

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
March 9, 1981

The Senate Committee on Finance was called to order by Vice Chairman James I. Gibson, at 8:00 a.m., Monday, March 9, 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 Norman D. Glaser
Senator Lawrence E. Jacobsen
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 L. Chaney, Secretary

OTHERS PRESENT:

Vernon Bennet, Nevada Employees Retirement System
General William Engel, Military Department
Margaret Dale, Insurance Division

The meeting was opened with a discussion of Senate Bill No. 348.

SENATE BILL NO. 348 - Makes supplemental appropriation to department of taxation for payment of rent. (\$46,161)

Mr. Roy Nickson, Director of the Department of Taxation, presented testimony concerning this bill. The lease for the old location of the department, 1150 E. Williams Street expired June 30, 1980. The buildings, owned by the Public Employees Retirement System, were sold to a San Francisco firm. Their proposed rental fee was 81¢ per square foot, but with an annual 8% increase. For a five year lease the cost would be \$798,323.

Mr. Nickson felt this to be excessive and requested the Department of General Services to seek less expensive space. Low bid came from OSO Development Company, the department's current landlord. The new lease covers a five year period at 85¢ a square foot, no escalation clause, and amounts to \$785,700, a savings of \$12,623. Mr. Nickson said the savings would be approximately \$2,500 per year in the new location.

Senator Gibson asked why the supplemental was needed. Mr. Nickson replied that there were no funds in the 1979 budget to cover rent increases. The Vice Chairman inquired if this request was in the department's budget. Mr. Nickson replied affirmatively and referred to page 824.

Senator Jacobsen asked if the rate received was average for rental space. Mr. Nickson noted that average was 85¢ per square foot for net office space and an additional 42¢ a square foot for ancillary space. Mr. Barrett felt the rate was lower than average.

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SENATE BILL NO. 233 - Creates exemption for elected county officers from certain payroll deductions for retirement contributions.

Mr. Vernon Bennett, Executive Officer of the Nevada Employees Retirement System presented testimony concerning this bill. Mr. Bennett provided the committee with a written handout of his testimony. (See Exhibit C). Mr. Bennett noted that his organization was opposed to Senate Bill No. 233.

Senator Gibson felt the bill should be in the Government Affairs Committee rather than Finance, as part of the local elected official's pay bill. If it is to be considered by Finance, it should be considered in place of a salary increase.

Senator Echols moved that Senate Bill No. 233 be referred to the Government Affairs Committee.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 337 - Makes supplemental appropriation for cost of utilities for Department of the Military. (\$73,200)

General William Engel presented testimony, stating that this appropriation would permit the Department of the Military to continue to pay its utility bills for the remainder of this fiscal year. The amount requested is the State's share of the costs.

The amount of money requested would cover both Air and Army contracts, weekend training site contracts, armories throughout the State and the office of the Adjutant General in Carson City. Some 50 buildings are involved. This request is made because the original budget, passed in 1979, had no provision for the increased cost of fuel.

General Engel noted, due to milder winter weather this year, the original amount requested could be reduced by \$30,000, split between the Army and the Air. Thus, the department would require \$15,000 less than the \$73,200 requested in the bill. Without the appropriation, the department would be unable to pay its bills beyond the end of March, 1981.

SENATE BILL NO. 305 - Makes appropriation from State General Fund to legislative fund for increased dues to Council of State Governments.

Senator Gibson addressed the committee with reference to this bill, stating that it involved \$2,200 to cover Nevada's increased dues, as approved by the Council of State Governments at their meeting in December, 1980. The approval of the increase was based upon the fact that most of the states were on annual budgets, as opposed to Nevada's biennial basis. The Council has promised in the future to look at increased in dues on a biennial basis.

Senator Gibson recommended approval of this bill based upon the fact that Nevada had good input into the Council, Senator Keith Ashworth was on the Executive Board and also Chairman of the Western Conference. Additionally, the Council's reorientation of goals allows for greater emphasis of regional input. The Council's new budget allows at least one-half of all dues paid by a region to be returned to that region.

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Senator Glaser moved that SENATE BILL NO. 305 be approved.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 348

Senator Jacobsen moved that SENATE BILL NO. 348 be approved.

Senator McCorkle seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 337

Senator Glaser moved that SENATE BILL NO. 337 be amended to decrease the amount of the supplemental appropriation \$15,000, from \$73,200 to \$58,200.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 337

Senator Jacobsen moved to amend and do pass SENATE BILL NO. 337.

Senator McCorkle seconded the motion.

The motion carried unanimously.

