

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

Chairman Bremner called the meeting to order at 8:00 a.m. and requested Mr. Bible report on his study of the proposed plan to reduce budget items by a percentage method.

Mr. Bible said he had explored several options on making percentage reductions in various operating categories. While he had previously stated that the Governor's budget appeared to have added 22 percent over the actual expenditures for the first year and 10 percent for the second year of the biennium, Mr. Bible said this method did not appear to have been followed in all line items. Two budgets reviewed were the Budget Office and the Gaming Control Board in order to sample a small and large budget. If the committee would reduce certain line items by 2 percent in the first year and by 3 percent in the second year, that would have the effect of making the increase above actual expenditures 20 percent and 8 percent. In the Budget Office budget, this method would generate a saving of approximately \$857 in the first year and \$1,081 the second year. In the Gaming Control Board budget, Mr. Bible continued, there would be a saving of approximately \$13,700 the first year and \$20,400 the second year.

Mr. Bible explained that he had not reduced certain line items such as insurance, rent, or any item that was a recharge expense or a transfer payment. He discussed the projected CPI's for 1981, 1982 and 1983 as listed in the Reagan budget, the original Carter budget and Data Resources, all of which show a tapering off in 1982-83.

Mr. Glover said he had no problem with the concept of the percentage method of reduction, but he believed that inflation was going to be higher and there were definitely line items which could not be reduced and the agencies were going to overspend the allocations in some areas.

Mr. Hickey said the committee should be looking at some method of taking a very small portion off of some budgets in order to try and cover deficiencies in others, such as Education. After discussion, the committee agreed that Mr. Bible should continue to review the budgets in an effort to effect reductions in certain items by a percentage method.

COMPREHENSIVE STATEWIDE PLANNING

Chairman Bremner said the committee was to hear the budget on MX planning on Wednesday, April 15, and in order to avoid any duplication or conflict, this budget would be continued until that date.

COMMISSION ON FUTURE OF NEVADA

Motion to adopt the agency request made by Mr. Hickey; seconded by Mr. Glover. Motion approved; budget closed. Mrs. Hayes and Mrs. Westall absent.

CRIME PREVENTION

Motion to adopt the agency request made by Mr. Hickey, seconded by Mr. Rhoads. Motion approved, budget closed. Mrs. Hayes and Mrs. Westall absent.

STATE OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

Motion to adopt the agency request made by Mr. Hickey, seconded by Mr. Vergiels. Motion approved, budget closed. Mrs. Hayes and Mrs. Westall absent. Mr. Alastuey noted that in the payroll section, the assumptions on the fringe costs vary between the agency request and the Governor's recommendation. Chairman Bremner said that would be taken care of.

STATE COMPREHENSIVE EMPLOYMENT AND TRAINING OFFICE

Chairman Bremner said that the Senate had deleted this program but that there was a large amount of work on MX training that was planned.

Mr. Hickey said he had received a call from a gentlemen at Martin Marietta expressing his concern regarding the deletion of the program as that company is negotiating for CETA trainees. CETA is also involved in training people at the prison for nurses aides and Mr. Hickey felt that many of the programs were very functional. Mr. Hickey moved to approve the Governor's recommendation. Mr. Vergiels pointed out that there had been some discussion about reducing the council members from 27 to 6. Mr. Hickey withdrew his motion.

Mr. Vergiels moved to reduce the council members from 27 to 6 and adjust the budget accordingly. Seconded by Mr. Marvel. Mr. Robinson raised the question of whether or not the funds would be used for non-governmental programs and was told by Chairman Bremner that all federal funds for non-governmental programs had been withdrawn. However, Chairman Bremner said a letter stating that it is the intention of the committee that no monies be spent in any area except the private sector for training could be written. Mr. Vergiels' motion carried.

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

OFFICE OF COMMUNITY SERVICES

Mr. Marvel asked if federal funds will be available for this program. Chairman Bremner said that was unknown at this time but there are no General Funds in the budget and if federal funds are not available, the program will be discontinued.

Mr. Hickey expressed the opinion that the Director has worthwhile programs started and that the agency should be continued as long as federal funds are available.

Chairman Bremner reminded the committee that the Director had testified the Dues and Registration category could be reduced from \$1,944 to \$750.

Mr. Hickey moved that the Dues and Registration category be reduced to \$750 for each year of the biennium, seconded by Mr. Rhoads and carried.

Mr. Bergevin did not believe the Director's increase in salary was justified. Chairman Bremner said that would be reviewed by the Unclassified Salaries Subcommittee.

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

WEATHERIZATION - OFFICE OF COMMUNITY SERVICES

4/9/81
Page 3
Motion to adopt the Governor's recommendation and that the program be continued contingent upon the receipt of federal funds made by Mr. Bergevin; seconded by Mr. Glover. Motion approved; budget closed.

