

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
March 10, 1981

The Senate Committee on Finance was called to order by Senator Floyd R. Lamb, Chairman, at 8:00 a.m., Tuesday, March 10, 1981, in Room 231 of the Nevada State Legislature Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Lawrence E. Jacobsen
Senator Thomas R.C. Wilson
Senator Clifford E. McCorkle

COMMITTEE MEMBERS ABSENT:

(None)

STAFF MEMBERS PRESENT:

Ronald W. Sparks, Chief Fiscal Analyst
Dan Miles, Deputy Fiscal Analyst
Tracy L. Dukic, Secretary

OTHERS PRESENT:

Mary Walkama, Department of Wildlife
Dale V. Lockard, Department of Wildlife
Joe Greenley, Department of Wildlife
John Sweetland, Commissioner, Department of Wildlife
Tina Nappe, Commissioner, Department of Wildlife
Joseph McNamara, Dairy Commission
William X. Smith, Dairy Commission
Roy Tennison, Athletic Commission
Ed Babka, Bishop Gorman High School
Chip Corder, Bishop Gorman High School Intern
Carole Vilardo, Employee Management Relations Board
Ken Frazier, Employee Management Relations Board
Hewitt C. Wells, Commissioner, Department of Wildlife
Ed Markovich, Secretary-Director, Nevada Rural Housing Authority
Remmey Brown, Deputy Director, Nevada Rural Housing Authority

Senator Lamb called the meeting to order at 8:00 a.m. and asked Mr. Joseph Greenley to come before the Committee to make the presentation for the Department of Wildlife Budget.

Mr. Greenley, Director of the Department of Wildlife, began by introducing his assistants, Mary Walkama and Dale V. Lockard.

Senator Lamb asked Mr. Greenley to give a brief rundown of the situation involving two ~~game wardens~~ investigation of a supposed poaching incident.

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Mr. Greenley replied that the situation has been pretty much resolved and that he had sent Senator Lamb a letter explaining the situation fully.

Senator Lamb asked if there was a proposed improvement in the duck ponds in the Mason Valley area.

Mr. Greenley replied that is the north pond improvement, which is a dyke on the north end of the property that will provide another 300 surface acres of pond area for the wildlife there. It is located north of Yerington.

Senator Lamb asked if they were still following the practice of growing crops within the ranch area.

Mr. Greenley replied that they still do raise crops. He cited the 700 acre parcel in the Mason Valley which is being farmed by a sharecrop agreement, which belongs to the State.

Senator Lamb raised a question about the discrepancy between the agency request and the Governor's recommendation for their Regular Appropriation.

Mr. Greenley replied that the Governor's recommendation for General Fund monies is equivalent to the current General Fund Appropriation for both fiscal years, i.e., each year in the biennium has a General Fund Appropriation of \$196,000.

Senator Lamb asked what the Department had done with the \$96,000 that was appropriated last session.

Mr. Greenley replied that there were five projects undertaken, two of which are not yet completed. They are:

- (1) The acquisition of access areas for the Wildhorse Reservoir, \$359,000.
- (2) The construction of a dike on the Kirkweiler Wildlife Management District to impound another 336 acres, \$151,000.
- (3) The construction of two canals in the Humboldt Wildlife area, \$21,000.
- (4) The construction of a project on the Elko Reservoir for the raising of the dam, doubling the surface acreage of the lake. It will create a much larger fishing area, \$400,000.
- (5) The construction of a dike at Mason Valley for the enlargement of the north duck pond. Part of the contribution will be generated from park funds and part from the Duck Stamp program and Park and Recreation bond funds and Pitt and Robinson funds.

Senator Lamb noted that U.S. Fish and Wildlife tried to increase the number of geese. He said that the increase of each individual goose must cost in the neighborhood of ten to fifteen thousand dollars.

Mr. Greenley replied that there is not presently a specific program for the management of geese. The project they are conducting is for all types of water fowl, including ducks, geese and small game and some fishing areas.

Senator Lamb asked how many out-of-state gaming licenses were issued last year. Mr. Greenley replied that the total figure was 3,777 with 2,200 of those being accompanied by deer tags for deer hunting for regular non-resident hunting licenses.