COMMODITY FOOD PROGRAM (Pg. 73)

Senator Wilson moved to approve the COMMODITY FOOD PROGRAM budget as recommended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

SURPLUS PROPERTY (Pg. 77)

Senator Wilson moved to approved the SURPLUS PROPERTY budget as recommended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

BUILDINGS AND GROUNDS (Pg. 79)

Mr. Barrett noted that this budget would be approximately \$300,000 short in the utility area for this year. He felt that they would have to come back to the committee with a suggested increase in utilities, not only for the next two years but for this year also.

Senator Wilson asked if this situation had developed since the division's budget had been before the committee. Mr. Barrett said it had and, noted that Buildings and Grounds had come to the Budget Division a week ago with figures relating to the situation.

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Senator Wilson queried the cause of the increase and whether it would be the last application. Mr. Barrett said this was the result of rate increased since the division had initially prepared its budget.

Senator McCorkle asked how there could be a 50% increase in utilities. Mr. Barrett replied he did not have all the details as yet.

Senator Gibson said budget approval for this division would be acted on at a later date.

SENATE BILL NO. 335 - Makes appropriation for certain machines in the State Printing Office.

Mr. Don Bailey, State Printer of the State Printing Division of General Services, noted this bill was an appropriation of \$120,000 for the purchase of a mini-binding machine, a 25" folding machine, and sheet counter unit for skid stock. He said these items would add to the office's technology, their ability to increase productivity, and to reduce costs in two of the three areas.

Mr. Bailey said any monies not used would revert to the General Fund. He noted in the Printing Office budget a reversion of \$6,000 to the General Fund, a result of savings incurred by the purchase of used equipment.

Senator Gibson requested a cost-breakdown for each of the machines. Mr. Bailey indicated the following:

1. Perfect binding unit - runs between \$48,000 and \$50,000
2. Folding machine - approximately \$38,000
3. Sheet Counter - \$27,000

He added the three existing electrical hook-ups would be \$5,000.

Senator McCorkle asked how long it would take to recoup those funds. Mr. Bailey thought they would recoup the loss on the three pieces of equipment in the first three years of their program. He indicated he would supply a breakdown of that estimate to the Senator.

Senator Jacobsen inquired as to why electrical hook-ups should be so expensive. The State Printer noted that since the majority of the units had special electrical systems in them and the current system was inadequate to run the equipment. Individual cables are required for each new unit.

Senator Gibson asked Mr. Barrett if these items would be on the schedule of repayment. Mr. Barrett said they would be but, not on the three year schedule Mr. Bailey mentioned.

Mr. Bailey noted his response was to how quickly the Printing Office would pay off the equipment to which the answer is three years. For repayment to the General Fund on these items, it was set-up on a 20 year write-off as shown in the budget, at \$6,000 per year.

Senator Jacobsen noted a Task Force recommendation was to transfer some equipment to Employment Security and to the Department of Transportation; does this apply to any of the equipment in this appropriation. Mr. Bailey said it did not.

STATE PRINTING OFFICE (Pg. 97)

Mr. Donald Bailey, State Printer, presented this budget to the committee. He said the Printing Office was responsible for printing and duplicative services to all State agencies.

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The operation was financed from sales to the various agencies and rates were based on direct labor, direct material cost and overhead.

Mr. Bailey noted the regular General appropriation of \$77,000 as shown in the budget was for the continual support of the test processing system that the office is using in the legislative application for daily journals and histories and other State agencies work. He said the balance brought forward was \$175,000 based on sales and the remainder in their account. A sales rebate from Personnel represented \$484. Refunds were \$3,588 based on purchase of obsolete equipment, that was subsequently resold. Mr. Bailey felt that printing office sales would generate \$2,300,000 for 1981-82 and 1982-83.

Existing Positions. The agency had cut out an account clerk, one offset pressman position and one repro machine supervisor position.

New Positions. A request is made for three new positions; two in printing and one in records and management. The Governor's Task Force recommended a word processing specialist and a forms analyst.

Out-of-State Travel. For the first year of the biennium, \$1,000 and \$1,500 for the second year. These funds will be utilized to attend seminars and conferences by the State Printer and his staff of ten.

In-State Travel. A request for \$3,700 for both years to cover van delivery to all of the capital complex.

Other Contract Services. This encompassed leasing of material for quick-print machines, color separations and book binding which the agency is unable to perform.

Utilities. Based on increases of 25% and 12%, \$62,000 and \$69,000 were budgeted accordingly.

Raw Materials. This category has been broken down for more precise itemization of the expenditures. Since large amounts of dollars were in "inventory", that category was changed from an 04 to an 011 category, and further broken down.

Senator Gibson asked what was the status of the text processing program. Mr. Bailey noted that, at present, the agency was using a mini-computer system to derive the journals and histories. It had been hoped that another system would be in operation this year, but that is not the case. He feels support monies are needed until the larger system is on-line and running, around the end of 1982.

