

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON FINANCE

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
March 23, 1981

The Senate Committee on Finance was called to order by Vice Chairman James I. Gibson at 8:00 a.m., Monday, March 23, 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 James I. Gibson, Vice Chairman  
Senator Eugene V. Echols  
Senator Lawrence E. Jacobsen  
Senator Norman D. Glaser  
Senator Thomas R.C. Wilson  
Senator Clifford E. McCorkle

COMMITTEE MEMBER ABSENT:

Senator Floyd R. Lamb, Chairman (excused)

STAFF MEMBERS PRESENT:

Ronald W. Sparks, Chief Fiscal Analyst  
Dan Miles, Deputy Fiscal Analyst  
Candace Chaney, Secretary

OTHERS PRESENT:

Gary Ghiggeri, Budget Division

DEPARTMENT OF MOTOR VEHICLES (DMV)

Office of the Director (Pg. 896)

Mr. S. Barton Jacka, Director of the Department of Motor Vehicles, presented the budget for this department. Mr. Jacka introduced Mr. Leonard Winkleman, Chief Administrative Service and Budget Officer, to the committee.

Mr. Jacka said the department presently was comprised of seven divisions with 632.75 positions. At the end of 1980, the department collected \$53,195,927 in fees and other forms of revenue, not including Highway Patrol citations. Of that amount of money, \$27,063,998 went to the Highway Fund, \$22,864,626 went to the counties in the form of privilege tax via plate fees.

The Office of the Director constituted the administrative support staff for the department. It involved the Hearings Officer's functions, the Deputy Attorneys General assigned to the department, and the personnel section. For the next fiscal year, the agency was requesting a reclassification for the Director's secretary, at no change in salary, only in title. The position was presently an Administrative Secretary II, and, by personnel standards, should be referred to as a Management Assistant III.

New Positions. Mr. Jacka indicated the agency was requesting an additional Hearings Officer and a corresponding clerical support position. He noted the hearings for the department had increased by 2.5% per year since the Hearing Office was developed in 1973. Most of the hearings involved the area of drivers licenses. The department was mandated, by statute, to hold the hearings in a timely fashion, and, the one Hearing Officer currently operating could not keep up with the increased workload. Mr. Jacka commented that the possibility of contracting this position was looked into, but, was not found to be cost-effective.

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Senator Wilson asked what was the jurisdiction of a Hearing Officer. Mr. Jacka said the officer heard all matters of appeal in relationship to driver's license revocation, suspensions, and financial responsibility. He indicated this was an administrative responsibility done pursuant to law.

Out-of-state travel. This budget category increased due to most of the out-of-state travel expenditures for the divisions being consolidated into the Office of the Director to enable better control of out-of-state travel. The exceptions were Traffic Safety, Highway Patrol Special Fund, Emission Control, and Driver's License.

Operating Supplies. Monies budgeted for the purchase of statute books necessary for every other year of the biennium.

Printing, Duplicating, Copying. Showed a slight increase due to the necessity of purchasing vehicle code books every other year to distribute to interested law enforcement groups throughout the State. Presently the books were sold for \$3 each to government agencies and \$5 for non-government agencies.

Other Contract Services. This item was primarily to offset the lease/purchase of a word processing unit within the Director's Office. Mr. Jacka noted it was the intention of the agency to place, if approved by the legislature, all three of the word processing units within the Director's Office to better coordinate and standardize the procedure for the development of correspondence and related projects. The request for an additional word processor, the agency felt, would offset the necessity for an additional clerical position within the Director's Office.

Senator Wilson inquired if all legal and court expense was allocated to the hearing process. Mr. Jacka stated the entire legal process for hearings, including the Deputy Attorneys General salaries, were within the Director's Office. He commented, referring to the Attorney General's desire to draw the Deputy Attorneys General back in-house for more effective utilization of his manpower, that he could better control the operation of the attorneys within his organization. The bulk of the category item went for salaries of the Deputy Attorneys General. Mr. Jacka added that Assembly Bill No. 4, which would increase court reporter's fees some considerable amount, would also have an impact on this budget item.

Vehicle Operation. Reflected a 22% increase for inflation due to the cost of fuel and services.

Dues and Registration. Monies budgeted to include the dues for the DMV in the American Association of Motor Vehicle Administrators Organization and membership in the National College of the Judiciary for the Hearing Office. Also included in this item were registration monies for conferences attended by the Director.

Office Furniture and Equipment. Monies budgeted for the purchase of office furniture and equipment of the new Hearing Officer and secretarial position requested.

The Vice Chairman requested an explanation of the training category. Mr. Jacka noted this category followed the same format as out-of-state travel, the consolidation of this budget for all the divisions into the Director's Office.

Senator Echols asked why there were such disparities between the agency request and the Governor's recommendations for the travel item. Mr. Jacka said the decrease in in-state travel occurred after a request for a new Hearing Officer position was approved.

Administrative Services. (Pg. 899)

Mr. Jacka indicated this division was involved in the audit function of the department and furnished all technical assistance for the budget preparation,

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inventory control, ran the postal shop, and was responsible for records search.

New Positions. Reflected a request for an additional half-time position of Account Clerk for the North Las Vegas office. Mr. Jacka noted that area was very busy, and, it was felt to be a cost-effective measure to obtain the additional position.

Mr. Jacka indicated this division's budget combined most of the costs for postage, telephone expense, rent, and utilities for all of the divisions within the department.