Senator Lamb asked if Mr. Greenley encountered a problem with the number of licenses they are allowed to issue actually denying many Nevadans the privilege of obtaining a hunting license.

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Mr. Greenley replied that they must keep this option open to out-of-state hunters because there is a policy of reciprocity among the states.

Senator Lamb asked what the cost of a hunting license for out-of-state is. Mr. Greenley replied that the cost of the license itself has risen from \$40 to \$50 since 1979 and the cost of a deer tag is \$50 for a total of \$100.

Senator Glaser states his dissatisfaction with the way the Non-Game Program has been set up, and he asked Mr. Greenley to justify the program to the committee.

Mr. Greenley replied that part of the criticism the Wildlife Department has been receiving has been that they have not devoted enough consideration to the Non-Game aspects of the Department. He told the committee that when Senate Bill 373 was passed by the last Legislature, the Non-Game Program was an integral part of this legislation. He said that Senate Bill 373 contained a special provision that a portion of the General Fund appropriation would go towards Non-Game species.

Senator Glaser asked, if Senate Bill 373 had not passed, would the Department of Wildlife be devoting such a large portion of the General Fund appropriation to Non-Game species.

Mr. Greenley answered that they probably would not be devoting such a percentage of time and money if it were not for the bill's passage. He indicated, though, that there had been a great deal of demand in regard to more attention being given to Non-Game species.

Senator Glaser asked Mr. Greenley if the sharecropping program is cost-effective.

Mr. Greenley replied that part of the crop from the sharecropping agreement was being used by the Department of Wildlife to help feed the surrounding wildlife, sometimes, even just leaving the crop to be devoured.

Senator Glaser said that he feels that the expense of the sharecropping program should be offset.

Senator Lamb asked what percentage of the sharecropping revenues goes to the farmer who does the work and what percentage goes to the Department of Wildlife and what the overall cost of the program is.

Mr. Greenley replied that he did not have that information but that he would supply it to the committee.

Senator McCorkle asked Mr. Greenley to give him an update on the Verdi Fish Hatchery.

Mr. Greenley replied that there is currently an appraisal for the value of the land that is being conducted but they have not, as yet, received it. He said that they have legislation drafted for the immediate authorization to sell the property and the building in Verdi to build a new hatchery in Mason Valley.

Senator McCorkle asked how many acres comprised the hatchery in Verdi. Mr. Greenley replied that there are 145 acres.

Senator McCorkle asked what the cost of building the new hatchery in Mason Valley would be.

Mr. Greenley replied that it would be in the neighborhood of \$2.5 to \$3 million dollars. He told the committee that they have had estimates ranging as high as \$6,000 to \$20,000 an acre.

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Senator McCorkle indicated that he has knowledge of the land values in that area, and that \$20,000 per acre is within reason. He said that, in the event of that kind of sales, the Legislature would not want to approve the purchase of the filtration system at Verdi.

Mr. Greenley replied that they would not recommend the filtration system for approval.

Senator Lamb said that he feels that the Fish and Game Department should be self-supporting. Mr. Greenley said that they were for many years until the revenue was cut by the quota placed on deer.

Senator Lamb replied that those factors are not solely to blame. Mr. Greenley agreed and added that one of Nevada's most important resources is the Wildlife Program.

Senator Lamb asked Mr. John Crossley, Legislative Auditor, to address the committee about the audit exceptions.

Mr. Crossley told the committee that one of the problems they encountered was in the area of fund accounting and in the recording of the payables and receivables. Other problems were found in the areas of computer programming, source documentation, revenue from the hunting and fishing licenses, big game tags and boat titles, registration decals and the license agent's commissions. There were problems in the areas of record retention and Coast Guard reports, also, and the computer inventory records.

Senator Lamb asked what had been done about the audit exceptions.

Mr. Greenley asked permission to have Mr. Dale Lockard reply to this query.

Mr. Lockard explained that they have prepared a letter to the Committee addressing this subject and outlining the remedies for each exception. (See Exhibit C).

Senator Lamb asked when the Department comes up for audit review again. Mr. Crossley indicated that it would be sometime within the next two years and hopefully sometime before the next session.

Senator Echols asked why the Department required a large training budget.

Mr. Greenley replied that they do for the enforcement personnel and the biological staff.

Senator Echols asked where the Communication expense was previously reflected in the budget.

