

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
March 2, 1981

The Senate Committee on Finance was called to order by Chairman Floyd R. Lamb, at 8:00 a.m. on Monday, March 2, 1981, in Room 231 of the Legislative 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 Thomas R.C. Wilson
Senator Lawrence E. Jacobsen
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:

Howard E. Barrett, Chief Budget Division
Frank Daykin, Legislative Counsel
Roland D. Westergard, Director, Dept. of Conservation and Natural Resources
Senator Susan Wagner, Nevada State Senate, Washoe County
A.A. Campos, Chief Parole and Probation Officer
Charles L. Wolff, Director, Department of Prisons
Roy E. Nickson, Executive Director, Department of Taxation
Noel A. Clark, Director, Department of Energy
Dr. Patricia A. Geuder, Western Interstate Commission for Higher Education
Dr. Donald W. Driggs, Western Interstate Commission for Higher Education
Frank Carmen, Director of Youth Services, Department of Human Resources
Frank Holzhauer, Department of Human Resources
Tony Clark, Washoe County Bar Association
Mike Katz, Deputy Administrator for Youth Services Division
Barbara Durbin, Parole and Probation Department
Abda Nelson, National Conference of Christians and Jews, Las Vegas
Carol Pancirov, State Parent/Teachers Association
Sheila Moulton, State Parent/Teachers Association
Jim Joyce, District Judges Association
Joyce Woodhouse, Nevada State Education Association

The committee was called to order by Chairman Floyd R. Lamb and, he proceeded to present six bill draft requests for introduction to the committee.

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BILL DRAFT REQUEST #1: This bill would make an appropriation for a management information system for the State Gaming Control Board. It would cost an estimated \$973,000. (S.B. 340)

SENATOR JACOBSEN MOVED THAT THE BILL BE INTRODUCED.

SENATOR ECHOLS SECONDED TH MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

BILL DRAFT REQUEST #2: This bill makes an appropriation for certain testing equipment for the State Gaming Control Board. The estimated cost of this bill would be approximately \$56,802. (S.B. 339)

SENATOR ECHOLS MOVED THAT THE BILL BE INTRODUCED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

BILL DRAFT REQUEST #3: This bill makes an appropriation for certain computer equipment for the University of Nevada system, at a cost of \$530,000. (S.B. 338)

SENATOR ECHOLS MOVED THAT THE BILL BE INTRODUCED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

BILL DRAFT REQUEST #4: This is a supplemental appropriation for the cost of utilities for the Department of the Military. (S.B. 337)

SENATOR JACOBSEN MOVED THAT THE BILL BE INTRODUCED.

SENATOR ECHOLS SECONDED THE MOTION.

Senator Gibson inquired as to what the financial impact of the bill would be.

Senator Lamb responded that it would cost an estimated \$73,200.

THE MOTION WAS CARRIED UNANIMOUSLY.

BILL DRAFT REQUEST #5: This bill makes an appropriation to the Western Interstate Commission for Higher Education Student Loan Program. the estimated cost of this bill will be \$1,018,000. (S.B. 336)

SENATOR JACOBSEN MOVED THAT THE BILL BE INTRODUCED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

BILL DRAFT REQUEST #6: This bill makes an appropriation for certain machines for the State Printing Office. The estimated cost of this bill will be \$120,000. (S.B. 335)

SENATOR JACOBSEN MOVED THAT THE BILL BE INTRODUCED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

SENATE BILL NO. 79: (Frank Daykin, Legislative Counsel)

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Mr. Daykin began by explaining that last session the Legislature passed a bill providing for the addition of two judges for the Second Judicial District, with the understanding that the provision would become effective upon the first occurrence of a vacancy among the judges of that judicial district. This bill would make that addition effective immediately, notwithstanding that there is no such vacancy. The Constitution provides that the Legislature may increase or diminish the number of judges in the particular district and change the boundaries of a given district, but no such change may become effective until the expiration of the term or the occurrence of a vacancy, in this case, May 1984.

He said that he had submitted a letter to the bill's sponsor, expressing his belief that the bill as proposed is unconstitutional. He also told the committee that proposed to be added to Senate Bill No. 79, if it is passed, will be an express severability clause to enable that particular judicial district being addressed in Senate Bill No. 79 from losing the two judicial positions if the bill were found to be unconstitutional.

Senator Wilson told the committee that it is a difference of legal opinion, and he feels it is constitutionally correct.

Senator Gibson asked Mr. Daykin what would happen if they were to go ahead and declare a vacancy.

Mr. Daykin responded by citing the Supreme Court case of Walter vs. Wells, in which the Court held that the creation of a new office does not automatically create a vacancy; therefore, the Legislature's act of declaring a vacancy would be unconstitutional. He stated that another problem would be determining whether or not, under the constitution, there is legally a vacancy within the judicial district at all.