In-state travel. Monies budgeted for audit purposes for the staff of Administrative Services, as well as, for inventory control and supervision. Offices for this division were located in Las Vegas and Reno, but, travel throughout the State was necessary, at least once a year, to check inventory.

Communications expense. This budget category included the postage and telephone expenses. The division estimated the postage expense for the first year of the biennium would be \$418,545. The budget item showed the basic telephone costs in the amount of \$133,963 for the first year of the biennium, and, \$150,393 for the second year. Mr. Jacka noted the necessity of the division to request an additional increase for this item, at least for the first year of the biennium, due to an anticipated rate increase by Nevada Bell. Some \$7,000 was requested to supplement the budget category for the rate increase.

Mr. Jacka, referring to the new facility being constructed for the department in Carson City, said he had proposed a new telephone system which would be more cost-effective than the present system utilized. Any costs incurred by the new telephone system would be covered in the \$7,000 supplemental increase requested.

Printing, Duplicating, Copying. Monies budgeted for the entire department to include copy machine costs, as well as, printing done for the division itself. Presently, there were five copy machines statewide, and, the division had requested an additional two machines for the new building for more cost-effective utilization of manpower. For the second year of the biennium, the increase reflected the request for two new copy machines. Mr. Jacka indicated the department had been advised by the contractor that construction of the new building was three months ahead of schedule. The division was requesting a supplemental amount of \$9,434 be added to the first year's figure for the two new copiers.

Senator McCorkle inquired as to why the division did not use the copy machines from the old building for the new facility. Mr. Jacka stated some offices would remain in the old facility and would require copy machines.

Senator McCorkle commented the number of employees of the division were remaining the same, yet the number of copy machines were increasing which would indicate a loss of efficiency per machine. Mr. Jacka felt it would be a waste of employee time to traverse stairs if a copy machine were not located on each floor.

Senator Glaser asked if the postage expense was for mailing out the registration slips, change of ownership, etc. Mr. Jacka said the expense was for mailing out registrations, driver's license materials, official correspondence for all the divisions, and for mailing out license plates. He noted the bulk of the postage came from registration renewal.

Senator Glaser inquired if those postage expenses were partially offset by the fees charged. Mr. Jacka concurred. He indicated, referring to driver's licenses, those were funded out of the General Fund, as of last year, so any excess monies would revert to the General Fund. Monies generated from the registration process reverted to the counties in the form of privilege tax, and to the Highway Fund as a result of plate fees.

Senator Wilson asked why the division had requested an Account Clerk for the West Charleston office and was not recommended by the Governor. Mr. Jacka stated the department had proposed that the operation be expanded in the Las

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Vegas office at the West Charleston branch, but noted the Budget Office did not approve that proposal. Mr. Ghiggeri of the Budget Office indicated the proposal was not approved due to limited revenue. Mr. Jacka felt the branch office was cost-effective and justified.

Senator Glaser asked what the most rapidly growing area of Las Vegas was. Mr. Jacka thought the western part of Las Vegas tended to be the most rapidly growing area in the valley.

Senator Echols inquired if there was any way to build into the fee structure so as to include capitol construction projects. Mr. Jacka noted there was a bill pending to increase registration fees primarily to take care of the deficit position the DOT was in as far as the Highway Fund was concerned. He said the department had its own legislation to increase the fees for driver's license costs. He stated all divisions within the department generated revenue. Mr. Jacka felt to raise the fees to the extent of capitol construction projects being included would involve a tremendous amount of money.

Contractual Services. The increase shown in this budget category reflected a transfer of monies from Buildings and Grounds Services category to this category.

State-owned Building Rent. This budget involved the fees the division had to pay, \$6.10 per square foot, to Buildings and Grounds for the buildings used that were state-owned. The charges included maintenance, janitorial service, limited construction costs, and utilities. The state-owned buildings utilized by the department were located in Carson City, Reno, Las Vegas, and North Las Vegas.

Proposed Las Vegas Facility. The department proposed that the facility be expanded in North Las Vegas to house a Highway Patrol operation, a modified registration plant, and a driver's license facility. Mr. Jacka suggested a three-way operation be built and to turn the Highway Patrol facility on Bonanza Road back to the State. This proposal was rejected by Public Works and the Budget Office. When the figures were presented to the Governor for this project, the department received approval to spend \$175,000 for an expanded North Las Vegas operation. The expansion included an enlarged space for registration and driver's license operations. The \$175,000 was intermingled within the utilities and other building rent categories. Mr. Jacka said he preferred to arrange for a lease/purchase for the building that would revert to the department at the end of 10 years.

Office Furniture and Equipment. This item included calculators, typewriters, files, and chairs for both years of the biennium.

Improvements to structures and fixtures. This category item included \$2,500 for a loading dock cover for the Las Vegas facility. This was a result of a suggestion to the Merit Award Board to prevent accidents at Las Vegas office loading dock.

\$20,590 - For the Reno DMV facility to include a smoke alarm system as requested by the City of Reno Fire Department.

\$1,800 - For the Las Vegas facility to remodel the office of the new Hearing Officer position.

\$5,000 - For the Highway Patrol office in Las Vegas to build a new cooling tower for air conditioning purposes.

\$13,800 - For new carpeting and a cooling tower for the Sahara facility.

\$2,000 - For miscellaneous repairs that might occur for all divisions within the department.

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Senator McCorkle asked how much it would cost to replace the worn carpeting at the Sahara facility. Mr. Jacka said he only had the combined figure for both the carpeting and the cooling tower.