The Vice Chairman noted that last session reductions in personnel were anticipated; he questioned the request for added positions now. Mr. Bailey said that personnel had been reduced from the 1979 budget. The new positions were based upon recommendations of the Task Force, particularly the need for word processing equipment and personnel to operate it.

Senator Gibson asked what was involved in a word processing system. Mr. Bailey said basically the system was one or two mini terminales, with small base headed computers inside which work on a disc operation. The operator could input and store material, which would then be available by merely going to the terminal and bringing it back on the screen. Multiple copies could then be obtained.

Senator McCorkle reported the staff of Nevada Magazine were very critical of the State Printing Office's costs. He questioned if the printing office's costs were competitive with private printing concerns. Mr. Bailey indicated it was very hard to compete with specialized printing companies, who would not take orders for

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small quantities of materials, as far as costs.

Senator McCorkle inquired as to why the Printing Office did not bid out work upon which their costs were higher. Mr. Bailey replied that this process was already being followed; the Printing Office did not do all State work.

Senator Wilson asked if both the Nevada Revised Statutes and the Nevada Reports could not be gotten out faster and more cost-effectively by private contract. Mr. Bailey thought the State Printing Office could do the job faster and more economically. He noted his office returned the entire reprint of N.R.S. in four months; he felt no other private printer could have done as well considering their workload.

Senator Wilson asked Mr. Bailey how fast the job could have been done, if they had no other jobs with "rush" priorities at the same time. Mr. Bailey replied that from session adjournment, they might have reduced the time by a few weeks. He noted that three-fourths of the workforce was put on the N.R.S. printing, a concentrated effort.

Senator Wilson noted the importance to have the N.R.S. books as quickly as possible after adjournment of the session.

Senator Gibson thought the printing office had improved greatly in this area in the past few years.

Senator Wilson inquired if the printing office had other orders of equal priority during the same time period. Mr. Bailey said they did not. He felt his office could work faster, when they had the material to work with. Mr. Bailey noted the printing office would be geared to go at the end of the session, from the date they receive the material from the Legislative Council Bureau. Their commitment would probably be around November, depending upon when the session ends, estimating session ending in June sometime.

Senator Wilson asked how much of the delay was at the Legislative Council Bureau.

Mr. Bailey noted a major delay was due to book binding; the binder wanted several months to complete the project.

Senator Gibson asked if the bound journals were out yet from last session. Mr. Bailey said the journals were just coming back from the book binder. Senator Gibson then inquired if the automated computerized system would speed up the time in getting the journals out. Mr. Bailey said yes, because most of the material would be in memory and would eliminate much delay in that operation.

Senator Wilson inquired as to when the printing office thought they might get the work product from the Legislative Council Bureau. Mr. Bailey said they received that material piecemeal.

Senator Glaser referred to Senator McCorkle's earlier questions on costs. He said, theoretically the printing office should be cheaper than the private sector because there need be no profit nor return to stockholders. He suspected one of the major costs of the State Printing Office should be labor. Senator Glaser asked how his labor costs compared to outside printers, did the printing office have a union shop or, did they belong to SNEA.

Mr. Bailey stated the majority of agency employees were under union label and there were three unions involved. He said a package was negotiated with each union every several years. Eight of the employees at the Printing office are classified, the majority are union and get paid union scale. Union employees at State Printing are being paid higher than in commercial shops.

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Senator Glaser asked if the union employees at the Printing Office were outside the State employment system; did those employees receive State benefits. Mr. Bailey tried to explain the situation. The employees were in the Union; they belonged to three different Unions. The three Unions were negotiated with separately and then the agency would negotiate with all other State employees. The Union employees draw the benefits of standard classified State employees while drawing Union benefits at the same time. Mr. Bailey said he negotiated with the Unions along with a representative from the Personnel Division, although Personnel did not really recognize those Unions.

Senator McCorkle inquired if Mr. Barrett's division had ever sought to treat the printing staff differently. Mr. Barrett stated the printing staff had always been Union people and had always negotiated for salary increases. Generally, it had been the same salary increments as provided to the classified employees.

Senator McCorkle requested a breakdown of three separate columns, one of private scale and benefits, one of union scale and benefits, and, one of printing office staff scale and benefits. Mr. Bailey said he would provide such to the Senator.

The Vice Chairman inquired as to why the employees were listed in the budget as .94% positions. Mr. Bailey indicated the reason for that was the employee's hours were different from other State employees; they only worked 7½ hours per day.

Senator Jacobsen, referring to equipment, asked if the regulation was still in effect where State agencies could only purchase equipment with the authority of the State Printing Office. Mr. Bailey stated the regulation was still in effect. He added since he came onboard, studies had been done on Employment Security and the Department of Transportation. Mr. Bailey said his policy was not to okay any printing equipment going into any other agency. Mr. Bailey was a firm believer that State Printing should do the printing for all State agencies.