Senator Lamb surmized, then, that Mr. Daykin's opinion is that the bill is unconstitutional on its merits. Mr. Daykin replied that was his opinion.

Senator Wilson told the committee that they have been plagued with this problem since last session, and he feels that this bill should be put through anyway. He said that if it is challenged after its approval, then the Supreme Court may decide the issue.

Senator Gibson asked Mr. Daykin under what circumstances or authority does the Legislature have the power to create the judicial districts.

Mr. Daykin replied that, constitutionally, the only time one can create new judicial districts is by creating a new county; not in order to fill a vacancy. He added that Senator Gibson's legislation for staggered terms would have obviated the problem.

Senator Lamb asked if Washoe County, the judicial district being affected by this legislation, actually was in need of two additional judges.

Senator Wilson replied that Washoe County has been in need of the additional judges since the last 1979 Legislative Session when they tried to pass similar legislation.

Mr. Daykin added that the constitution does not allow the Legislature to create new judgeships at the end of an incumbent's term. He cited one incident in 1967 when they had a judge added, but it contained the same severability clause in the bill proposed then as Mr. Daykin is placing in this bill because it was, again, unconstitutional.

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Senator Wilson responded that the Attorney General has found another interpretation of the law; that a creation of a seat is a creation of a vacancy. He feels that based upon the dual interpretation of the same legal question and the fact that there is a need within the judicial district for more judges they should go ahead and test it.

Senator Glaser interjected that they might try to go ahead and process the bill; if the bill is challenged, then the Supreme Court can decide the question. He added that they might consider running concurrently a joint resolution to amend the constitution to allow the Legislature to create judgeships outside of the current parameters of the law.

Senator Lamb made the observation that the mere fact that Senator Glaser has tried to include the resolution with this legislation, shows that he is sceptical about the question of law being raised.

Senator Gibson recited the problems with not having staggered terms and told the committee that this problem should be remedied.

Senator Lamb called for a motion on the bill.

SENATOR GLASER MOVED TO APPROVE SENATE BILL NO. 79.

SENATOR WILSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR GLASER MOVED TO PREPARE A JOINT RESOLUTION TO CURE THE DISCREPANCY IN THE CONSTITUTION.

SENATOR GIBSON MOVED TO SECOND THE MOTION.

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SENATOR GIBSON MOVED THAT THE COMMITTEE INTRODUCE A JOINT RESOLUTION TO STAGGER THE TERMS OF THE JUDGES.

SENATOR GLASER SECONDED THE MOTION.

BOTH MOTIONS WERE CARRIED UNANIMOUSLY.

SENATE BILL NO. 208

This bill makes an appropriation for the cost of litigation involving the Truckee River Stream System and consulting experts. This bill was presented by Mr. Roland D. Westergard, Director the the Department of Conservation and Natural Resources. He told the committee that this is a special appropriation for litigation expenses to support the State's effort to protect its interest in water resources on the Truckee River and in other areas in the State of Nevada. He told the committee that the request is for \$200,000; there is a balance in the account currently of \$300,000. He said that they feel it is necessary to have a balance in that account going into the biennium of at least \$500,000 in view of the threats being made that the decision handed down will be appealed by either party and other litigation. He said that they are expecting to have a decision handed down by the end of March.

Senator Lamb asked if there is a built-in reversion in the bill to the General Fund.

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Mr. Westergard replied that the bill does contain a built-in reversion, but they are respectfully requesting that the reversion be deleted from the bill so that they might have the funds available to them on a continual basis.

Senator Lamb said that he prefers that the reversion remain in the bill; it would help to keep a handle on the funds and curtail spending.

Mr. Barrett said that the Governor did not intend the reversion be in this bill and that the reversion clause has not been imposed previously.

Senator Gibson asked for a list of the lawsuits pending on the Truckee River system.

Mr. Westergard enumerated these cases for him.

Senator Echols asked how much money has been expended up to the current date for this litigation.

Mr. Westergard replied that \$975,000 has been spent so far.

Senator Echols asked how much of the \$975,00 was spent in the last biennium.

Mr. Westergard replied that the amount would be \$175,000; \$11-12,000 for fishery consultants, \$9,000 for engineering consultants, \$160,000 for legal consultants.

Senator Echols asked, with this low a figure, why would it be necessary to maintain an account balance of at least \$500,000.

Mr. Westergard replied because they are expecting the decision on the Truckee River case to be appealed, there will be greater costs incurred in every respect. He said that the costs for appealing to the Supreme Court are much greater than the costs they have had to date incurred in District Court.

Senator Lamb asked what the progress has been on the Pyramid Lake suit.