Senator McCorkle noted that the department's budget showed an overall increase of 53%. Mr. Jacka stated each one of the areas had been hit with extreme inflation. He noted increases in utilities, building rent, the move to the new facility, and expansion had all contributed to the overall increase. Mr. Sparks commented that not every State agency was moving into a new building and the 53% increase in the department's budget reflected both years of the biennium. Mr. Jacka added the \$175,000 for the North Las Vegas plant was also included in the budget.

Senator Glaser asked if the \$175,000 expenditure for the North Las Vegas facility was going to cure the long line problem at that office. Mr. Jacka indicated the expenditure was not going to cure that problem but would provide the capability to put the public inside the building where they could be better served.

Senator Glaser inquired as to the hours of business for the registration facilities. Mr. Jacka said in all areas, with the exception of Las Vegas, the hours were from 8:00 a.m. to 5:00 p.m. The doors were closed at 5:00 p.m. while people still inside the building were accommodated; they were not turned away. In the Las Vegas office, the hours of business were lengthened to alleviate some of the long line problems there.

Senator Echols asked if the North Las Vegas facility was going to be located in a state-owned building. Mr. Jacka was hoping, if the monies were approved, to lease/purchase a building. If that were not possible, a straight lease would be obtained.

Senator Echols requested an explanation of the \$595,000 figure requested for the proposed new facility. Mr. Jacka stated those monies were to build a facility to accommodate the overcrowded conditions at the Highway Patrol, registration, and driver's license offices. It would be a lease/purchase arrangement payable in 10 years.

#### Driver's License Division (Pg. 902)

Mr. Jacka introduced Ms. Sharon Alcamo, Chief of the Driver's License Division, to the committee. Mr. Jacka asked the committee to recall that the legislature transferred the funding process for this division for the current biennium to the General Fund as opposed to the Highway Fund. He said the division was comprised of two major bureaus, the Examining Bureau and the Special Services Bureau.

#### Book Sales

Mr. Jacka pointed out a problem within this division and referred to page 903 of the budget document under the category of "book sales". He noted the division, in trying to generate additional revenue as opposed to costing the State more money, was proposing legislation, currently before the Senate Transportation Committee, in the form of Senate Bill No. 80. This bill would allow the division to charge for certain documents, most notably, the Driver's License Handbook. Mr. Jacka said it was his intention to charge a 50¢ fee for the handbook; the cost of producing these books would be 25¢ each. He stated, if he had not made that proposal as opposed to furnishing the handbooks free of charge, the biennial figures of \$125,000 and \$100,000 would have been worked into the budget and would have been part of the regular appropriation. Mr. Jacka felt he was being punished by the Budget Office because additional revenue through sale of the books could be generated yet the Budget Office expected him to fund part of the cost of the division with those monies. The Budget Office wanted the agency to generate the revenue as they sold the books. Mr. Jacka stated there were not monies to print the books to sell them in the first place. He said he would have to take the funds out of other operating categories but would still be unable to buy the quantity of books necessary for the year.

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Mr. Jacka requested the committee to consider, at least, putting the first year's sum of \$125,000 for book sales within the appropriation to allow the division to print the books.

Senator Wilson asked if, normally, the sale of printed items was shown in the budget. Mr. Ghiggeri said he was not familiar with that situation.

Senator Gibson inquired as to why the division was not recommending a large enough increase in fees to make the book sales program self-sufficient. Mr. Jacka indicated there was such a recommendation in the form of Senate Bill No. 80.

The Vice Chairman asked Mr. Sparks if the figures on driver license revenues he provided the committee members were based on the present law concerning drivers license fees. Mr. Sparks said they were.

Mr. Jacka indicated, referring to fees generated by the department, they would collect \$1,885,614 for 1981-82. For the second year of the biennium, they would generate \$1,532,606. The reason for the difference in the two years of the biennium was due to the double renewal cycle that occurred every four years which would result in a 110% increase in drivers license renewals. With the fees requested in Senate Bill No. 80, \$3,364,535 would be generated in the first year of the biennium and \$2,796,669 for the second year.

Senator Wilson inquired as to why those revenues were now shown in the budget. Mr. Sparks said they were listed in the front of the budget document in Volume I under the revenue structure. Senator Wilson asked why they were now shown in the operating budgets. Mr. Ghiggeri stated he had no answer for that but would find out and let the Senator know.

Mr. Sparks asked if the figures given by Mr. Jacka were new estimates on drivers license fees or were they the numbers the division gave to the Budget Office. He noted they did not match the projections that were included in the Executive budget for drivers license fees. Mr. Jacka stated those were the projections the division gave to the Budget Office and to the Senate Transportation Committee based upon Senate Bill No. 80. Mr. Sparks said he was referring to the existing figures of \$1,885,000 and \$1,532,000. Mr. Jacka remarked that they were the only figures he had. Mr. Jacka said he was including the photo license fees where Mr. Sparks figures would not.

The Vice Chairman asked what the status of Senate Bill No. 80 was. Ms. Alcamo thought the bill had been referred to the Senate Taxation committee. Senator Gibson requested Senator Glaser to keep track of the bill.

New Positions. The division had requested the reclassification of three positions; one Administrative Aid II to be reclassified to a Program Manager within the Special Programs Bureau, a Key punch Operator to Senior Key punch Operator, and, a Driver's License District Manager to a Regional Office Supervisor in the Las Vegas office.