COMMUNITY SERVICES WEATHERIZATION

Motion to adopt the Governor's recommendation and that the program be continued contingent upon the receipt of federal funds made by Mr. Bergevin; seconded by Mr. Marvel. Motion approved; budget closed.

COMMUNITY DEVELOPMENT - OFFICE OF COMMUNITY SERVICES

Mr. Rhoads questioned the funds for staff for "grant writing" since fewer federal grants are available and there should be less demand for expenses in that area. He further felt the out-of-state travel was high.

Motion to adopt the Governor's recommendation and that the program be continued contingent upon the receipt of federal funds made by Mr. Vergiels; seconded by Mr. Glover.

Mr. Rhoads moved to amend the motion by reducing out-of-state travel from \$1,500 to \$500.00.

Mr. Vergiels withdrew his original motion and moved to adopt the Governor's recommendation contingent upon the receipt of federal funds and also to reduce the out-of-state travel to \$500 for each year of the biennium. Seconded by Mr. Rhoads.

Mr. Alastuey cautioned the committee against reducing out-of-state travel to that degree. If federal funds receive some cutbacks in the forthcoming federal budget, Mr. Alastuey said he would believe that the competitiveness for the remaining federal funds might increase and local communities might require even greater assistance in putting together their grant packages.

Mr. Vergiels' motion failed.

Mr. Rhoads moved to reduce out-of-state travel to \$750.00 for each year of the biennium. Seconded by Mr. Horn and motion failed.

Mr. Rhoads moved to reduce out-of-state travel to \$1,000 for each year of the biennium. Seconded by Mr. Robinson and carried.

Motion to adopt the Governor's recommendation, as amended, contingent upon the receipt of federal funds made by Mr. Vergiels; seconded by Mr. Robinson. Motion approved; budget closed.

CRISIS INTERVENTION - OFFICE OF COMMUNITY SERVICES

Chairman Bremner called the committee's attention to the Revenue line item which showed an Interim Finance allocation of \$35,000 for the first year of the biennium and \$50,000 for the second year of the biennium and told the committee these funds were returned by the agency so no state funds are in the budget. Motion to adopt the Governor's recommendation contingent upon the receipt of federal funds made by Mr. Glover; seconded by Mrs. Westall. Motion approved; budget closed.

OFFICE OF THE CONTROLLER4/9/81
Page 4

Motion to adopt the Governor's recommendation made by Mr. Vergiels; seconded by Mr. Brady. Motion approved; budget closed. Mr. Glover voted no.

CLEAR CREEK YOUTH CENTER

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

DEPARTMENT OF GENERAL SERVICES - DIRECTOR'S OFFICE

The proposed new position of Deputy Director was discussed by the committee and Mr. Glover expressed the opinion that the position was not needed.

Mr. Vergiels moved that the new position of Deputy Director be eliminated. Seconded by Mr. Horn.

Mr. Alastuey said he would strongly suggest that the committee delay action on this until disposition is made of legislation regarding transferring Personnel into the department and transferring Central Data Processing out.

Mr. Vergiels motion carried.

Mr. Bible told the committee he would review the budget and adjust any costs associated with the elimination of the new position.

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

PURCHASING DIVISION

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

COMMODITY FOOD PROGRAM

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

SURPLUS PROPERTY SECTION

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

GENERAL SERVICES MAIL

Chairman Bremner requested Mr. Alastuey to explain how the Budget Division arrived at the figure on the line item for U.S. Postal Service.

The line item in this budget, as well as other budgets, contemplated an 18 cent to 20 cent rate for first class mail, or an increase of one-third; Mr. Alastuey said. Also added are adjustments for contemplated volume throughout the budget.

Mr. Hickey referred to the item for an electronic scale which would effect a saving of approximately \$78,000 a year, and suggested that with such a saving the postage item could be reduced. Mr. Alastuey said the \$78,000 figure was arrived at by the Task Force and are savings that have not yet been achieved. Also, he said that the agency is not contemplating a change in volume. If, for example, the committee contemplates

addressing communication line items throughout the operating budgets, those are the line items which the agencies use to pay this budget. If the savings are cut here, then the agencies will not be billed to the degree that they would have been billed, Mr. Alastuey said.

Mr. Marvel suggested that the postage be reduced to \$800,000. Mr. Bible explained that this is simply a receiving budget - the agencies produce the mail and send the mail into this budget. Therefore, he said, any reductions should be made in agency budgets.

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

GENERAL SERVICES

Mr. Bible said the Director had requested that the Data Processing line item be changed from \$13,484 to \$28,484 for the first year and from \$15,562 to \$32,052 for the second year. Mr. Hickey said that a PBX Operator, Range B, position was also to be eliminated.