Mr. Westergard replied that the State's position on the Pyramid Lake case has been upheld. He also told the committee that the Federal Government has chosen to appeal the Circuit Court's decision.

He mentioned two other cases in which the State is involved:

1. A case involving the yield of water from the Stampeded Reservoir on the Little Truckee River Stream System. He said that many years ago the Federal Government authorized construction of a storage reservoir in that area, and a good portion of the yield from that reservoir was to be devoted to municipal purposes in the Reno-Sparks area. He said that they have never gotten the Federal Government to sign a contract for the use of that reservoir.
2. A case which is pending in the Las Vegas area. He told the committee that many years ago, the Legislature gave authority to the State Engineer to issue revocable, temporary permits with the understanding that when Lake Mead water became available in southern Nevada, those ground water rights would be cut back and terminated. The State Engineer has issued a notice of termination of a permit which was issued to a subdivision, Curtis Park Manor, and they have chosen to appeal that decision.

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Senator Gibson asked why the account receiving these funds has been labelled the "Truckee River Stream System" if the funds are not all going into the expense of that litigation.

Mr. Westergard replied that perhaps that would necessitate amendment.

Senator Lamb suggested that they strike the words "involving the Truckee River Stream System" and supplant the words "any litigation".

Mr. Westergard said that he thinks that that would be appropriate under the circumstances.

SENATOR JACOBSEN MOVED THAT THE AMENDMENT AS PROPOSED BY SENATOR LAMB BE MADE.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

The committee then addressed the question of deleting the reversion from the bill.

SENATOR JACOBSEN MOVED THAT THE SECTION 2 BE DELETED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

SENATE BILL NO. 43

This bill was presented by Senator Susan Wagner. It authorizes the establishment of residential centers by the Department of Parole and Probation. She told the committee that one of the main reasons the Subcommittee had chosen to introduce the legislation is because of the high cost of maintaining prisoners in the State Prison facilities. She stated that the cost of the current prison and honor camp programs are considerably lower, too.

She told the committee that the emphasis on this bill is on first-time offenders and trying to keep them out of the prison system and in some other kind of facility. She told the committee that the reasons are: It will benefit the State monetarily by allowing the resident to earn money to support his or her family, and thus preventing them from becoming wards of the State, compensating the facility itself for part of the expenses and the savings that the resident would be able to accrue. In addition, Senator Wagner indicated that the evidence that was put before the Subcommittee last summer spoke to the problem of the increasing prison population and that this is an alternative program which could reduce by 150 prisoners for this particular residential center.

She told the committee that the bill has been drafted so that it is permissive, and hopefully, even if the committee does not feel it has the money for such a program, they would hold it for approval at another time.

Senator Lamb told the committee that the first year will cost \$587,000 and \$658,152 the second year.

Senator Wagner told the committee that she has asked Mr. A.A. Campos to give a presentation and address the committee's questions. She told them that one of the main concerns the Subcommittee had was the fact that the program would not be receiving enough payment from the inmate for his daily expenses.

Mr. Campos, Chief Parole and Probation Officer, told the committee that the charge per day would be \$7.50.

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Senator Wagner asked if the fiscal note is based upon the \$7.50 figure.

Mr. Campos told her that it was not; that they had planned on any monies received reverting to the General Fund instead of going back into the budget.

Senator Lamb asked what this \$7.50 figure covered in costs.

Mr. Campos replied that this would include room and board.

Senator Lamb asked if they could provide room and board for each individual for that amount of money.

Mr. Campos replied that it is not possible to pay for all of the overhead expenses, but the \$7.50 will cover room and board and food.

Senator Lamb asked Mr. Charles Wolff, Director of the Department of Prisons, for his comments.

He replied that he is in support of the bill; that the proposed legislation could prove to be a valuable asset to the system.

Mr. Campos said that they had envisioned two centers, one in each part of the State, with an estimated cost of approximately \$250,000 a piece. He told the committee that the idea behind these multi-purpose centers is to prevent the first-time offender who is yet unstable from going directly into a prison facility and possibly receiving more negative influences than he would have been subjected to otherwise, yet he is also too unstable to place back in the normal flow of society.

Senator Lamb interrupted Mr. Campos and asked him what impact this program would have on the process of the court system.

Mr. Campos replied that their purpose is to point up the risk to the Court and to point out that there are additional resources available that made it unnecessary to place the first-time offender into a volatile prison atmosphere. He said that this program might be veneficial to those individuals who have committed a crime of such magnitude that the Court would prefer to enter them into this program and extract some form of restitution from them. He told the committee that this might lighten the loan on the County Jail system, too.

Senator Lamb said that he feels that more and more there is a trend leading away from incarceration because of the cost and trying to find alternatives, sometimes to the extent of eliminating small offenses as being arrest-worthy crimes.