Senator Jacobsen commended Mr. Bailey as being instrumental in raising morale at the State Printing Office.

Senator Gibson suggested it might be well for Mr. Bailey to meet with the Department of Transportation with regard to the Governor's recommendations concerning efficiency and consolidation. He noted the meeting should take place before the legislative session ended. Mr. Bailey indicated the Department of Transportation was to be visited and he would advise the committee as to the outcome of that meeting.

Senator Jacobsen asked if the \$10,000 in overtime was related to the legislature being in session. Mr. Bailey said the bulk of the overtime monies was for legislative work.

Senator Gibson clarified Senator Jacobsen's question to Mr. Bailey. The Vice Chairman said the Senator was referring to the Governor's Task Force recommendation calling for the streamlining of the billing process by eliminating two positions. Mr. Bailey reported that the Printing Office had already initiated that particular recommendation. The agency had eliminated an Account Clerk position and had reduced the overtime by streamlining the accounting procedure. He felt 90% of the overtime would be eliminated when the project was completed.

Senator Gibson asked what "other building rent" constituted. Mr. Bailey said that was for the warehouse on Main Street containing

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8,000 square feet of raw material rented from private sector sources.

Senator Echols requested an explanation of the \$10,000 expenditure for "special equipment". The State Printer replied that those monies were for a shrink-wrap machine enabling a more efficient mechanical process, thereby, reducing manhours from the previous manual method of wrapping. It would provide a faster delivery of the NRS and journals.

Records Management Services (Pg. 101)

Mr. Bailey said this was a unit of the Printing and Records Division of General Services that provided agencies with records management, microfilming, copy center operations, and technical surveillance of microfilming and hard copy records.

The regular appropriation from the General Fund for this program included the sales for the Chief of Records Management and the Management Analyst I.

Sales. Mr. Bailey stated this category had been broken down to show:

1. Records Reproduction - generated sales were \$200,000 and \$215,000.
2. Microfilming - generated sales were \$133,000 and \$143,000.

New Positions. The agency had requested new positions in their original budget request but had since deleted them. The agency was requesting the position of Photocopier Reproduction Specialist, a position recommended by the Task Force. This position would head a study to reduce the number of copiers already in operation throughout the State.

Out-of-State Travel. Funds requested for seminars on microfilming, record copying, and record surveillance, etc.

In-State Travel. Monies requested would include the new position, the Chief of Records Managements, and the Management Analyst who would have to travel to Las Vegas at random times for functions in that area.

Senator Gibson asked what constituted "contract services". Mr. Bailey indicated contract services were for leasing equipment that had to do with the microfilming process.

Senator McCorkle inquired as to what "other furniture and equipment" monies were used for. Mr. Bailey stated those funds were to be used to purchase two pieces of equipment to better the quality of their microfilming.

The Vice Chairman requested a status report on the record storage area for the State Printing Office in the Capitol basement. Mr. Bruce Greenhalgh, Director of General Services, stated that space at the Capitol was gone. As for the future, he could see even more of that storage space area converted to offices for purely economic reasons.

SENATE BILL NO. 335

Senator McCorkle requested the committee to hold Senate Bill No. 335 until the committee received the breakdown on cost recovery from the State Printing Office. The committee agreed.

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Telephone - Department of General Services (Pg. 83)

Senator Gibson indicated a letter had been received concerning this budget noting an increase request for Central Data Processing. Mr. Sparks said the item was shown under "EDP systems" on page 85. The agency requested to increase that amount to \$28,484 for the first year, and, for the second year, increase the figure to \$32,062. Mr. Sparks stated there was a miscalculation of the projection according to Mr. Bruce Greenhalgh. Mr. Barrett noted the new system was installed in November and the agency had no experience on the costs the system would involve.

Senator Glaser moved that the budget for Telephone/General Services be amended to include the increases under "EDP systems" as requested by the agency.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

Telephone

Senator Glaser moved the budget for Telephone/General Services be approved as amended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

Mail - Department of General Services (Pg. 86)

Senator Gibson asked Mr. Barrett what the postal rate was based on. Mr. Barrett said the rate was based on the increase to 20¢ for postage. He added they should know in two weeks whether the postal rate would go to 18¢ or to 20¢.

Senator Jacobsen moved the budget for Mail/General Services be approved as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

Motor Vehicle Operations - Department of General Services (Pg. 88)

Senator McCorkle asked for some ideas on how to better utilize some of these vehicles during their down time. Senator Gibson noted a reduction in the number of vehicles in the agency.