Mr. Bergevin moved to amend the budget by deleting one PBX Operator, Range B, and to increase Data Processing to \$28,484 for the first year of the biennium and to \$32,062 for the second year of the biennium. Seconded by Mr. Hickey and carried.

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

The committee returned to a report on A.B. 356 by Mr. Robinson. He said he was preparing an amendment to incorporate the following provisions: (1) directing the sale of the property; (2) no renewal of the lease; (3) property to be listed for sale no later than 1 year prior to the end of the lease; (4) any offer to purchase must be approved by the Interim Finance Committee prior to closing the sale; (5) any proceeds of the sale must be used to purchase land for the Department of Forestry, Department of Wildlife, Department of Parks, or whatever the committee wished; (6) that all state lands sold under NRS 321.335 must follow the procedure of obtaining approval of the Interim Finance Committee; (7) no leases of state lands entered into without prior approval of Interim Finance Committee; and (8) effective date upon passage and approval.

In compliance with the committee's earlier request, Mr. Bible said he was having a bill drafted which would require that any state lands which are leased for longer than 1 year, or which had a clause that provided an automatic renewal which would extend a lease beyond 1 year, would require Interim Finance approval.

Chairman Bremner asked that Mr. Robinson and Mr. Bible review the proposed legislation together.

Mr. Robinson said he would also like to discuss the water situation at the Jean prison and reported as follows: Mr. Peter Simon has engaged Jim Joyce's firm to represent him in the sale to the state of the water company which was formed in Jean. There are several other options available to the

state and Mr. Robinson suggested that members of the committee refrain from making any commitments until these options are explored. The cost of hauling water to Jean by rail would be prohibitive. The Desert Research Institute has audited the wells in the neighborhood and all produce the same bad water. One stock well approximately five miles from Jean has good water and DRI is optimistic that more good water may be available in the area. DRI is proposing to the legislature and to the State Public Works Board that they drill two test wells to ascertain how close they can get to the prison and still obtain water which will meet the required standards. DRI will submit costs for this project. Mr. Robinson expressed the opinion that if the state purchased the existing water company and processing plant it could expect to have to replace the boilers, plumbing fixtures, steam kettles in the kitchen and all other equipment on a regular basis, and still produce bad water.

Chairman Bremner suggested that Mr. Robinson contact DRI and Public Works to arrange a meeting before the entire committee and submit DRI's plans. He further said that Senate Finance could also be invited to attend such a meeting.

Chairman Bremner said the committee had been requested to introduce two bills:

1. *Authorizes the State Treasurer to charge a fee for investing money in funds whose interest does not go to the state. By way of explanation, Mr. Bible said the Treasurer has a revenue item in his budget account for assessments against interest accounts. Mr. Bible suggested the possibility of generating additional funds into that line item and reducing the general fund need. The Treasurer needs the legislation to accomplish this.

Mr. Hickey moved that the committee introduce the bill and refer it back to committee. Seconded by Mr. Marvel and carried.

2. †Broadens the use of the Contingency Fund. Mr. Bible explained that when the committee was considering A.B. 153, the bill modifying Interim Finance, it was suggested that this bill be introduced for committee consideration.

Mr. Hickey moved that the committee introduce the bill and refer it back to committee. Seconded by Mrs. Westall and carried.

BUDGETS

MOTOR POOL

Mr. Bible asked Mr. Alastuey if he had looked into the possibility of funding the new Director position from non-General Fund sources. Mr. Alastuey said he did not believe there was any problem and figures had been prepared on cost allocating out the risk management and a positive response had been received from Region 9. The figures will be submitted to the committee as soon as possible.

Chairman Bremner said the committee would fund the position requested from other than General Fund money and the regular appropriation of \$34,119 the first year and \$34,278 the second year could be deleted if the position was approved.

*AB 485 as BDR 18-1724

*AB 486 as BDR 31-1941

1274

Mr. Hickey moved to amend the regular appropriation out of the budget. Seconded by Mr. Glover and carried.

Mr. Alastuey explained to Mr. Hickey that the justification for the new position arose out of the Task Force recommendation which suggested that use of state vehicles for commuting be examined and be minimized, and also an analysis of the use of personal vehicles as opposed to state vehicles and arrival at an optimal ratio for each be made. He further said it is hoped that eventually the total state fleet will be reduced.

Mr. Hickey suggested that fuel be reduced by \$30,000 for the second year of the biennium. Chairman Bremner asked if the new position was approved if the position of Garage Service Foreman was needed. Mr. Alastuey said the Garage Service Foreman did not administer the use of state vehicles but acted primarily as a service foreman.