Mary Walkama addressed Senator Echols question. She said that in 1979, the Communication costs were broken down into a statewide cost, but that that cost had been previously reflected as a line item.

Senator Echols asked where the Capital Improvement Projects were reflected.

Mr. Greenley replied that these were capital improvement projects approved by the Public Works Board, and that these funds were transferred from the Capital Improvement Budget to the Department of Wildlife's budget.

Senator McCorkle asked what had caused the reduction in the fee income category.

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Mr. Greenley replied that previously they operated this budget on revenues from banked income but they are now operating on a General Fund appropriation. He told Senator McCorkle that the reason there is a reduction reflected in this category is because during the '79-'80 period, there was a reserve generated by this transfer which was reflected in the budget as a one time increase for those years.

Senator McCorkle asked if a fee increase was also being reflected in this category. Mr. Greenley replied that it did reflect the increase from \$10 to \$125.0 per license.

Senator Jacobsen asked why there was an increase reflected in Contract Services.

Mr. Greenley replied that this is because they are proposing to conduct a study of the Striped Bass of Lake Mead by the University of Nevada, Las Vegas.

Senator Jacobsen asked if Mr. Greenley was kindly disposed towards the use of inmate labor.

Mr. Greenley replied that they have used inmate labor in the past and would not be opposed to using the inmates again.

Senator Jacobsen suggested that the inmate labor force be used to erect the proposed fencing at Lake Mead. He asked, further, why it was necessary to retrain the employees in the Department when a good deal of those employees have been with the Department for a long time.

Mr. Greenley replied that many of the problems they have encountered, image and otherwise, have been because of lack of training. He said that there is a real need to keep the employees informed on the most recent developments in their particular field.

Senator Echols asked what the rate of personnel turnover is within the Wildlife Department.

Mr. Greenley replied that it was one of the lowest rates within any agency in the State, mostly losing employees to retirement.

Wildlife Boating Program

Mr. Greenley also gave the presentation for this budget. He told the committee that this budget is pretty much status quo, except that they are no longer receiving funding from the Coast Guard Division.

Senator Gibson asked what the cost of the boat to be replaced is. Mr. Greenley replied that this will cost approximately \$12,000.

Senator Jacobsen asked Mr. Greenley how he feels about the newly appointed Wildlife Commissioners.

Mr. Greenley replied that it is the best group of individuals that have ever composed this board; that they are working very diligently together and with the different departments.

Senator Lamb asked how many aircraft the Department has.

Mr. Greenley replied that they have one fixed-wing aircraft and one helicopter. He told them that 90% of their flying time is for the observation of large game. He said that they are scheduled to fly and survey the large game at least 1,700 hours per year, mostly done by helicopter.

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Athletic Commission

Roy Tennison, Executive Secretary, Nevada State Athletic Commission gave the budget presentation for this department. He informed the committee since 1979, the Athletic Commission has placed \$1 million dollars in the General Fund. He went on to explain that the program has increased because of the increase in workload, the increase in the amateur program, but there has been a decrease in the wrestling program. He said that the income being generated by the Commission is increasing. Mr. Tennison stated that the Commission should earn between \$35,000 and \$40,00 more before the end of the fiscal year.

Senator Lamb asked how important the Out-of-State Travel budget is to the Commission.

Mr. Tennison replied that he feels it is very important to travel out of state for the Commission to enable them to attend seminars; he said that is one reason why the boxing promotions have chosen the State of Nevada to handle most of the larger fights.

Senator Lamb asked what the proposed percentage for the salary increase for the Commissioners would be.

Mr. Tennison replied that it is 57.2% increase. He said that this measure would bring his salary into equity with the salaries of other State agency heads.

Senator Glaser asked if the rates and fees in Nevada were comparable with those charged in other states.

Mr. Tennison replied that Nevada is drawing the majority of the title fights because of the tax rates which are more favorable for the television industry than other states.

Senator Lamb told the committee that he does not feel that the Out-of-State Travel Fund needs to be so large. He said that it should not be necessary for all the Commissioners to travel at one time, therefore, eliminating much of the expense for the promotion of the Athletic Commission.

Dairy Commission

This budget was presented by Mr. William X. Smith, Executive Director/Secretary of the Nevada State Dairy Commission.