Senator McCorkle had specifically asked for a new system of utilization of vehicles that would conceivably include a survey of of vehicle use from the agency. Senator Glaser suggested that Senator McCorkle draft a letter to be submitted to the Chairman of the Finance Committee, and, with his approval, be sent to the agency requesting that specific information. He said that would put the agency on notice that the committee was interested in the efficient use of the motor pool.

The committee decided to hold this budget until a later date.

Lieutenant Governor (Pg. 33)

Mr. Myron Leavitt, the Lieutenant Governor, presented his budget to the committee. He said the Lieutenant Governor's budget had to be compared with off years due to the fact the budget was higher

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during the legislative years.

This budget requested the salary of the Lieutenant Governor be increased to \$15,000 per year beginning January, 1983. This increase would not affect Lt. Governor Leavitt, but whoever would hold the office after the next election. Currently the Lt. Governor's salary is \$8,000 per year. The Governor's recommendation for this salary was \$10,000 per year.

Lt. Governor Leavitt pointed out that the Attorney General had made an opinion to the effect that the \$60 per diem the Lt. Governor used to receive when acting as Governor, was no longer payable until, or, unless, the Lt. Governor took some kind of action. Prior to that time, the Lt. Governor had received, automatically, \$60 per diem when acting Governor. Lt. Governor Leavitt felt, in effect, his salary had been changed in the middle of the term. He suggested the next Lt. Governor be compensated the \$15,000 in salary to make up the difference he would have normally received.

The Lt. Governor's budget requested the position of Chief Assistant to the Lt. Governor's salary be increased to \$17,577 per year which he felt was commensurate to the position's duties. It was also being requested that the Chief Assistant position be unclassified. The Governor indicated he did not want that position to be paid any higher than his secretaries which was why the position had been salaried at \$13,000. Mr. Leavitt felt the position was more than a secretary and the duties were greater and more encompassing than secretarial duties. He noted this position was located in Las Vegas but the next Lt. Governor could place this position in Northern Nevada if he so desired. Mr. Leavitt noted the Chief Assistant prepared budgets, did research, prepared reports, and handled many problems the public had with State agencies.

Senator Wilson asked Mr. Barrett if he agreed that the aforementioned duties of the Chief Assistant to the Lt. Governor were more than a secretarial job description. Mr. Barrett said there were many secretaries that did those kinds of duties. He agreed the duties described were more than the normal secretary performed, but, some secretaries did perform those kinds of duties.

Out-of-state travel. This budget requested \$1,500, the Governor recommended \$1,000. The Lt. Governor noted the only out-of-state travel involved the attendance of the National Conference of Lt. Governors. The reason for the \$1,500 request was to attend the conference next summer in Philadelphia and the recommended \$1,000 would not even cover the air fare.

State-owned building rent. This budget requested \$6,771, the Governor recommended \$5,782. Lt. Governor Leavitt said he had an office in the Capitol for which the additional rent shown in the budget included. He stated he also had an office in Las Vegas where the Governor and himself shared receptionists. The office in the Capitol Complex was very seldom used, he stated.

In-state travel. In this budget, the Governor had recommended more than the budget requested. Mr. Leavitt assumed the reason for the increased had been a result of the anticipation of a longer legislative session. He noted the per diem of the Lt. Governor was \$30 per diem and felt the committee might want to consider increasing that amount as other State employees received \$40 per day.

Senator Jacobsen felt Lt. Governor Leavitt did not cater to the public residing in northern Nevada. Lt. Governor Leavitt stated

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his last budget had requested a staff of two in order to have a representative of his office in Carson City; that request was denied. He indicated he had to earn his living in Southern Nevada but tried to come as often as possible to the northern part of the State.

Senator Glaser asked how Mr. Leavitt's office compared to other Lt. Governor's offices in states of comparable size to Nevada. Lt. Governor Leavitt stated Lt. Governors salaries ranged anywhere from \$10,000 to \$20,000 per year. He thought the salary for that office in Nevada was the lowest.

Senator Jacobsen asked the Lt. Governor if he had served as Acting Governor on any days during the last two years. Mr. Leavitt said he had served prior to the Attorney General's opinion but since then, no.

Senator Gibson felt it should be shown in the budget that the legislature furnished a secretary for the Lt. Governor during the legislative session. Mr. Leavitt indicated a secretary was also a shared position furnished from the secretarial pool. He noted the legislature furnished an office in the building for him.

Motor Vehicle Purchase - Department of General Services (Pg. 91)

Senator Jacobsen moved the Motor Vehicle Purchase/ General Services budget be approved as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

Marlette Lake (Pg. 92)

The Vice Chairman asked Senator Jacobsen what the status was on this program and had the city come with a proposal yet. Senator Jacobsen stated they hoped to have a meeting this week to sign the document or at least for the Advisory Committee to make their recommendation to Interim Finance. He indicated everything had been negotiated in favor of the State. A recommendation should have been obtained on Friday from Interim Finance. He said it would not affect this budget.