Senator Wagner replied that she does not feel that this bill is addressing that problem but, is looking at non-traditional ways to deal with prison overpopulation.

Mr. Campos told Senator Lamb that another advantage of this program will be to reduce probation violation and thereby reduce prison population.

Senator Glaser asked if this program would service 150 people on a systemwide basis or out of the total prison population.

Mr. Campos said that it would be a systemwide benefit.

Senator McCorkle observed that the program proposed sounds like a restitution center, and those programs are already in existence.

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Senator Wagner replied that this program is not designed for individuals on their way out of the prison system, but for first-time offenders on their way into the prison system.

Senator McCorkle replied that the program seems unnecessarily specific. He asked Senator Wagner what reason she could give not to convert the restitution centers they have presently for this program.

Senator Wagner responded that there may be some restitution involved in this program, but she does not feel that the two programs are alike. She cited one of the provisions of the bill states that no individual having served a prior prison term in any institution in the State of Nevada may qualify for this program.

Senator McCorkle asked what the fiscal impact would be.

Senator Lamb replied that the fiscal note contains an allocation for both years of the biennium for rent. The first year's rent will be \$36,000 and the second year's rent will be \$42,000. He told them that they are preparing to rent facilities.

Senator McCorkle asked what the cost of rent computes out to be on a per-inmate basis.

Mr. Campos replied that their cost per day comes out to be about the same as the cost per day for an inmate in the prison except that, because the projected length of stay in this facility for each individual is only about 90 days, they can service four times the number of individuals for the same cost that they expend to keep one individual incarcerated in the prison.

Mr. Campos added that one of the advantages of the bill would be that it would enable them to contract out for personnel rather than going to State employees if this would enable them to furnish this service more efficiently.

Senator Lamb inquired where they are proposing to locate these program..within the community itself or outside of it.

Mr. Campos replied that they would have to choose the location of the centers very carefully so as not to cause problems within the community. He stated firmly, though, that they would not be looking to place the shelters within any residential areas.

Senator Glaser surmized that these facilities would not be lock-up facilities.

Mr. Campos replied that they would not be, but if the prisoner were to leave the program, he would be considered to be in violation of probation but would not be considered an escapee and, it would not be a criminal offense.

Senator Gibson asked Mr. Campos how many inmates are in the residence program at any one time. Mr. Campos replied that there are 30-35 individuals in this program at a time.

Senator McCorkle asked if the expense would be \$100 per month per inmate. Mr. Campos replied that it is \$100 per month for 30 inmates which gives them a figure of \$3,000 per month for rent expense.

Senator McCorkle stated that he does not think it will be possible to find housing for that figure.

Senator McCorkle asked if the \$7.50 per day per inmate charge is being deducted out of the \$100 per month that is being allotted for each inmate for rent.

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Mr. Campos replied that the \$7.50 is not being deducted from that figure. He said that a portion of the money earned by the inmates will revert to the General Fund but, that the \$7.50 per day will not begin to pay for the facility.

Senator Gibson asked what the estimated savings would be with the average term being three months in this facility as opposed to the cost of an average prison.

Senator Lamb interjected a question in regard to the length of the average prison term.

Mr. Wolff volunteered that it averages about 20-22 months.

Senator Jacobsen asked if the Subcommittee had done any investigation into other states; track records that have similar programs.

Senator Wagner replied that the response is very encouraging.

Senator Jacobsen asked if those states had incurred any additional liabilities as a result of adopting this program. Senator Wagner replied that they have indicated just the opposite is true.

SENATE BILL NO. 29

This bill was also presented by Senator Susan Wagner. It states that its intention is to extend the program of restitution by certain offenders. Senator Wagner indicated to the committee that this bill is being recommended by the Governor and is included in his budget proposals.

Senator Lamb inquired into the efficacy of the restitution program.

Mr. Wolff told the committee that as the program is going currently, they are receiving a good return on their dollar. The restitution facility in the North has the highest volume of money generated out of the program.

Senator Lamb asked how close the program is to being in the black.

Mr. Wolff replied that they are not anywhere close to breaking even in the program, but the program is cheaper to operate than incarcerating a prisoner in the prison.

Senator Glaser asked if this facility would, likewise, not be a lockup facility. Senator Wagner replied that it would not.

Senator Glaser cited the wording on page 2, line 3, and asked if this would give an inmate incentive to get out of the program.

Mr. Wolff responded that this would give an inmate an incentive to get out of the program and emphasized that there is a great demand for it.

Senator Gibson asked if the funding for both of these bills is contained in the budget recommendations.

Senator Wagner replied that the only bill provided for in the budget recommendations was Senate Bill No. 29.