The Vice Chairman requested an explanation of the double renewal cycle. Mr. Jacka noted a few years ago, licenses used to expire every five years. Presently, in meeting the national standards, the licenses were cancelled every four years. Consequently, every four years one year occurred where the activity of the department was increased by 110% and was called the double renewal cycle. At that time, it was necessary for division to obtain additional staff assistance to handle transactions.

Senator Gibson asked where that standard came from and why did the State have to adhere to it. Ms. Alcamo stated the standard came from a national organization, the American Association of Motor Vehicle Administrators. She believed the length of renewal was shortened because they felt there was a need to re-examine people every four years rather than five to increase the safety factor. Mr. Jacka indicated it was a voluntary action on the part of the State to shorten the renewal time.

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Senator Gibson inquired as to why the renewal periods did not straighten themselves out eventually. Ms. Alcamo said it eventually would.

Mr. Jacka continued by saying there were eight additional positions requested for the renewal cycle period. There would be eight Driver's License Clerks, three of whom would be in the Las Vegas office, two in the North Las Vegas office, two in the Reno office, and one in Carson City.

Overtime Pay. Mr. Jacka asked the committee to note in the first year of the biennium there was \$9,240 in this category. For the second year, there was \$6,930 budgeted. These monies were to pay for the overtime to allow the field examiners to travel to the remote parts of the State, as well as, to service those people remaining in the buildings after the closing hours. Also, monies were requested to take care of the additional temporary positions for the renewal year.

The Vice Chairman asked when the 5% shift differential policy was started. Ms. Alcamo said the policy was established before she joined the division. Mr. Jacka stated that State Personnel set the standard on when the night shift differential began and when it ended. Mr. Jacka referred to page 902 of the budget document, and noted the shift differential was for those people who were required to work at least four hours after 6:00 p.m., or four hours before 7:00 a.m.

Printing, Duplicating, Copying. Ms. Alcamo indicated the printing budget included a 22% increase for the first year of the biennium and a 10% increase for the second year of the biennium. This was for the actual printing of the forms and the various documents needed within the division. In addition to that, it included the Driver's License Handbooks and microfilm.

Senator Glaser commented on his concern over the need for additional personnel required by the division for the double renewal cycle. He inquired as to how much training was involved to make those people productive. Ms. Alcamo indicated it would probably take a month or two for those personnel to be productive. She noted some would be taking photos, a job which required very little training time.

Contractual Services. Mr. Jacka noted the program for the present year in the amount of \$110,000 had been moved down for the next biennium to a category under "contract services" to pay for the total license system.

Vehicle Operations. The increase in this category was calculated on the basis of 15¢, in the first year of the biennium, times 105,051 miles to obtain the total figure of \$15,848. For the second year of the biennium, it would be 17¢ times the same number of miles to obtain the total amount of \$17,961.

Senator Glaser inquired how the breakdown between vehicle operations and in-state travel was formulated. Mr. Jacka stated in-state travel was for per diem costs; vehicle operation was the cost of operating the car itself. He noted in-state travel would also include airline fares. Mr. Jacka added that he was hoping the legislature would do something with regard to the per diem rate supplied to the division. He indicated, in some areas, the staff was forced to pay for lodging at a higher rate than the per diem allowed for.

Automobiles. The sum of \$24,492 was budgeted for the purchase of three vans. Three sedans would be traded in for the purchase. He stated the three new vans in operation presently, were much more productive for the needs of the division.

Office Furniture and Equipment. Mr. Jacka indicated the agency request was considerably higher than that recommended by the Governor. The agency had anticipated the Charleston facility would be developed but was later disallowed.

Senator McCorkle thought the trade-in of the three sedans for the new vans should be reflected somewhere in the budget. Mr. Jacka said the three sedans would be turned into State Purchasing who, in turn, would sell those vehicles. When sold, the money from the sale would be transferred to the General Fund.

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Senator McCorkle inquired as to where the auto/vehicle maintenance was budgeted. Mr. Winkleman indicated those monies would be under vehicle operation.

Photo License. The sum of \$30,600 was budgeted for each year of the biennium. Those were monies paid by the division to the Automation division to rent the 19 statewide terminals to operate the photo license system. The "photo license contract" category was what the division paid Polaroid to produce the photo package.

Records Search (Pg. 906)

Mr. Jacka said this agency was developed as a result of a request last year that the services performed by this division be under the DMV rather than contracted out. He noted that request was granted and funded within the Administrative Services division. It was a totally self-sufficient unit and would generate revenue of \$475,594 to the Highway Fund in the first year of the biennium, and, \$381,312 the second year.

No additional personnel was being requested for this division. The salary and the reserve figure incorporated the requested pay raise for classified personnel. Mr. Jacka hoped that the six staff members presently budgeted for shift differential pay would be changed over to the day shift.

The Vice Chairman asked how the new system compared, with regard to revenue, to the previous system on a contract basis. Mr. Winkleman said, at the present time, the new system would generate \$500,000 more than the previous system would have. He noted those were just estimates for the present. Mr. Jacka felt the most important aspect of this unit was that it placed the staff of the agency within the control of the department.

Communications Expense. This item showed a considerable increase which was to pay for two in-Watts lines for the purpose of satisfying citizens throughout the State.

Senator McCorkle, referring to the communications expense, asked why the Governor had recommended more than the agency request. Mr. Jacka stated the agency did not originally contract for the Watts lines; those figures were added after the budget was submitted to the Budget Office.