Senator Jacobsen moved to approve the Marlette Lake budget as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

Water Treatment Plan (Pg. 95)

Senator Jacobsen stated this program was involved in the negotiating process at present. There were no changes in the budget considerations. He added Carson City might have the authority to treat some of their water out of Ash Canyon, the cost still being paid by Carson City.

Senator Wilson inquired if this budget was going to be affected by the agreement with the city. Senator Jacobsen said no. Senator Wilson asked if this proposal called for any increase in capacity or storage, calling for increased amounts of water to treat. Senator Jacobsen concurred, this proposal still contemplated a Hobart Reservoir expansion to 10,000 acre feet.

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Senator Jacobsen moved to approved the Water Treatment Plant budget as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

General Services Accounting (Pg. 104)

Senator McCorkle moved to approve the General Services Accounting budget as recommended by the Governor.

Senator Jacobsen seconded the motion.

The notion carried unanimously.

Nevada Magazine (Pg. 126)

Senator McCorkle felt the magazine should be given what the budget requested. He commended Ms. Hadley on her performance at the magazine and the accomplishments made there. Senator Glaser commended Ms. Hadley's performance also.

The budget requested additional positions of Assistant to the Editor and Editorial Assistant.

Senator Jacobsen stated he was not in favor of giving the magazine both positions. Senator Gibson noted Ms. Hadley especially wanted the position of Assistant to the Editor indicating the position would pay for itself.

Senator Wilson agreed that Ms. Hadley had done a very good job and was especially impressed with the special Gaming issue.

Senator McCorkle moved to approve the budget of Nevada Magazine to include the positions of Assistant to the Editor and Editorial Assistant as requested by the agency.

Senator Wilson seconded the motion.

The motion did not carry. (Senators Echols, Jacobsen, and Glaser voted "no")

Senator McCorkle suggested giving the magazine only one of the positions. He noted Ms. Hadley needed a salesperson and suggested substituting the Editorial Assistant position with a sales position.

Senator McCorkle moved to approve the Assistant to the Editor position and replace the Editorial Assistant position with a Salesperson position at the same salary.

Senator Jacobsen seconded the motion.

The motion carried. (Senator Echols voted "no")

Senator Wilson moved to approve the Nevada Magazine budget as amended.

Senator Glaser seconded the motion.

The motion carried unanimously.

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Aerial Navigation Chart (Pg. 129)

Senator Wilson moved to approve the Aerial Navigation Chart budget as recommended by the Governor.

Senator Echols seconded the motion.

The motion carried unanimously.

Commission for Veteran Affairs (Pg. 146)

Senator Glaser moved to approve the Commission for Veteran Affairs budget as recommended by the Governor.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

Girls Training Center - Caliente (Pg. 353)

Senator Jacobsen moved to approved the budget for the Girls Training Center as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

Senator McCorkle asked the committee to keep in mind alternative uses for the unutilized space at this institution.

Girls Training Center - ESEA Title I (Pg. 357)

Senator Jacobsen moved the Girls Training Center - ESEA Title I budget be approved as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

Youth Training Center (Pg. 358)

Senator Glaser moved the Youth Training Center budget be approved as recommended by the Governor.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

Senator McCorkle asked if Title I monies could be used to supplement the Vocational Education budget. Mr. Barrett did not know if the Title I monies could be used for vocational education or not. He believed those monies were going to be reduced 23% in President Reagan's budget program.

Youth Training Center - ESEA Title I (Pg. 362)

Senator Jacobsen moved to approve the Youth Training Center ESEA Title I budget as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

Youth Training Center - Farm (Pg. 363)

Senator Jacobsen moved to approve the Youth Training Center Farm budget as recommended by the Governor.

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Senator Glaser seconded the motion.

The motion carried unanimously.

Northern Children's Home (Pg. 366)

Senator McCorkle indicated this was an area where he wanted monies taken to put into alternatives without reducing the budget. He noted the costs of institutionalizing children were much more expensive than the alternatives.

Senator Gibson said in order to do what Senator McCorkle proposed, they would have to close down the facility and he was opposed to that.

Senator Glaser moved to approve the budget of the Northern Children's Home as recommended by the Governor.

Senator Jacobsen seconded the motion.

The motion carried. (Senator McCorkle voted "No")

Senator Gibson requested Mr. Sparks to get together with Senator McCorkle to prepare a letter to Mr. Frank Carmen noting the committee would like to look at alternatives. The letter would request Mr. Carmen to come before the committee to address this subject.