Senator Lamb asked Mr. Smith who had the authority to make price cuts. Mr. Smith replied that the Commission has that authority.

Senator Lamb asked if the Commission is actively trying to compete with the out-of-state market.

Mr. Smith replied that the Commission is making an active effort to compete out-of-state. He said that one way in which they hope to accomplish this is by encouraging Nevada processors to compete for and increase their institutional sales. He told the committee that there is a great deal of competition out of state for this market, but that many of the chain supermarkets are utilizing what they call "captive" dairies, i.e., those dairies specifically under contract to a particular market chain.

Senator Lamb asked how many producing dairies does the Commission oversee. Mr. Smith replied that they currently oversee six dairies.

Senator Lamb observed that he has noticed a great many of the dairy farms in the State of Nevada have closed down in the last four years due to a combination of outside competition and the federal regulations restricting their sales.

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Mr. Smith told the committee that he has no additional information to give the committee besides the printed program statement contained in the first page of the budget request on page 770 of Volume I. He told the committee that the Commission has taken projected inflationary pressures into account in composing their budget request.

He also informed the committee that they have been able to effectively suspend the assessment on milk in the State of Nevada for the next six months, and reduced assessments on ice cream and butter, too. One of the contributing factors to their success in this respect has been the violation fees they have collected as a result of their actively pursuing violations in their field..dairies operating without licenses or utilizing substandard facilities..and using those revenues to augment the Commission's reserve fund. He said that the Commission currently has \$300,000 in the reserve fund for the Dairy Commission, and this has greatly helped to stabilize dairy product prices in the State of Nevada.

Senator Jacobsen told the committee that there are a number of dairymen in Douglas County and that he is quite aware of the problems of the industry and has received much favorable information in regard to the present Dairy Commission and their effective handling of the Commission's responsibilities.

Senator Lamb asked if the interest income should remain a part of the Commission's fund.

Mr. Smith replied that he believes it should.

Senator Jacobsen added that he, too, feels that the interest income should remain in the Commission's fund; that the dairymen are entitled to this money because it consists wholly of their contributions, and that's one of the main reasons that prices have been stabilized.

Mr. Smith said that the Commission believes that the interest income will probably decline during the next biennium because of the fact that the fund will be declining as the Commission stops collecting these fees and fines.

Senator Lamb asked if the surplus is ever utilized by the Commission. Mr. Smith replied that it has only been used for legal fees in the past.

Senator Echols asked Mr. Smith what the turnover rate has been in the Dairy Commission.

Mr. Smith replied that it was very low, but that in some of the lower grade positions, specifically citing an example of a grade 20 position in the Las Vegas area, they have some trouble retaining competent help.

Employee Management Relations Board

This budget was presented by Ken Frazier, Commissioner, and Carole A. Vilardo, Board Chairman. Mr. Frazier gave the committee a brief synopsis of the functions, goals and powers of the EMRB and gave a staff breakdown, by area, and the staff dispersal throughout the State. He described the Board as a "traveling court."

He told the committee that the budget essentially reflects a 12% inflationary increase in existing categories with two major exceptions.. In-State Travel and Employer-Employee Conferences. He explained the concept behind the idea of the Employer-Employee Conferences. He told the committee that in an effort to comply with the Governor's recommendations for cutbacks, they have chosen not to fund the Conference category.

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He did indicate, however, that they are greatly concerned about their travel budget as it is such an integral and important part of the work the Board does. He said that they have requested what appears to be a substantial increase because they are anticipating an increase in the areas of public sector union activity, airfares and an increase in the caseload. He said that they cannot adequately predict what their expenses will be because they are basically a reacting agency, reacting only to the demands that they must meet. He told the committee that their budget request was prepared prior to the recent fare increases. He told the committee, also, that their travel fund for the 1980-81 period has been supplemented by an Interim Finance grant of \$3,000. He went on to give the committee a caseload breakdown for the last three years and a breakdown of the hearing costs. He told the committee that at all times the Board tries to secure the cheapest airfare possible, and that their travel extends from attending hearings to travel involving the Employee Management Relations Advisory Committee and the Governor's hearings on fact finding to help solve collective bargaining disputes and any and all legislative appearances required of the Board.