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Mr. Campos requested permission to explain a budget revision in his budget presentation.

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He directed the committee to pages 665 and 666, and began to explain that they have been having difficulty achieving a satisfactory volunteer program for the program coordinator's position. He told them he was having difficulty in providing necessary services. He said that in District II, Reno, and in District IV, Las Vegas, they are proposing to change the Psychologist IV positions, which are Grade 39's to Grade 35's; thus achieving a 20% salary savings. He told the committee that this has already been done, and they are experiencing an improvement in the situation.

SENATE BILL NO. 197

This bill was presented by Roy Nickson, Executive Director of the Department of Taxation, and Noel Clark, Director of the Department of Energy. Mr. Nickson told the committee that he feels that current legislation is too restrictive; that the legislation should include a provision for solar water heaters as well. He also mentioned the dilemma that when many of these improvements are made, some totaling many thousands of dollars, the county assessor comes out and reassesses the value of the house, thus hiking up the taxes, therefore any tax relief sought originally by the homeowner making this improvement to his dwelling is nullified.

Mr. Nickson proposed that the only way to remedy this inequity is to change the legislation to read that a rebate shall be given in twice the amount of the property's improved valuation. Mr. Nickson told the committee that the monies for the reimbursement of homeowners would be provided by both the budgets of the Department of Taxation and the Department of Energy.

Senator Glaser asked if the computation of the annual savings is done on the present tax structure.

Mr. Nickson replied that it is.

Senator Glaser asked what would happen to this program if the present tax structure were to be changed; would this reduce the savings being passed onto the homeowner.

Mr. Nickson replied that it would reduce the savings.

Senator Wagner told the committee that the number of claimants applying for this program has been very small.

Mr. Noel Clark, Director of the Nevada Department of Energy, told the committee that he is in support of the bill. He also told the committee that they should be aware and remain aware of the necessity of such programs to encourage renewable sources of energy in light of the fact that Nevada is totally dependent upon outside sources of energy; that it does not produce any of its own energy sources.

Senator Gibson asked if the Department of Energy has the necessary money available for this program. Mr. Nickson replied that the funding should be sufficient.

Mr. Clark told the committee that they do not intend to pursue the commercial portion of the bill because it is very hard to endorse.

Western Interstate Committee for Higher Education

This budget was presented by Doctors Donald W. Driggs and Patricia A. Geuder of the Western Interstate Committee for Higher Education. The presentation was given first by Dr. Driggs. He stated that the program is status quo, and the only changes that were made is in the way the funds are placed. He told the committee that it was suggested by the auditors that the WICHE stipends be treated as a loan fee and incorporated into the funds for the Student Loan Program.

Senator Lamb asked Dr. Driggs what the estimated return has been, to date, on the Student Loan Program.

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Dr. Driggs replied that there has been very little return because of the five-year deferred payoff written into the program. He told the committee that the program was not actually in existence until 1977, and that the first payoff would not be received until the first month of 1983; until then, students are not legally obligated to make payments of any kind, it would be on a voluntary basis only that they would receive these monies.

Dr. Driggs also said that their bookkeeping workload has increased since 1977 because of the addition of the Student Loan Program into the Committee for Higher Education.

Senator Lamb asked how many WICHE students they currently have. Dr. Driggs replied that they currently have 166 students enrolled in the WICHE Program.

Senator Lamb asked Dr. Driggs to supply Senator Echols with the corrections of the audit exceptions. Dr. Driggs said he would do so.

Senator Jacobsen said that he is becoming more aware that many of the WICHE students are perfectly capable of paying their own educational expenses, if not wholly, then in part.

Dr. Driggs replied that they have difficulty pinpointing the actual needs of many of the people applying for the WICHE Program.

Senator Jacobsen asked why the State Veterinary Medical program is showing a reduction.

Dr. Driggs replied that they have a contract with Ohio State Veterinary Medical School, and the Medical School is taking the Nevada WICHE students for a much lower rate than they have previously been able to obtain that course of study for.

Senator Jacobsen asked, in light of their contract arrangement with Ohio State for their veterinary students, is it possible to farm out some of the medical students to other colleges and universities throughout the country at a reduced figure.

Dr. Driggs suggested trying the University of Utah. He suggested that they try to look for schools that are in need of WICHE funds in which to place the medical students.

Senator Glaser asked Dr. Driggs what the dollar figure is per student that schools desiring to get WICHE funds are paying to other schools in order to get those funds.

Dr. Driggs replied that in one instance, the University of Wyoming is paying the University of Utah \$25,000 over and over their WICHE funded portion.

Senator Lamb asked Dr. Driggs how strongly he feels about the Student Loan Fund.