Senator McCorkle noted, in looking at last year's program for the Driver's License Division, that 2,000 people did not have their licenses revoked as a result of DUI convictions. Mr. Jacka stated that situation was now up-to-date.

EDP Systems Facility Charges. Mr. Jacka indicated \$11,136 was requested as the department would be moving into the new building earlier than anticipated. He said the department also wanted an additional \$15,624 to supplement that figure for the first year of the biennium. Those funds were needed to maintain and operate six additional terminals to be located with the new building.

Other Furniture and Office Equipment. The agency was requesting that the monies shown in this category for the second year of the biennium be transferred to the first year of the biennium due to the anticipated earlier occupation of the new facility.

Registration Division (Pg. 909)

Mr. Jacka introduced Mr. Hale Bennett, Chief of the Registration Division, to the committee. This division was responsible for the licensing of all motor vehicles with the exception of those that were covered in the Motor Carrier Division and the titling of vehicles. The agency was broken into two divisions; the registration operation and the Bureau of Investigations and Enforcement.

Personnel Classification Changes. The agency requested the following changes: a Registration Office Supervisor II to a File Supervisor II at no change in salary, the elevation of an Administrative Aid II to a Management Assistant I,



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and a reclassification of a Principal Clerk Typist to a Management Assistant III.

New Positions. The division requested four new positions: a Keypunch Operator for the Carson City office and three Registration Clerks; two in Las Vegas and one in North Las Vegas.

Mr. Jacka noted for fiscal year 1979-80, first-time original transactions, mail renewals, counter-activity, and fleet activity for registration were broken down in the Las Vegas area. For Las Vegas, the division handled 293,360 transactions in that fiscal year. For North Las Vegas, 74,239 were handled, and in Reno, 206,460 were handled.

Senator Wilson inquired as to how motor vehicles emissions inspection and enforcement program affected the division's budget. Mr. Jacka indicated that budget was under the Registration Division.

The Vice Chairman referred to previous discussion at the committee hearings with the Insurance Commissioner on mandatory insurance. Senator Gibson said the commissioner indicated only about half of Nevada drivers carried insurance. The Senator wondered if it might be possible to require some kind of continuing communication with insurance companies so the division would be aware of when an individual cancelled their insurance. Mr. Jacka stated that last session, when the mandatory insurance law went into effect, it was indicated by the Insurance Commissioner that some 60% of the vehicles driven were covered by insurance. The present law was developed based upon no additional cost to the State to implement that system.

Mr. Jacka said, if the Insurance Commissioner's figures were correct, the division had picked up approximately 20% to 25% of those people. He indicated in order for the division to have a check and balance system with the insurance companies to insure that a majority of the driving citizenry in the State drive insured vehicles, would cost the department approximately 1.5 million dollars in additional expenditures. Those monies would be primarily for personnel to make the entry in to the computer system, as well as, some enhancements within the computer operation. He noted, if the legislature felt it would be cost-effective, the cost would be 1.5 million dollars. He said, according to the Insurance Commissioner's own reports, the state of New York, for example, had mandatory insurance but were still only able to cover some 90% of the insured vehicles.

Mr. Jacka stated the 1.5 million would also have to be used to fund an enforcement unit in the Highway Patrol to literally go out and contact the uninsured drivers. He noted, presently, Highway Patrol units were dispatched to the residences of the uninsured drivers and their registration slips were removed and revoked or suspended. He felt the division had done everything possible concerning this situation.

Senator Gibson requested a breakdown of the 1.5 million dollar supplemental expenditure required. The Senator said he could not see how such a program would be so costly. Mr. Jacka stated he would provide such and noted the check and balance program would not be just for the 20% of uninsured drivers but for the full 100% of drivers.

The Vice Chairman requested the figures on how many revocations and pick-ups the division had implemented. He felt there was gap in the law somewhere because there seemed to be too many accidents involving drivers who did not have insurance. Mr. Jacka said the gap involved the fact that there were not enough resources available to sufficiently check drivers to see if they were insured or not. He indicated the only other guarantee was to have insurance companies notify the department of cancellations and changes. Mr. Winkelman added that registered drivers did have insurance on the day they obtained their registration certificates, but those same drivers might not have insurance the next day.

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Senator McCorkle requested the department to provide him the figures on what it would cost per vehicle to increase registration fees to compensate for the 1.5 million dollars. Mr. Jacka said, as he indicated earlier, the department had provided data to DOT to raise the fees for registration considerably which was included in the bill previously mentioned. He noted it was not designed to cover the 1.5 million dollar expenditure. Senator McCorkle asked for the division to provide how those figures related to Senate Bill No. 80.

Senator Echols asked if it was possible to stop motorists to random sample them to check to see if they were insured. Mr. Jacka stated that Nevada was one of the few states in the nation which had the "road block" capability by law. He felt if the department were to do the random sampling, they would quickly lose that capability.

Senator Echols inquired as to what was the penalty for driving without insurance. Mr. Jacka indicated, if the driver was able to provide proof of insurance in court after they were cited, the charges were usually dismissed. He noted there was a monetary fine of \$250.

Printing, Duplicating, Copying. Mr. Jacka noted an increase in this item for the first year of the biennium to \$108,547. Those funds were to pay for the titles, the mailing envelopes, and all official documents and correspondence that were necessary to run the operation within Registration.