Southern Nevada Children's Home (Pg. 369)

Senator Jacobsen moved to approve the budget of the Southern Nevada Children's Home as recommended by the Governor.

Senator Glaser seconded the motion.

The motion carried unanimously.

The Vice Chairman noted this agency was looking for adoptive home alternatives and suggested the letter to Mr. Carmen include both the Northern and Southern area.

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted by:


Candace L. Chaney, Secretary

APPROVED BY:


Senator Floyd R. Lamb, Chairman

DATE: 3/31/81

SENATE AGENDA

COMMITTEE MEETINGS

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

MONDAY, MARCH 9, 1981

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

TUESDAY, MARCH 10, 1981

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

WEDNESDAY, MARCH 11, 1981

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

THURSDAY, MARCH 12, 1981

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

FRIDAY, MARCH 13, 1981

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

VERNON BENNETT
EXECUTIVE OFFICER

STATE OF NEVADA

WILL KEATING
ASSISTANT EXECUTIVE OFFICER



RETIREMENT BOARD
DARREL R. DAINES
CHAIRMAN
SAM A. PALAZZOLO
VICE CHAIRMAN

MEMBERS
WILLIS A. DEISS
PEGGY GLOVER
BOYD D. MANNING
MARGIE MEYERS
TOM WIESNER

PUBLIC EMPLOYEES RETIREMENT SYSTEM

693 WEST NYE LANE
CARSON CITY, NEVADA 89701
TELEPHONE (702) 885-4200

TESTIMONY PROVIDED THE THE SENATE FINANCE COMMITTEE
REGARDING SENATE BILL 233 on MARCH 9, 1981

I am Vernon Bennett, Executive Officer of the Public Employees Retirement System of Nevada. The Retirement System is opposed to SB 233 because this would create a discriminatory situation between elected county officers and the regular members of the System. Approximately 65% of our 42,000 members have enrolled in the employer pay program either in lieu of an equivalent salary increase or by reduction of current salary. SB 233 would delete this requirement for elected county officers of a political subdivision. The Board is concerned that this may encourage our members to request a reimbursement of the additional salary they would have been paid had provisions equivalent to SB 233 been available to them. Elected county officers are enrolled in the same retirement fund with the same benefits as regular members. The current law also provides that upon retirement, a person who has participated in the employer pay program shall have their average compensation increased 7.50% or an amount equivalent to 50% of the employer pay reduction. The purpose of this provision is to guarantee that a person's average compensation will be the same under the employer pay program as under the employee/employer pay program. Due to the fact that SB 233, if passed, would allow elected county officers to go to the employer pay program without salary adjustments, we would like to suggest a technical amendment as follows:

On page 2, at the end of line 22, add: This increase shall not be applicable to elected county officers whose contributions are paid by a public employer without the salary adjustments provided by subsections 2(a) and (b).

This will eliminate a dual benefit being provided to elected county officers who go under the employer pay program without taking an equivalent reduction in salary or in lieu of an equivalent salary increase.

We feel there is an error to the fiscal note section of this bill because it states no impact on local government. This bill will cost each County an amount equivalent to 7.50% of total salary for each regular elected county officer and 8.50% for each Sheriff.

We would also like to advise that there is an alternative available which could eliminate the necessity for this legislation. The 1981 Legislature will be considering salaries for elected county officers. It appears that the purpose of this bill could be accomplished by adding to the new salary schedule a specific provision for elected county officers that the employer would pay the employee contributions in lieu of salary in addition to that specifically provided in the new law. This adjustment to the county officer's pay schedule would eliminate

the necessity for SB 233 and any concerns that may be expressed by other employee groups who are required to make a salary adjustment to go under the employer pay program.

Please be assured that we are available to answer any questions you may have.

VB:bb

SENATE BILL NO. 233—SENATOR GLASER (by request)

FEBRUARY 16, 1981

Referred to Committee on Finance

SUMMARY—Creates exemption for elected county officers from certain payroll deductions for retirement contributions. (BDR 23-600)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to public employees' retirement; creating an exemption for elected county officers from salary deductions for employers' contributions to the system; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 286.421 is hereby amended to read as follows:
2 286.421 1. Except as limited in this section, any participating public
3 employer may pay on behalf of its employees the employee contributions
4 required by subsection 1 of NRS 286.410. The state board of examiners
5 shall elect on behalf of all state agencies which have employees within
6 the classified service of the state, as established by chapter 284 of NRS,
7 whether to pay such contributions. The public employees' retirement
8 board shall elect whether to pay such contributions on behalf of its
9 employees in the unclassified service. The board of regents shall elect
10 whether to pay such contributions on behalf of the professional staff of
11 the University of Nevada System.
12 2. **[Payment]** *Except on behalf of elected county officers, payment*
13 *of employee contributions [shall] must be:*
14 (a) Made in lieu of equivalent basic salary increases or cost of living
15 increases, or both; or
16 (b) Counterbalanced by equivalent reductions in employee salaries.
17 3. The average compensation from which the amount of benefits
18 payable pursuant to this chapter is determined **[shall] must** be increased
19 with respect to each month beginning after June 30, 1975, by 50 percent
20 of the contribution made by the public employer, and **[shall] may** not
21 be less than it would have been if contributions had been made by the
22 member and the public employer separately.
23 4. Employee contributions made by a public employer **[shall] must**
24 be deposited in either the public employees' retirement fund or the police