Dr. Driggs replied that it was originally set up in 1977, and it will be depleted by the end of this biennium. He said that the repayment of these monies would help carry them through the mid to late 1980's by creating a revolving fund.

Senator Lamb asked what they do with the money returned to the Student Loan Fund.

Mr. Barrett replied that it would go back to the State's bank account and would draw interest.

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Senator Jacobsen asked if it would be possible to delete the therapy program from the curriculum covered by the WICHE Program.

Dr. Geuder replied that it would be possible although, there would have to be special provisions made for the students presently enrolled in the program or those students who have already been accepted into the program and have precluded their alternatives.

Dr. Driggs interjected a suggestion that if any changes in the curriculum covered by the WICHE Program are to be made, those changes should be effected in the second year of the biennium so as not to disrupt the course of study of any students who are presently enrolled in the program.

Senator Glaser noted that instead of eliminating just one program, they might consider limiting enrollment across the board in all areas according to the demand of the current job market. He told the committee that they should direct the WICHE Commissioners to investigate this area.

Dr. Geuder asked Senator Glaser, in light of his suggestion, how he would propose that they determine the number of students they should enroll and how the distribution should be made.

Senator Glaser responded that there must be an agency that would be able to handle this.

Dr. Driggs interjected the comment that WICHE itself does do a periodic study along these lines and they might consider using this.

Senator Jacobsen asked what happens if a student fails and has to drop out of the program.

Dr. Driggs said that the school reimburses the WICHE Program with half of the first year if the student fails within the first year, and the remainder is the responsibility of the student to repay.

SENATE CONCURRENT RESOLUTION 6

This bill was presented by Martha Gould, President of the Nevada State Library Association. She expressed a need for new librarians, stating that for every 16,000 people in the State, there is only one librarian. She also said that the Interim Subcommittee recommended the addition of the course of Library Science to the WICHE Program in order to deal with this problem more effectively.

Senator Gibson asked how much money would be necessary for this recommendation. Ms. Gould replied that it would cost \$15,000 for the first year of the biennium and \$30,000 for the second year.

Senator Gibson asked for a breakdown of the per-student cost out of these two sets of figures for the biennium.

Dr. Driggs replied that the fee would be approximately \$3,500 per student for the first year and \$4,000 for the second year of the biennium.

Senator Gibson asked, without the WICHE Program incorporating this course of study into their program, how difficult would it be for students desiring to follow this course of study.

Ms. Gould replied that it is more difficult to get into Eastern schools than Western.

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Senator Gibson asked why Ms Gould wanted to incorporate the library science course under the auspices of the WICHE Program. He asked if this would stimulate more incentive to enter this course of study.

Ms. Gould replied that it is very difficult for the average Nevada student to pursue a course of graduate work because of the costs involved.

SENATE BILL NO. 277

This bill was presented by Frank Carmen, Administrator of Youth Services Division in the Department of Human Resources. He told the committee that this bill is a request for a supplemental appropriation for the Youth Services Division to pay its bills. He told the committee that they have found that they will be approximately \$4,700 short by the end of March of this year, according to the estimated costs that were calculated in December of 1980. He also informed the committee that unless this bill is passed, they will be forced to forfeit some staff positions. The three areas of concern are travel, personnel and operating expenses.

Senator Jacobsen told Mr. Carmen that his department should be able to determine that there will be a deficit in the budget prior to anything like this happening.

Mr. Carmen said that he agreed with Senator Jacobsen. He told the committee that a contributing factor to this dilemma may be that the Division is relatively new, and it was not known at the time of inception of this program exactly what funding would be needed, in total, to cover all their expenses.

Senator Glaser asked in what areas did Mr. Carmen determine that there would be overruns that would create these budget problems.

Mr. Carmen replied that their telephone expenses, postage and the copying and duplicating expenses contributed most heavily to this problem. He told Senator Glaser that these costs are greater than what had been projected and the factor that the Child Care Services budget is taking their operating expenses out of the Youth Services Budget at the present. He said that 40% of their administration budget goes towards this need.

SENATE BILL NO. 198

This bill was presented by Mr. Frank Holzhauser, Chief of Planning for the Department of Human Resources. He told the committee that Dr. Ralph DiSibio, Director of Human Resources, has given his support to this bill. He told them that this bill would enable the Department of Human Resources to contract for services from the private sector of the economy if it were more cost-effective to do so.

Mr. Holzhauser called the committee's attention to page 1, line 7, and told them that he feels that this causes a conflict because this is provided for in two statutes. He also said that there is a problem with the reporting system in the eventuality that any of these reports may become open; thereby, violating federal laws and the privacy of the client.

Senator Gibson asked Mr. Holzhauser to further explain what the specific problems might arise with the reporting system.