Senator Glaser asked of what value the agency's publication and duplicating costs.

Mr. Frazier replied that, by law, the agency is required to publish all orders or decisions they render. He said that those decisions must be mailed to at least 175 individuals who are currently on their mailing list. He added that included in this expense is the daily cost of duplicating whatever materials must be duplicated for the office and the postage.

Senator Wilson asked if all cases that are brought to the Board go to decision or require a hearing.

Mr. Frazier replied that not all of the cases brought to the Board require a hearing, although all cases do require an order or decision to be made. The parties involved may circumvent the necessity of a hearing by stipulation prior to hearing or resolve their differences at the beginning of the hearing. He said that the Board issues an order of declaratory ruling, in effect, closing out the case.

Senator Lamb asked Ms. Vilardo if she would like to make any comment to the committee.

Ms. Vilardo told the committee that within the last two years, the Board has not been able to return any money to the General Fund because of the burgeoning caseload that they are encountering. She added that a couple of years ago, the Board conducted seminars, one in Las Vegas and one in Carson City, which helped to drop the caseload. She suggested that this might be an expense that, if expended now, may curtail the expenses encountered in the future by having an informed public, thereby, obviating the necessity to file cases lacking merit.

Senator McCorkle asked what the Board members' feelings were on the subject of binding arbitration.

Ms. Vilardo replied that she has been informed by Assemblyman Dini that there currently are at least three bills in the Assembly affecting the Board and that they are proposing to hold joint hearings in which binding arbitration will be one of the relevant issues discussed.

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Mr. Frazier added that he would not be opposed to any change in the format of arbitration. There have been other formats proposed, for example, the last-best offer arbitration format, but he feels that the present process is placing a tremendous burden both in regard to the time and money on the Board.

Senator Jacobsen asked Mr. Frazier to give the ratio of caseload to decisions.

Mr. Frazier replied that the agency has rendered 112 decisions or orders in the eleven-year history of the Board, and of those 112 decisions, 50-60% of the cases have resulted in hearings.

AMENDMENTS

SENATE BILL NO. 208

After a brief explanation of the amendments proposed for this bill as presented by Ronald W. Sparks, Chief Fiscal Analyst, the Chairman called for a motion on the bill.

SENATOR JACOBSEN MOVED THAT THE BILL BE AMENDED
AND APPROVED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

SENATE BILL NO. 337

An explanation was offered by Ronald Sparks, stating that this bill is an appropriation for the payment of utilities for the Civil Defense budget with matching Federal funds. He told the committee that the amount of the appropriation has been reduced to \$58,200.

SENATOR ECHOLS MOVED THAT THE BILL BE AMENDED TO
\$58,200 AND APPROVED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGETS

SOCIAL SERVICES, VOCATIONAL REHABILITATION, page 381

SENATOR ECHOLS MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUSINESS ENTERPRISE CONTINGENCY FUND, page 387

SENATOR GLASER MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

REHABILITATION FACILITIES, page 391

SENATOR GLASER MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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INDEPENDENT LIVING, page 392

SENATOR MCCORKLE MOVED THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

HOMEBOUND INDUSTRIES, page 393

SENATOR ECHOLS MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR MCCORKLE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUREAU OF DISABILITY ADJUDICATION, page 395

SENATOR WILSON MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

SILICOSIS PROGRAM, page 410

SENATOR GLASER MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

HEALTH DIVISION, page 414

The committee agreed to hold all actions on this budget.

IMPROVED PREGNANCY OUTCOME, page 430

SENATOR GIBSON MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

URANIUM MILLS LICENSING, page 446

SENATOR WILSON MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

DRUG LICENSING, page 448

SENATOR GLASER MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR WILSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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INSTITUTE LAND EXCHANGE, page 476

Mr. Sparks was requested to further investigate this budget for the committee.

Rural Housing Authority

This budget was presented by Edward Markovich, Secretary/Director of the Nevada Rural Housing Authority, and Remmey A. Brown, Deputy Director.

Mr. Markovich explained the goals and functions of the Rural Housing Authority. He told the committee that the current interest rates and financing dilemma are hampering the Housing Authority's progress.

Senator Lamb asked if the Housing Authority will require the number of staff people that they have requested for the next biennium.

