin voting no. Budget closed.

OFFICE OF LIEUTENANT GOVERNOR

Mr. Glover noted that the Governor's recommendation for out-of-state travel was \$500 less than the agency request and asked the reason for this. Mr. Alastuey said that by and large his office recommended status quo as far as levels of out-of-state travel was concerned. He pointed out that in the general funded out-of-state travel pool they are not recommending any increases or decreases. Chairman Bremner asked if increases in out-of-state travel on the Governor's budget were recommended. Mr. Alastuey said, "yes."

Mr. Vergiels moved that the committee approve the agency request which is \$300 increase over the Governor's recommendation the first year and \$500 increase the second year of the biennium for out-of-state travel. Seconded by Mrs. Westall.

Mr. Rhoads asked the reason for the motion. Mr. Vergiels said the Lieutenant Governor had testified that there were certain demands on his office that necessitated additional funds for out-of-state travel so that he could attend meeting of national importance.

Further, Mr. Vergiels said he resented the Governor having his budget the way it is and cutting the Lieutenant Governor who is not receiving a big salary. Mr. Marvel said he did not agree with Mr. Vergiel's rationale. Mrs. Hayes said her recollection of the Lieutenant Governor's testimony was that he desired to attend the national Lieutenant Governor's meeting and not a number of other meetings.

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Mr. Vergiel's motion carried. Mr. Marvel, Mr. Rhoads and Mr. Bergevin voted no.

A motion to adopt the Governor's recommendation, as amended, made by Mr. Glover; seconded by Mrs. Hayes. Motion approved; budget closed.

Mr. Rhoads and Mr. Marvel voted no.

SECRETARY OF STATE

Mr. Bergevin called attention to Mr. Swakhamer's request to have the salary of a Corporate Filing Examiner increased to between \$22,000 and \$24,000. Chairman Bremner said it would be necessary to have the position unclassified and the request will be considered by the salary subcommittee.

A motion to adopt the Governor's recommendation made by Mr. Bergevin; seconded by Mr. Marvel. Motion approved; budget closed.

BUDGET OFFICE

Mr. Alastuey said that in speaking with the Chief of the Budget Division, and in reassessing the budget as it now stands, it is requested that 1 Preaudit Examiner position be deleted instead of 1 Senior Management Analyst position. There are presently 6 preaudit examiners who preaudit claims against the state. Since there are no vacant positions among these 6 at the present time, Mr. Alastuey said he was unable to give the committee a specific amount but the average amount would be approximately \$17,300 per year in terms of reduction.

In addition, in the Operating category, Mr. Alastuey pointed out that in the second year recommendation there is reflected \$42,701 for Data Processing. That figure was based on early estimates and after contacting Central Data Processing, it is recommended that this figure be changed to \$50,000 since these costs have increased considerably.

Mr. Glover stated that he had received many complaints about the slowness of the preaudit process and for that reason he would oppose deleting the one preaudit position. He further stated he did not believe the Budget Office was overstaffed. Mr. Alastuey explained the preaudit process and defended its performance but said there were bottlenecks that could occur.

In response to Mr. Robinson's questions, Mr. Alastuey said that any resemblance between the EDP and Special Studies figures is purely coincidental. The \$7,500 annually for special studies is simply for special studies and development work. There are no special studies scheduled at this time, Mr. Alastuey said, but there are areas in the preliminary planning stages.

In regard to retaining the Senior Management Analyst position, Mr. Alastuey told Mr. Robinson the Division realized they would have dire problems if the position were lost, however, it was the Governor's recommendation and not the Division's request that returned that position to the budget.

Mr. Vergiels asked which position was more important-- the Senior Management Analyst or the Preaudit Examiner. Mr. Alastuey said they were requesting the deletion of a Preaudit Examiner in an effort to reduce the budget.

Mr. Robinson moved that the budget be amended on the E.D.D. system and the second year be increased from \$42,701 to \$50,000 and that the Preaudit Examiners positions be reduced from 6 to 5 in each year of the biennium, and that \$7,500 for Special Studies be eliminated. Seconded by Mr. Marvel.

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Mr. Alastuey urged the committee not to delete the Special Studies money. He explained that since the Division automated the University System, something that was not specifically planned at the time of the 1979 session, with funds for Special Studies, they have been able to expedite and present much better budget proposals for the University System. The Special Studies funds have not been applied in any nonuseful way in the past and they will not be applied in any nonuseful way in the future, according to Mr. Alastuey. Mr. Robinson asked if these studies were done by the Budget Division. Mr. Alastuey said the automation of this system was done by himself, a budget analyst involved with the University System, and one of the analysts supplied by Central Data Processing.

He further said there was substantial additional programming time that had to be paid to Central Data Processing because it was time over and above what would have been supplied to run the Budget System. Mr. Robinson expressed the opinion that since there were no definite plans for studies at this time the funds should be eliminated and when a study was contemplated they could be requested.