Mr. Holzhauser replied that these reports would be done on an in-house basis, but they would be privy to the Budget Office and might, therefore, become public knowledge.

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Senator Wilson asked what Mr. Holzhauser's recommendation would be for the mandatory language in that area of concern.

Mr. Holzhauser replied that they should require the reports to be submitted on a quarterly basis to the Budget Pffice and the Legislature with facts and figures, but they should be able to retain the in-house reports containing the specific names involved within their own department so that these reports do not become public property.

Senator Wilson asked Mr. Holshauer for his amendatory language. Mr. Holhauer replied that he had not come prepared with that amendment.

Senator Lamb suggested that Mr. Holzhauser get together with Ronald Sparks, Chief Fiscal Analyst, and prepare that for re-submission.

Mr. Holhauer replied that he would do that; he added that the bill's proposed program is an experiment, and the bill contains a two year re-introduction and approval clause.

Senator McCorkle told the committee that they will find the prepared testimony of Dr. Ralph DiSibio provided in a handout (See Exhibit C).

SENATE BILL NO. 277

SENATOR GIBSON MOVED THAT THE BILL BE APPROVED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

SENATE CONCURRENT RESOLUTION NO. 6

The committee decided that they would hold the vote on this bill until they are able to close the WICHE Program Budget. Senator Gibson said that they may be able to trade the Library Science program for some other course of study.

SENATE BILL NO. 197

SENATOR MCCORKLE MOVED THAT THE COMMITTEE ABSTAIN UNTIL THEY HAVE APPROVAL OF A TAX PACKAGE FOR THIS SESSION.

THE COMMITTEE AGREED UNANIMOUSLY.

SENATE BILL NO. 29

SENATOR GIBSON MOVED THAT THE BILL BE APPROVED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

SENATE BILL NO. 43

Senator Gibson told the committee that this bill represents a commitment of \$1.3 million dollars, and it is not in the budget. He told them he is not certain that he wants the program to be tried and that the committee would be wise to wait to see what funding will be available, and the outcome of the Distributive School Fund.

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Senator Lamb agreed that the committee would wait to render a decision. He added that they should try to expand the restitution program.

Senator Wilson noted that Senate Bill No. 43 addresses the non-violent crime, only.

Senator McCorkle suggested that they defer passage of the bill until the next biennium when there will be the quantity of dollars necessary to fund this program from the prison budget. He suggested that that would be an appropriate time to fund this program, and you would more likely see this bill passed then and not now.

Senator Jacobsen observed that there has to be a limitation on the amount of restituting inmates who would be able to be absorbed into the work force.

Senator Lamb suggested that the committee confer with Charles Wolff about this problem and the prison system's goals for the future.

There being no further business, the meeting was adjourned at 10:25 a.m.

Respectfully submitted by:


Tracy J. 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 (See Below)

MONDAY, MARCH 2, 1981 - 8:00 a.m.

- ✓1. S.B. 79 - Amends Act adding two judges to Second Judicial District.
- ✓2. S.B. 208 - Makes appropriation for cost of litigation involving Truckee River Stream System and consulting experts.
- ✓3. S.B. 43 - Authorizes establishment of residential centers by Department of Parole and Probation.
- ✓4. S.B. 29 - Extends program of restitution by certain offenders.
- ✓5. S.B. 197 - Increases allowance against property tax accrued for qualified solar systems and provides this allowance for certain water heaters.
- ✓6. Western Interstate Commission for Higher Education (Pg. 258.4 & 259)
(Dr. Donald Driggs)
- ✓7. S.C.R. 6 - Requests inclusion of library science in program of the Western Interstate Commission for higher education.
- ✓8. S.B. 198 - Creates process for competitive bidding to provide services proposed by Department of Human Resources.
- ✓9. S.B. 277 - Makes supplemental appropriation to youth services division of Department of Human Resources.

TUESDAY, MARCH 3, 1981 - 8:00 a.m.

1. Department of the Military (Pg. 596 - General William Engel)
2. Adjutant General Construction Fund (Pg. 599 - Gen. Engel)
3. National Guard Benefits (Pg. 600 - Gen. Engel)
4. Department of Administration (Howard Barrett)
 - a. Budget Division (Pg. 53)
 - b. Group Insurance Committee (Pg. 56)
 - c. Governor's Out-of-State Travel (Pg. 57)
 - d. State Unemployment Compensation (Pg. 59)
 - e. Merit Award Board (Pg. 60)
 - f. Risk Management Division (Pg. 61)
 - g. Clear Creek Youth Center (Pg. 64)
5. Personnel Division (Pg. 110 - Jim Wittenburg)
 - a. Cooperative Personnel Services (Pg. 110)
 - b. Intergovernmental Personnel (Pg. 112)
6. Labor Commission (Pg. 741 - Edmond MC Goldrick)

WEDNESDAY, MARCH 4, 1981 - 7:30 a.m.