Mr. Markovich replied that they actually require more than the amount of staff they have requested. He told the committee that they have applied for one additional position which will administer the Moderate Rehabilitation Program, help with research, provide some expertise to individuals in writing grants for senior programs, help with financing and do inspections on units.

Senator McCorkle asked why this program would be necessary in areas such as Yerington, Winnemucca or here in Carson City when private business will do this anyway without the incentive from the Federal government.

Mr. Markovich replied that he was in agreement with Senator McCorkle that private business would provide this service, but private enterprise would not provide the rent subsidy also. He said that even if private enterprises chooses to fund such a project, when the building is completed, the units will rent for more money, and the tenants will not be receiving any rent subsidies.

Senator McCorkle asked if, by starting the rehabilitation projects, the Housing Authority attracts seniors from other parts of the State, or is this service only being provided to the tenants currently residing in these communities.

Mr. Markovich replied that, generally, their clients are in-place tenants.

Senator McCorkle asked if the purpose of the Housing Authority's actions is not really to rehabilitate the units but to subsidize the rent, why doesn't the Legislature simply increase the supplementary income benefits to seniors that would compensate for the increase in the rent and would obviate the necessity for the Rural Housing Authority's obligations in this regard.

Mr. Markovich replied that they have a two-fold purpose; to subsidize rents and to provide rehabilitation. He also said that there is no current proposal for an increase in supplemental income that will compensate for increased rents.

Senator McCorkle asked how much money it would take to supplement the income necessary to compensate for the rent increase if the State were to pick up part of the cost.

Mr. Markovich said that he would provide the figures for the Committee.

Senator McCorkle asked how much Federal funding is contributed to the program.

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Mr. Markovich replied that they currently have well over \$1 million dollars in the existing rent subsidy program from the Federal government.

Senator Lamb asked if Mr. Markovich has received any information as to whether or not the rent subsidy program is going to be curtailed.

Mr. Markovich replied that two alternatives have been proposed; (1) there will be an increase in the amount of matching rent payment paid by individuals living in the Housing Authority projects from 25 to 30% of their total income, and (2) the Federal government is going to curtail the "new-starts," the new construction projects. There is also a proposed reduction in the number of grant and loan programs to be funded. He said that annually they have been acquiring at least 60 to 70 units of property, but that will be cut back by about 40%.

Senator Echols asked if the eight new positions have been filled.

Mr. Markovich replied that all of these positions have been filled within the course of the last two years. He stated that these positions consist of resident and non-resident management and maintenance staff.

Senator Echols asked Mr. Markovich to address the issue of salary increases.

Mr. Markovich told the committee that the salaries as represented in the budget request before them are not correct. He said that when he first came on-board, the committee members decided to wait to request salary increases until such time as they had something tangible in the way of results to present. He said that upon presentation of these salary increase requests, the requests were severely modified by the Personnel Advisory Committee. He told the committee that they were granted a 10% salary increase by the Personnel Advisory Committee.

Senator Echols asked Mr. Markovich to explain the rationale behind the Travel Budget request.

Mr. Markovich told the committee that the Housing Authority is granted the authority to go beyond the boundaries of agency convention and pursue whatever outside sources of financing or contract services is necessary to effect a savings for the Housing Authority. He said that they utilize the Travel Budget to pursue these savings. He added that one area in which they actively pursue other contract services is in the area of recruiting individuals to administer the housing projects.

Senator McCorkle questioned why it was necessary to have a staff of our people to run the Southgate Rehabilitation Facility. He asked why it was necessary for an additional manager's position to be funded, and he expressed the fear that there might be a duplication of services.

Mr. Markovich replied that there are four positions..one fulltime housing manager, one part-time assistant manager and two fulltime maintenance personnel. He said that the additional positions in maintenance and management are required because of the HUD stipulation that there must be someone to monitor the medical alarm system in this complex twenty-four hours per day, seven days a week. He said that there is a great deal of paperwork that is generated from operating a facility such as this because the management has to, in many cases, take over the personal finances of the tenants.

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Senator Gibson told the committee that he has been to the Southgate facility and was markedly impressed with the medical alarm system and the facility in general. He added that he believe they are doing a good job there.

BUDGETS

RETIRED SENIOR VOLUNTEER PROGRAM, page 543

The committee agreed to hold all action on this budget.