Mr. Bible said that last year when the committee was discussing the Budget Office's budget, there were some requested changes from the level recommended in the Governor's budget in Data Processing. He read from the committee minutes of March 7, 1979, as follows: "Mr. Alastuey explained the difference between the actual \$13,725 spent and the \$20,000 requested in the EDP System Program facilities charges due to the need to modify the personnel payroll system in some of the reports, such as vacant position reports for primary budget office use. In addition, he said, there is a need to automate the University System's request to alleviate much of the clerical duties necessary on that budget format. Mr. Alastuey continued that \$35,000 was needed the second year. Thus far in the fiscal year 1978-79 he said that EDP expenses are around \$18,000 and the remaining \$12,000 is needed for implementation of the legislative action on the budget." So, when the committee considered this item last year, Mr. Bible said the request to automate the University's budget was included and it was not included as special studies but as part of the DP line item.

Mr. Alastuey said that without the special studies money the automation of the University System would not have been accomplished and still live within the operating category.

Mr. Alastuey also said that in terms of automating certain things in the Budget Office, the introduction of S.B. 255, which amended the budget act last time, put substantial tracking requirements on the budgetary work programs. He referred to the category constraints, transfers of 10 percent, \$25,000, addition of gifts and grants not to exceed \$50,000 per each source. All of this now is carried on a manual basis and the Budget Office does not know whether automation in conjunction with the Controller's Office would help, but it is something they would like to explore.

Mr. Robinson's motion failed.

Mr. Rhoads, Mrs. Hayes, Mr. Glover, Mrs. Westall, Mr. Bergevin voted no.

Mr. Glover moved to amend the budget by increasing the CDP to \$50,000 for the second year of the biennium. Seconded by Mrs. Westall.

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Mr. Bergevin moved to amend the motion by adding the deletion of one Preaudit Examiner position. Seconded by Mr. Brady and carried. Mr. Glover, Mrs. Westall and Mr. Horn voted no. Mr. Glover's motion carried.

Motion to adopt the Governor's recommendation, as amended, made by Mr. Bergevin; seconded by Mrs. Hayes. Motion approved; budget closed.

The meeting adjourned at 11:00 a.m.

CLOSING RECONCILIATION FORM

| | <u>Recommend 1981-82</u> | <u>Legislature Approved</u> | <u>Difference</u> | <u>Recommend 1982-83</u> | <u>Legislature Approved</u> | <u>Difference</u> |
|--|------------------------------|---------------------------------|-------------------|------------------------------|---------------------------------|-------------------|
| <u>Department of the Military</u> | | | | | | |
| <u>Revenue</u> | | | | | | |
| Transfer Adj. Gen. Const. | \$ 2,000 | \$ 6,200 | \$ 4,200 | \$ 2,000 | \$ 7,136 | \$ 5,136 |
| Transfer From Civil Defense* | 20,000 | 24,430 | 4,430 | 22,000 | 29,207 | 7,207 |
| <u>Expenditures</u> | | | | | | |
| <u>Salaries & Fringe Benefits:</u> | | | | | | |
| General Bldg. Tradesman | 15,870 | -0- | (15,870) | 16,667 | -0- | (16,667) |
| Reclass. Craft Helper | 14,558 | 15,870 | 1,312 | 15,294 | 16,667 | 1,373 |
| <u>Operating:</u> | | | | | | |
| Printing | 8,600 | 8,400 | (200) | 9,430 | 9,206 | (224) |
| Contract Services | 176,560 | 175,022 | (1,538) | 181,466 | 179,928 | (1,538) |
| Building Rent | 27,225 | 25,700 | (1,525) | 30,325 | 28,800 | (1,525) |
| Uniform Allowance | 18,860 | 17,300 | (1,560) | 11,000 | 6,700 | (4,300) |
| Advertising | 800 | -0- | (800) | 800 | -0- | (800) |
| Special Projects | 5,874 | 3,000 | (2,874) | 6,462 | 3,300 | (3,162) |
| Instructional Supplies | 150 | -0- | (150) | 200 | -0- | (200) |
| Utilities (move to separate cat.) | | | | | | |
| <u>Adjutant General Construction Fund</u> | | | | | | |
| <u>Revenue</u> | | | | | | |
| Armory Rental | 2,000 | 6,200 | 4,200 | 2,000 | 7,136 | 5,136 |
| <u>Expenditures</u> | | | | | | |
| Structure Improvements | 28,000 | 32,200 | 4,200 | 2,000 | 7,136 | 5,136 |
| <u>National Guard Benefits</u> | | | | | | |
| Tuition Waiver (make available in both years) | 62,500 | 55,500 | (7,000) | 62,500 | 55,500 | (7,000) |
| <u>Estimated</u> | | | | | | |

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EXHIBIT A