ROOM 131

1. ~~State Department of Education and School Districts.~~

THURSDAY, MARCH 5, 1981 - 8:00 a.m.

1. ~~Department of Commerce (Pg. 690 - 738 Jim Wadhams)~~

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON FINANCE

DATE: March 2, 1981

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
J Reynolds	Intern F/Sen Lamb	
Tony Clark	Washoe County Bar Association	
MIKE KATZ	Deputy Administrator / Youth Services Division	5982
MARTHA GOULD	NEVADA Lib. Assoc.	795-9519
But Camps	PAROLE & Probation	885-5040
Barbara Durbin	✓	✓
Ulla Nelson	National Conf. of Christians & Jews - Las Vegas	752-1359
Neil & Leland	Nev. Dept. of Energy	885-5157
Frank Hohbauer	Dept. of Human Resources	485-4730
Carol Pausler	PTA State	453-5350
Sheila Moulton	" "	452-8575
Jim Joyce	District Judges Association	882-1890
Loyce & Wanda House	New State Educ. Association	882-5574
Roland D. Wastergard	Dept. Conservation & Nat. Resources	885-4360
Roy E. Nickson	DEPT. OF TAXATION	885-4892

NEVADA LIBRARY ASSOCIATION

To: Members of the Senate Committee on Finance

From: Martha Gould, President, Nevada Library Assoc.

TESTIMONY IN SUPPORT OF SCR6

Mr. Chairman, Members of the Committee:

At present there is no in-state access to graduate study in library science. One recommendation of the Legislative Sub-Committee is to make library science part of the WICHE program. May I remind this committee of your stated concerns in the area of literacy. Libraries and literacy have a symbiotic relationship. It is difficult to learn to read if you do not have easy access to books and libraries.

The Nevada Library Association strongly urges the addition of library science to the WICHE program. The cost is small and the return greatly beneficial.

S.B. 198
Heldover

PROPOSED TESTIMONY

S.B. 198 - COMPETITIVE BID TO PROVIDE SERVICES

There are a few major problems with this bill -

1. ~~Because of the requirement of most federally funded programs that personnel be under an approved merit system,~~ a significant number of programs could not legally be considered.
2. The intent as defined in the title and short summary, seem to indicate a desire to see if there is a more economical and possibly more efficient manner to provide a new service.

The language of the bill goes further than this.

We propose an amendment which, if adopted, would clarify the language regarding personnel and provide for administrative determination with guidelines as to the programs or services to be considered for competitive bidding. In addition, the amendment further clarifies the private enterprise eligible to compete in the process. It seems redundant to add language into statutes regarding reorganizing personnel or hiring new employees, when this area is well defined, adequately monitored and which already requires legislative approval in the NRS section cited in lines 6 and 7 of the bill. We suggest the language [reorganize existing personnel or hire new employees] beginning at the end of line 7 and continuing on line 8, be deleted and a qualifier be inserted that would specify the intent. Such a statement could be inserted following the word "employee" in line 8. Probable language could read, "When such

action regarding state employees was directly related to the implementation of a new service" we feel the deletion suggestion has greater merit.

The language on line 12 beginning with the word "or accomplish" to the end of that sentence should also be deleted. This language would not be necessary if one considers the intent i.e. to offer new services to competitive bid.

Because of the potential proliferation of well meaning but less than qualified private organization who could spring up as a result of this type of legislation, it is felt that a qualifier must be added to line 10 which provides an opportunity for private enterprise to participate. We suggest the following language be added after the word "profit" in line 11, and has been incorporated to do business as a human service provider agency in the State of Nevada prior to the date of passage of this bill, and has demonstrated through experience that they have the necessary program and fiscal integrity to comply with any state and federal laws and/or regulations governing the provision of human services.

There is one added problem which was indicated earlier, that is the selection of the bidder. The bill, though it implies, allows the director to select the appropriate bidder, tends to be a bit hesitant in actually stating this authority and responsibility.

Some language might be added in section 3 which would state flatly that the director shall select, based upon fixed criteria,

the most appropriate bidder.

Section 4 requires quarterly reports. The requiring of quarterly reports from the bidder is essential, but does this mean that these reports would be passed on to the Chief of the Budget Division, or would some type of separate report be filed? For if it does, there could be a significant problem with confidentiality. Client names and services provided would be filed with the agency responsible for monitoring the private provider, but such information cannot be made available to others.

We agree about the final sunset provision of the bill that requires termination. For if the process proves beneficial, the legislature should be given the opportunity to renew, change or cancel the program.

2/20/81