SENIOR COMPANIONS, page 545

The committee agreed to hold all action on this budget.

FOSTER GRANDPARENT PROGRAM, page 547

SENATOR WILSON MOVED THAT THE BUDGET BE APPROVED AS RECOMMENDED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

REFUGEE PROGRAM, page 581

SENATOR GIBSON MOVED THAT THE BUDGET BE APPROVED AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

FEDERAL CUBAN REFUGEE PROGRAM, page 583

SENATOR WILSON MOVED THAT THE BUDGET BE APPROVED AS RECOMMENDED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CIVIL DEFENSE (all budgets), pages 601-617

The committee agreed to hold all actions on this budget.

PRISON WAREHOUSE, page 665

SENATOR WILSON MOVED THAT THE BUDGET BE APPROVED AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

PRISON DAIRY, page 662

SENATOR JACOBSEN MOVED THAT THE BUDGET BE APPROVED AS RECOMMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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PAROLE AND PROBATION, Crime Commission Grants, page 669

SENATOR GLASER MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CRIME COMMISSION, Federal Grants, page 683

SENATOR WILSON MOVED THAT THE BUDGET BE APPROVED
AS RECOMMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at
10:23 a.m.

Respectfully submitted by:

Tracy L. Dukic, Secretary

APPROVED BY:


Senator Floyd R. Lamb, Chairman

DATED: 3/18/81

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.
Day (See Below), Date (See Below), Time 8:00 a.m.

MONDAY, MARCH 9, 1981

1. S.B. No. 348 - Makes supplemental appropriation to Department of Taxation for payment of rent. (Roy Nickson)
2. S.B. No. 40 - Provides for increase in disability and retirement benefits for retired public employees. (Vernon Bennett)
3. S.B. No. 233 - Creates exemption for elected county officers from certain payroll deductions for retirement contributions. (Vernon Bennett)
4. S.B. No. 337 - Makes supplemental appropriation for cost of utilities for Department of the Military. (William Engel)
5. S.B. No. 305 - Makes appropriation from state General Fund to legislative fund for increased dues to Council of State Governments.
6. S.B. No. 335 - Makes appropriation for certain machines for State Printing Office. (Don Bailey)
7. State Printing Office (Pg. 97 - Don Bailey)
 - a. Records Management Services (Pg. 101 - Don Bailey)
8. Lieutenant Governor (Pg. 33 - Myron Leavitt)

TUESDAY, MARCH 10, 1981

- ✓1. Department of Wildlife (Pg. 850 - Joe Greenley)
- ✓2. Wildlife Boating Program (Pg. 886 - Joe Greenley)
- ✓3. Athletic Commission (Pg. 753 - Ray Tennison)
- ✓4. Dairy Commission (Pg. 770 - William X. Smith)
- ✓5. Employee Management Relations (Pg. 156 - Ken Fraser)
- ✓6. Rural Housing (Pg. 1016 - Ed Markovitch)

WEDNESDAY, MARCH 11, 1981

1. Indian Affairs Commission (Pg. 148 - Elwood Mosey)
2. Public Defender (Pg. 158 - Norman Herring)
3. Gaming Control Board (Pg. 756 - Richard Bunker)
 - a. Gaming Control Board Investigative Fund (Pg. 766 - Richard Bunker)
4. S.B. No. 339 - Makes appropriation for certain testing equipment for State Gaming Control Board. (R. Bunker)
5. S.B. No. 340 - Makes appropriation for system for management of information for State Gaming Control Board. (R. Bunker)
6. S.B. No. 38 - Establishes annual salaries for members of Nevada Gaming Commission.

THURSDAY, MARCH 12, 1981

1. Racing Commission (Pg. 773 - Duane Goble)
2. Department of Energy (Pg. 843-862.....Noel Clark)

FRIDAY, MARCH 13, 1981

1. Central Data Processing (Pg. 116 - Gordon Harding)
2. Computer Facility (Pg. 120 - Art Crosby)
3. Office of Controller (Pg. 50 - Wilson McGowan)

Senator Lamb

February 26, 1981

Mr. Roger Bremner, Chairman
Ways & Means Committee
Nevada State Legislature, Room 236
Carson City, Nevada 89710

Dear Chairman Bremners:

Pursuant to your request at our hearing on February 26, I am providing you with 15 copies of the attached report dealing with the most recent Legislative Counsel Bureau audit of our Department.