Senator Glaser inquired if all printing was done at the State Printing Office. Mr. Jacka stated it was. Mr. Bennett said, with the exception of some continuous forms, which the Printing Office did not have the capability to do. Mr. Jacka added it was difficult to formulate a budget based upon the inflationary increases that continuously occurred at the State Printing Office.

Senator Jacobsen asked if the division found any fault with the service provided by the State Printing Office. Mr. Jacka stated the service provided was very good; he only found fault with the costs.

Senator Gibson asked how often the division furnished new plates. Mr. Jacka indicated the present issue came out in 1969, and, it was anticipated at that time the plates would have outlived their usefulness which was currently not the case. He said the division had been very successful with them, and, until Senator Jacobsen introduced his bill, had anticipated that the present series would last another eight or nine years.

Senator McCorkle inquired if there was a particular reason why the number of registration clerks in Carson City should be disproportionately higher per capita than the Reno and Las Vegas offices. Mr. Jacka noted the registration clerks in Carson City did not do the same thing as what the clerks did in Reno and Las Vegas. Carson City handled all the title activities, the responses from the field offices for research, microfilming, filing of registration returned from the field, etc. He noted there was a bill pending which would give the headquarters operation in Carson City the capability to register vehicles in Carson City. If the bill was approved, the division would have to have additional staff to handle the transactions.

Senator Glaser asked how much revenue the personalized license plates generated. Mr. Winkleman indicated the revenue for fiscal 1979-80 was \$387,223 for personalized plates.

Senator McCorkle inquired, when the department was first requested to formulate their budget by the Governor, as to what they were asked to do. He noted that other agencies were told to cut their staffing and budgets, where it appeared DMV was not. Mr. Jacka said he attended the same budget meetings along with all the other agencies, but, it was indicated to him, there were differences from department to department. Since DMV was a revenue producing agency, if cuts were made, it would mean there would be that much less revenue to be raised for the budget process. He felt the DMV could not be compared to some of the other agencies as it was a service agency which affected more people in the State than any other department.

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Senator McCorkle commented that the assumption made by Mr. Jacka that the DMV was a revenue producing agency and every person cut would reduce revenue. The Senator thought that statement assumed 100% efficiency. Mr. Jacka stated there was not 100% efficiency in the DMV but there would be ultimately. He said if there was not the staff to wait on the public, there would be longer lines, people falling into penalty status, people driving without registering their vehicles, etc. He indicated the DMV was under some statutory responsibilities that bound the department with certain time constraints by which to produce workloads.

Other Contract Leases. The sum of money indicated in this category was to rent the microfilm cameras, microfilm equipment, and the telephone support system for the Sahara office.

Vehicle Operation. The monies shown in the budget equated to 16 cents per mile times 120,000 miles traveled. For the second year of the biennium, a 10% inflationary increase was indicated.

Raw Materials. Increase shown for this item was predicated on the base year of 1979-80 and a 10% growth per year. The raw materials included aluminium, sheeting, and the decals necessary to generate the license plates. He noted the differences in the amount requested and the amount recommended were due to the amounts of plates anticipated to be generated during the course of the biennium.

Automobiles. Provided for the trade of existing vehicles, one for each year of the biennium.

Office Furniture and Equipment. Provided \$6,848 for the first year of the biennium and no monies budgeted for the second year.

Other Furniture and Equipment. For the first year of the biennium, \$11,389 was requested to purchase a microfilm camera "buy-out" indicated in the "other contract lease" area, and, \$9,500 to buy the dyes used to cut the sheet goods at the plant. For the second year of the biennium, those monies were to be used to buy-out one of the leased microfilm readers and the telephone support system in the Las Vegas office.

Enforcement Program. Provided \$4,500 in funds to buy counterfeit titles in the investigative process and to rent undercover vehicles.

Senator Echols asked how counterfeit titles were bought. Mr. Jacka said in the registration process from state to state, there were some states which had weaknesses in their title system. The department would receive information that phoney titles existed, therefore, undercover personnel would go out and buy those counterfeit titles to determine where they came from, how they were developed, etc., to help stop the flow.

Microwave Channel. Funds requested to institute a microwave telephone system between the Carson City office and the Las Vegas office for the Bureau of Investigations and Enforcement in lieu of routine telephone traffic on police matters. Mr. Jacka felt this system would reduce telephone expenditures if approved.

Senator Jacobsen, referring to raw materials, asked if any material was recycled, for example, license plates. Mr. Bennett noted the scrap was sold through the Purchasing Department, who, in turn, put it out to bid to sell the scrap plates and aluminum. Senator Jacobsen inquired if there was a requirement to turn in the plates for all the junked cars. Mr. Bennett indicated there was such a requirement but was very seldom adhered to.

Switcher Costs. Mr. Jacka indicated this was a new item in the budget. He said the amount of \$26,380 was requested for the first year of the biennium and \$27,960 for the second year to provide for the installation of some additional 40/3 teletype units to upgrade the lines between the north and the south to the switcher in Carson City. He stated the switcher was the device placed in the DMV by the legislature two years ago which handled the switching for all the law enforcement units throughout the State of Nevada.

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Senator Jacobsen inquired as to how many prisoners were employed in the license plate factory. Mr. Bennett stated there were 17 prisoners working both in manufacturing and painting. The Senator asked if the division saw any other additional use of prison labor in the DMV. Mr. Jacka felt prisoners were used to the maximum possible in the DMV.