1 and firemen's retirement fund as is appropriate. These contributions
2 **[shall]** *may* not be credited to the individual account of the member and
3 may not be withdrawn by the member upon his termination.

4 5. The membership of an employee who became a member on or
5 after July 1, 1975, and all contributions on whose behalf were made by
6 his public employer **[shall]** *may* not be canceled upon the termination
7 of his service.

8 6. If an employer elects to pay the basic contribution on behalf of
9 its employees, the total contribution rate is, in lieu of the amounts speci-
10 fied in subsection 1 of NRS 286.410 and subsection 1 of NRS 286.450:

11 (a) For all employees except police officers and firemen, 15 percent of
12 compensation.

13 (b) For police officers and firemen, 17 percent of compensation.

14 Except as provided in subsection 7, a public employer which has elected
15 to pay the basic contribution on behalf of its employees may, to the extent
16 that the respective percentage rates of **[such]** *this* contribution are
17 increased above the rates set forth in this section on May 19, 1975,
18 require each employee to pay one-half of the amount of **[such]** *the*
19 increase as provided in subsection 2.

20 7. For the purposes of adjusting salary increases and cost of living
21 increases or of salary reduction, the total contribution **[shall]** *must* be
22 equally divided between employer and employee.

23 8. An election by an employer to begin or to discontinue paying the
24 basic contribution on behalf of its employees becomes effective at the
25 beginning of the next fiscal year or established payroll adjustment period.

26 9. Public employers other than the State of Nevada must pay the
27 entire employee contribution for those employees who contribute to the
28 police and firemen's retirement fund on and after July 1, 1981, and may
29 before that date pay all or part of this contribution.

SENATE BILL NO. 305—COMMITTEE ON FINANCE

FEBRUARY 25, 1981

Referred to Committee on Finance

SUMMARY—Makes appropriation from state general fund to legislative fund for increased dues to Council of State Governments. (BDR S-934)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an appropriation from the state general fund to the legislative fund for increased dues to Council of State Governments.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. There is hereby appropriated from the state general fund
2 to the legislative fund, created by NRS 218.085, the sum of \$2,200 for
3 payment of an increase in the annual dues of the Council of State Gov-
4 ernments for fiscal year 1980-81.
5 SEC. 2. This act shall become effective upon passage and approval.

S. B. 348

SENATE BILL NO. 348—COMMITTEE ON FINANCE

MARCH 3, 1981

Referred to Committee on Finance

SUMMARY—Makes supplemental appropriation to department of taxation for payment of rent. (BDR S-1537)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an additional and supplemental appropriation to the department of taxation for the payment of rent; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

1 SECTION 1. There is hereby appropriated from the state general fund
2 to the department of taxation the sum of \$46,161 for the payment of rent.
3 This appropriation is additional and supplemental to that allowed and
4 made by section 12 of chapter 695, Statutes of Nevada 1979.

5 SEC. 2. Any remaining balance of the appropriation made by section
6 1 of this act must not be committed for expenditure after June 30, 1981,
7 and reverts on that date to the state general fund.

8 SEC. 3. This act shall become effective upon passage and approval.



(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 337

SENATE BILL NO. 337—COMMITTEE ON FINANCE

MARCH 2, 1981

Referred to Committee on Finance

SUMMARY—Makes supplemental appropriation for cost of utilities for department of the military. (BDR S-1252)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an additional and supplemental appropriation to the department of the military for the cost of utilities; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. There is hereby appropriated from the state general fund
- 2 to the department of the military the sum of \$58,200 for the purpose of
- 3 paying the cost of utilities. This appropriation is additional and supple-
- 4 mental to that allowed and made by section 30 of chapter 695, Statutes
- 5 of Nevada 1979.
- 6 SEC. 2. Any remaining balance of the appropriation made by section
- 7 1 of this act must not be committed for expenditure after June 30, 1981,
- 8 and reverts on that date to the state general fund.
- 9 SEC. 3. This act shall become effective upon passage and approval.

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