The format is that provided to you by the Audit Division with our replies inserted. If I can be of further assistance please advise.

Sincerely,

COPY Original Signed
by Joseph C. Greenley
Director

Joseph C. Greenley
Director

JCG:DVL:mp

Attachments

cc: John Crossley, LCB

**AUDIT DIVISION
SUMMARY OF AUDIT FINDINGS
DEPARTMENT OF FISH AND GAME
(NOW DEPARTMENT OF WILDLIFE)
FISCAL YEAR ENDED JUNE 30, 1978
REPORT NO. 16**

1. Source documentation on revenue from hunting and fishing licenses, big game tags, boat titles, registration and decals, and license agents' commissions are not retained in accordance with the Department's records retention schedule.

Reply: Record retention schedule has been reviewed by appropriate personnel and is being adhered to.

2. The Department should record advances as liabilities instead of crediting accounts receivable.

Reply: Have set up general ledger account 2113 "Advances on Grant Programs" will be used instead of "Accounts Receivable".

3. We noted that there were significant differences between the number of registered boats on the Coast Guard report and the number of registered decals sold as reported in the cash sales summaries. A cut-off date should be established so that the sales report coincides with the Coast Guard report.

Reply: see 4. below.

4. The computer programs relating to master inventory, agents inventory, master registration, and Coast Guard reports do not provide the necessary information.

Reply: Due to the workload of our CDP programmer and the press of critical work, we are now tabulating manually late boat registrations from the license agent's inventory (Feb. report) and supplying such to the Department of Taxation for addition to the Coast Guard report. We intend to implement the desired computer programs as time and money allow.

5. The amount of bond required for license agents has not been computed. The Department of Fish and Game does not have any record of how the current bond requirements for the individual license agents was established.

Reply: The License Office retains a copy of all individual license agent billings (since June, 1978).

6. A license agent, who also serves on Fish and Game Commission, has not complied with the terms and conditions of the bonding requirements of the Department. In addition, the agent was late in submitting fees to the Department as well as the batch reports.

Reply: NAC 502.150 details bonding requirements and limits of inventory. Controls have been implemented to attempt to preclude any agent from receiving inventory over bond amount. No member of the Board of Wildlife Commissioners currently serves as a license agent.

7. Commissioners were being paid salary while in travel status to and from conferences, rather than only on the days of the meeting.

Reply: Current Commission Policy (P-1) states that "members...are entitled to receive \$40 per day while performing official duties. The Commission has indicated their desire to maintain this policy which is interpreted to include travel status time pursuant to 501.179.

8. NRS 501.177 requires that the Commission shall hold regular monthly meetings. Many of the meetings do not last very long and we feel that they should establish quarterly or some other less frequent interval for Commission meetings.

Reply: NRS 501.177 is being recommended for amendment to at least nine meetings each year plus any special meeting as the Commission deems proper. See A.B. 219, Sec.2.

**AUDIT DIVISION
SUMMARY OF AUDIT FINDINGS
COAST GUARD GRANTS ON THE
DEPARTMENT OF FISH AND GAME
JULY 1, 1976 THROUGH JUNE 30, 1978
REPORT NO. 4**

1. There were no findings.

**AUDIT DIVISION
SUMMARY OF AUDIT FINDINGS
UNITED STATES FISH AND WILDLIFE SERVICES GRANTS
DEPARTMENT OF FISH AND GAME
FEBRUARY 1, 1976 THROUGH JUNE 30, 1978
REPORT NO. 8**

1. The tapes or diskettes that maintain the information for specific projects are kept for a month and then scratched so they can be used again. The tapes or diskettes containing May and June 1978 cost accounting transactions were inadvertently scratched and transactions in excess of \$50,000 were lost. The tapes and diskettes are not backed up.

Reply: The recommendation has been instituted since July 1, 1979.

2. There was not a clean cut off June 30, 1978 on the equipment use reports. Accordingly, the equipment charges for the Fish and Wildlife Service Projects were understated or overstated depending on the date the equipment use reports were filled out.

Reply: This recommendation is being enforced to assure a clean cutoff between fiscal years.