Motor Carrier Division (Pg. 913)

Mr. Jacka introduced Mr. Wink Richards, Chief of the Motor Carrier Division, to the committee. Mr. Jacka said this budget was fairly self-explanatory with no new positions requested. He noted that in 1980 this division was responsible for collecting, on a gross basis, some \$18,818,906 in fees.

Mr. Jacka referred to the salary item on page 913, which indicated a transfer of three positions from the Public Service Commission to the Motor Carrier Division. The PSC had an interim study conducted by a private firm and it was recommended that those investigative positions from the Commission be transferred to the Motor Carrier Division. He noted a problem that had occurred involving Assembly Bull No. 58 which had to do with consumer affairs responsibilities and incorporated the necessary law changes to transfer those positions. The bill was no longer in existence and the Assembly and Senate committees were working on other proposals. As yet, Mr. Jacka did not see any legislation to provide the transfer of those positions. He noted he had with him a recommendation changing three sections of the law which would bring those people under the control of the Motor Carrier division, if the Finance Committee would entertain that recommendation.

BILL DRAFT REQUEST

Senator Jacobsen moved to introduce a bill draft request which would transfer the Motor Carrier responsibilities currently undertaken by the PSC to the Motor Carrier Division.

Senator Glaser seconded the motion.

The motion carried unanimously.

Senator Gibson asked what the current status was on motor vehicle fees. Mr. Jacka indicated there was a bill pending involving a "single license plate" concept which would generate, along with the other proposed fee increases, some 2 million dollars in revenue. He said he gave the bill to Senator Jacobsen and requested him to check the bill's status. The bill has been in the bill drafter's office since October and did have a BDR number.

Senator Jacobsen, referring to "Special fuel user's license", asked if there was some way to catch abusers in that area. Mr. Richards stated it was difficult to catch those types of offenders, but the division was making every possible attempt to force those people to become licensed users.

Senator Jacobsen inquired if there was any special notation on the registration of a diesel user. Mr. Richards said on the registration it did show the type of fuel used.

Other Contract Services. Mr. Jacka noted an increase for the biennium on an annual basis as compared to previous history. This item involved the maintenance contracts for typewriters, letter openers, and calculators, also, computer terminals. The item included the word processing unit, referred to earlier. This was a lease/purchase payment of five years.

Vehicle Operation. Increases shown were calculated on the basis of 17 cents per mile for the first year times 656,250 miles. For the second year of the biennium, it was 19 cents times the same amount of miles.

The Vice Chairman inquired as to why different mileage rates were used for each of the divisions. Mr. Ghiggeri said the figures are based on actual

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operating experience in those particular budgets. Mr. Jacka indicated vehicle operation mileage was critical in this budget and in the Highway Patrol's.

Senator Echols inquired as to what the previous work program's figures were based on. Mr. Richards stated vehicle operation figures were running approximately 15¢ per mile, but with the increased prices of gasoline, he felt the the division would be fortunate to be able to run at 17¢ per mile.

Clothing and Uniform Allowance. Increase for the biennium was due to an increased allotment for uniforms furnished to the staff.

Employee Transfers. For this item \$3,000 for each year of the biennium was requested, the Governor recommended \$1,000. Mr. Jacka stated the only time the division used employee transfers was for promotions or for the good of the State. The last estimate done by the division for this area involved the move of an employee from Las Vegas to Elko, which was \$2,100.

Raw Materials. Included in this item were the aluminum and the stickers used on the motor carrier plates.

Automobiles. This category provided for the trade-in and purchase of new cars in the sum of eight cars for each year of the biennium and was calculated at \$10,000 per car. Mr. Jacka noted a particular problem, in Assembly Bill No. 274 currently pending, called for increased cost of police-type vehicles to \$10,000 per unit. Presently, the law called for an \$8,000 price per unit. Mr. Jacka indicated, in the case of the Highway Patrol's latest bid, the department had to go out twice in order to meet the \$8,000 bid. The reduction of the size of the car and the amount of equipment contained therein was necessary. He suggested, if legally permissible, in approving Assembly Bill No. 274 and allowing the maximum of \$10,000 per vehicle, if it could be considered, if a bid came in during the next two years over \$10,000, that there would be some referral back to Interim Finance to alleviate the problem.

The Vice Chairman asked if any discounts on the vehicles could be obtained. Mr. Jacka felt that perhaps, presently and if on a bid basis, the department could obtain a discount. He noted rebates only applied to standard-type vehicles.

Office Furniture. This item included miscellaneous office equipment for the biennium.

Other Furniture and Equipment. This category requested \$32,900 for the first year of the biennium and \$15,840 for the second. The item included replacements of mobile radios, sirens, hand-held viewers, and semi-portable scales. Mr. Jacka indicated the scales were the largest item in this item and cost \$17,500. Eight additional mobile radios and six sirens were to be purchased during the second year of the biennium.

Senator Wilson asked if the division randomly stationed car units on the highway to monitor truck traffic. Mr. Jacka said that was the procedure the division used.

Mr. Jacka added that the "other furniture and equipment" category did not include an item presently under consideration by the Senate Transportation Committee, that of overhead red lights for emergency vehicles. He stated additional monies would have to be generated if that legislation were passed.

Senator Gibson requested a status report on self-insurance. Mr. Jacka said the cost of insurance had been reduced since its implementation.