In addressing Mr. Hickey's suggestion on the reduction of fuel, Mr. Alastuey stated that the vehicle operation component that is earmarked for fuel shows in effect a flattening of the 1979-80 actual fuel expenditure commensurate with fleet reduction. This says that even though the gasoline prices are going up, they will attempt to live with the same amount spent for gasoline in 1979-80. Mr. Alastuey requested that no reduction be made in the fuel category.

Mr. Robinson asked if the new Director's salary would be subject to review by a subcommittee. Chairman Bremner said that all classified salaries are subject to the classified pay bill and the unclassified salaries will be set in a different bill. A subcommittee will review them all, they will then be reviewed with the Senate, a report will be made to the committee as a whole and the committee will review them again.

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

MOTOR VEHICLE PURCHASE

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

MARLETTE LAKE

Mr. Glover suggested that the committee might wish to postpone this budget until the Interim Finance Committee had reviewed the proposed contract with Carson City.

Chairman Bremner said the budget would be heard at a later date.

NEVADA MAGAZINE

Mr. Vergiels asked if Ms. Hadley had testified that funding for the two new positions requested would come from revenue generated by the magazine. The committee agreed this was her testimony.

Mr. Vergiels moved to approve the two new requested positions contingent upon Nevada Magazine generating the revenue to pay for both. Seconded by Mr. Coulter and carried.

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

EQUAL RIGHTS COMMISSION

Chairman Bremner reiterated that the salary of the unclassified position would be reviewed by the subcommittee.

4/9/81
Page 8

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

RAPID CHARGE PROCESS

Motion to adopt agency request made by Mr. Glover; seconded by Mr. Hickey. Motion approved; budget closed.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Mr. Bible said that the agency had requested that the budget be amended by adding \$15,000 in the first year of the biennium from a HUD grant and \$3,000 from an EOC training grant. This would be consistent with action the Interim Finance Committee took to allow the agency to accept a portion of grants during the current fiscal year.

Mr. Hickey moved that the budget be amended to include the grants that were approved by the Interim Finance Committee. Seconded by Mr. Glover and carried.

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

EMPLOYEE MANAGEMENT RELATIONS BOARD

Mr. Alastuey told Mr. Glover that in-state travel had increased since Interim Finance met in January. This travel depends entirely on the number of cases that the agency handles.

Mr. Hickey moved to delete the Advisory Committee travel from the budget. Seconded by Mrs. Hayes and carried.

Mr. Glover questioned the reason for this action and was advised by Chairman Bremner that the Advisory Committee never meets.

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

Chairman Bremner said he assumed it would require legislation to eliminate the Advisory Committee to the Employer Management Relations Board. Mr. Bible said he believed such a bill was in Government Affairs. Chairman Bremner requested that Mr. Bible contact the Government Affairs Committee to ascertain if such legislation was in the committee.

Mrs. Hayes moved that the committee request legislation to eliminate the Advisory Committee to the Employer Management Relations Board if such legislation is not being considered in committee. Seconded by Mr. Brady and carried.

Chairman Bremner announced he had a request for committee introduction of a bill which would make an appropriation of \$75,000 for each year of the biennium from the General Fund to the Agricultural Experimental Station of the University of Nevada System for research and demonstration of drip irrigation. Mr. Hickey explained the background of this proposed legislation.

Mr. Glover moved for committee introduction and refer back to Ways and Means. Seconded by Mr. Robinson and carried.

NEVADA STATE COUNCIL ON THE ARTS

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

Chairman Bremner announced that approximately 45 budgets have been closed, or between 10 and 15 percent of all budgets. Mr. Brady asked when the budgets were scheduled to be closed. Mr. Bible said it would depend on when the subcommittees completed their work. He also said he had heard of possible adjournment in mid-May and in order for that to happen all budgets would have to be closed a week or more ahead of that time so the appropriation and authorization acts could be drawn. Chairman Bremner stated that the committee should complete its work and have all differences with the Senate worked out between May 5 and 10, 1981.

DEPARTMENT OF MUSEUMS AND HISTORY

Mr. Glover said the Department has requested that the Board be increased from 7 to 11 members to alleviate certain problems.

Chairman Bremner referred to a letter from Mr. Porter which sets forth additional costs which would be incurred. If the four additional members attended each meeting, the total additional cost would be \$1,892. An experience factor indicates that only 69 percent of the Board attends the meetings and in that event the additional cost would be \$1,305.

Mr. Bible said it would appear that all the boards and commissions throughout the state were budgeted at 100 percent attendance and he believed these could be reduced to 75 or 80 percent attendance.

Mr. Robinson moved that the Museum Board be increased from 7 to 11 members. Seconded by Mrs. Hayes and carried.

Chairman Bremner said the committee would request legislation to authorize this increase.

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

The meeting was adjourned at 10:55 a.m.

4/9/81
Page 9

1277