The Vice Chairman requested an explanation of the "academy" charge. Mr. Jacka indicated, currently, field agents were assigned to the Highway Patrol Academy; two agents for each year of the biennium times 14 weeks and the normal per diem cost of academy operation cost plus \$920 per year of in-service training for Motor Carrier field agents.

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Senator Jacobsen inquired if the field agents performed any duties while attending the academy. Mr. Jacka said they did not; they were assigned to the academy exclusively. He felt it was very important to train these personnel adequately.

Senator Jacobsen, referring to used radio equipment, asked what happened to the old equipment when replaced. Mr. Winkleman indicated some of the equipment was offered to other state agencies or local counties and cities. If the equipment was felt to have no value at all, it was usually sent to State Purchasing. A portion of the old equipment was kept by the division for use as spare parts.

Senator Jacobsen asked how the department would feel if early retirement were eliminated. Mr. Jacka believed problems would ensue if that were done. He noted the stresses and strain placed upon policemen were horrendous. He felt the early retirement capability of those individuals were well offset by the services they provided.

Senator Jacobsen inquired if there were any economies to be made in the DMV that were not shown in the budget. Mr. Jacka said where there were economies to be made in the budget, he had instituted them. He noted the DMV was reviewed by the Governor's Management Task Force which only came up with one recommendation. This was a suggestion that had already been implemented by the department.

Motor Vehicle Pollution Control (Pg. 917)

Mr. Jacka indicated this budget was based on the existing level of service on a pilot program in Washoe and Clark counties. There was no additional increases in personnel requested. This was predicated on the potentiality of the passage of Senator Ashworth's bill to hold the system for the next two years at the same level of service.

Mr. Jacka said it was necessary to increase the fee in order to meet the rising inflationary costs and potential pay raises from \$2 to \$3. For fleet books, the fee would be raised from \$50 to \$75. He noted this request had been made to the bill drafter's office but still was not out yet.

The Vice Chairman requested Mr. Jacka to give the bill draft request to Senator Jacobsen to check on the bill's status.

Mr. Jacka stated this agency provided an emission control check for out-of-state vehicle registration or when a vehicle changed ownership. He noted Clark County opted to go to the mandatory system in January of last year, were provided additional personnel by the last session of legislature, but who have since been dropped when the county cancelled their ordinance. The situation remained, currently, at a stalemate.

Senator Gibson requested the Department of Motor Vehicles to return to the committee room at 7:00 a.m. the following morning to complete the budgets not yet heard.

There being no further business, the meeting adjourned at 10:45 a.m.

Respectfully submitted by:

  
Candace L. Chaney, Secretary

APPROVED BY:

  
Senator Floyd R. Lamb, Chairman

DATE: 4/2/81

SENATE AGENDA

COMMITTEE MEETINGS

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

MONDAY, MARCH 23, 1981

1. Department of Motor Vehicles (All budgets presented by S. Barton Jacka)
  - a. Office of the Director (Pg. 896)✓
  - b. Administrative Services (Pg. 899)✓
  - c. Drivers License (Pg. 902)✓
  - d. Records Search (Pg. 906)✓
  - e. Registration Division (Pg. 909)✓
  - f. Motor Carrier (Pg. 913)✓
  - g. Pollution Control (Pg. 917)✓
  - h. Highway Patrol (Pg. 920)
  - i. Highway Patrol Special (Pg. 925)
  - j. Highway Patrol Traffic Safety Grants (Pg. 928)
  - k. Highway Patrol Communication Section (Pg. 931)
  - l. Traffic Safety (Pg. 934)
  - m. Traffic Safety Federal Grants (Pg. 937)
  - n. Emergency Medical Services (Pg. 938)
  - o. Automation Division (Pg. 940)

TUESDAY, MARCH 24, 1981

1. (Completion of Department of Motor Vehicles budget, if necessary)
2. Department of Transportation (Pg. 944 - Al Stone)
  - a. Department of Transportation Urban Mass Transit Administration (Pg. 930)
3. Mining Cooperative Fund (Pg. 1022 - John Schilling)

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WEDNESDAY, MARCH 25, 1981 - 7:30 a.m., ROOM 131

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INTERIM FINANCE MEETING

1. Health Care Cost Containment Workshop

THURSDAY, MARCH 26, 1981

1. Administrative Office of the Court (Pg. 160 - Justice Springer, all budgets)
2. Judicial Planning (Pg. 165)
3. Supreme Court (Pg. 166)
4. Board of Pardons (Pg. 169)
5. District Judges Salary (Pg. 170)
6. Retired Judge/Justice Duty Fund (Pg. 172)
7. Judicial Commissions (Pg. 173)
8. District Judge's Travel (Pg. 174)
9. Supreme Court Justice's and Widow's Pension (Pg. 175)
10. District Judge's and Widow's Pensions (Pg. 176)
11. Legal Defense Fund (Pg. 177)
12. Judicial Education (Pg. 178)
13. Law Library (Pg. 180)
14. Department of Agriculture (Pg. 863-879...Tom Ballow)
  - a. Apiary Inspection Fund (Pg. 1046)

FRIDAY, MARCH 27, 1981

1. Public Employee's Retirement System (Pg. 966 - Vernon Bennett)
2. Predatory Animal and Rodent Control (Pg. 888 - Warren Ahlstrom)
3. Woolgrower's Predatory Animal Control Committee (Pg. 891 - Warren Ahlstrom)
4. Sheep Commission (Pg. 893 - John Humphrey)
5. Grazing Board Contributions (Pg. 894)

