

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON FINANCE

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
April 1, 1981

The meeting of the Senate Finance Committee was called to order by Senator Floyd R. Lamb, Chairman, at 8:00 a.m., Wednesday, April 1, 1981, in Room 231 of the Nevada State Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT:

(None)

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

(Please see Exhibit B)

The meeting was called to order by Senator Floyd R. Lamb, Chairman. First on the agenda was a presentation continued from Tuesday, March 31st, given by Mr. Lody Smith, State Forester Fire Warden, Fred Welden, Assistant Research Analyst, and Roy W. Trenoweth, Deputy State Forester. Their presentation was made on Senate Bill No. 74.

SENATE BILL NO. 74

For an explanation of Mr. Welden's presentation and Senate Bill No. 74, please refer to Exhibit C.

Senator Lamb asked Mr. Barrett what his opinion of the proposed legislation is.

Mr. Barrett replied that he believes that all Senate Bill No. 74 provides for is a transfer of \$75,000 from UNR's budget to the Fire Marshall's budget for fire training.

Senator Lamb said that that sounds like more money being spent on him.

Mr. Sparks said that it is not necessary any longer because the Governor already increased the vocational education money for Fire Service Training by over \$10,000.

Senator Lamb said that he does not appreciate their trying to get around the Budget Office's decision by coming to the Finance Committee for additional monies when they have already been turned down by the Budget Office.

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Mr. Smith said that possibly there has been a misunderstanding; that what they are proposing to do now is that the Forestry Division not take the \$10,000 dollars. He said that the bill would eliminate the \$10,000 dollars for the two years of the biennium because of the revising of the Governor's budget, which is what they had requested to begin with, enabling them to receive \$86,000 dollars of federal monies for vocational education.

Mr. Barrett said that that \$86,000 dollars is federal vocational educational monies that is in the budget for the Board of Education to allocate. He said that the Governor is just suggesting where this money should go. He indicated that when this money is gone, that is all the funds that will be available.

Senator Jacobsen said that with the vocational education money, this program will receive high priority. He indicated that they did try to keep in mind what the Finance Committee has been given as guidelines to work with and did try to keep the status quo on this request.

Senator Jacobsen indicated that the Grants Program has always been in the Division of Forestry's budget and that everyone would like it to remain there.

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NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM

This presentation was given by Mr. Ross Culbertson, a contracted lobbyist for the Nevada Public Employees Action Coalition, and he addressed the subject of the cutbacks in the Public Employees Retirement System.

He stated that there is a drastic change in program organization. He said that they were first concerned with the first budget as it was printed because it reflected a drastic change in order to comply with the proposed 10 percent cutback. He said that the areas that were most deeply affected by this effort to comply with the 10 percent proposed cutback was the counseling program in the Las Vegas and other rural areas. He said that, other than making a trip into Carson City, this is the only way that PERS members have a chance to become informed about the program and its new developments. He said that they are trying to upgrade the retirement program in all the communities of Nevada, but that, in order to comply with the proposed 10 percent cutback, the Governor is recommending a quarterly cutback on the counseling visits to the rural and Las Vegas areas. He said that in the rural communities, the PERS has to send individuals out into these areas in order to perform the counseling function. He said that another area that will be severely curtailed is the printing of the membership document, which briefly summarizes what the retirement system is all about and how one goes about estimating what their retirement program is. He also indicated that the program for the retired people will be curtailed.

Senator Gibson said that in the in testimony that the Committee had on the budget, it indicated that there would be a bi-monthly member counseling in Las Vegas, not quarterly, and a quarterly statewide counseling in the rural areas, one executive staff trip to the Las Vegas area per month, seven Las Vegas Field audit trips and nine statewide audit trips. He said that that is somewhat of a reduction, but is it as drastic a reduction as Mr. Culbertson had intimated that it would be.

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Mr. Culbertson indicated that he had misunderstood, but it would still be a sixty-day period for those individuals in the rural areas to wait to be informed about the PERS program.

Mr. Culbertson introduced Mr. Vernon Bennett, Executive Officer of the Public Employees Retirement System.

Mr. Bennett indicated that he had met with representatives of the Budget Office and the Governor, and that the Governor had felt that PERS should be under the same restraints as other budgets were being placed. He indicated that 98 percent of the Retirement System's program is governed by law, which would exclude these areas from being cutback. He said, of the remaining 2 percent of the budget, they proposed to the members of PERS that they select for themselves which services and/or programs had the lowest priority, and, thereby, enable the administration of PERS to make a more responsive decision on which areas to cut back.

Senator Lamb asked Mr. Bennett to cite examples where programs have been cut back.

Mr. Bennett said that originally the counseling program scheduled its meetings on the first Thursday and Friday of every month in the Las Vegas area. He said that the alternative that is being proposed is to have these meetings scheduled the first Thursday and Friday of every other month, which would allow them to continue the program but not as frequently as they had in the past.

Mr. Bennett indicated that it would take an appropriation of \$150,000 dollars per year plus a 10 percent ~~increase~~ the second year to continue all of the programs as they had been set up in the past.

Senator Wilson asked if they were to maintain just the cost of the counseling program as it had been maintained in the past, what would the expense be.

Mr. Bennett replied that this would necessitate an adjustment in staffing, because they are also taking a proposed 11 percent cut in staffing, and this would include the cost of additional salaries and travel expenses.

He indicated that there would be an additional cost of \$2,000 dollars per year for travel to the Las Vegas area, and an additional \$250 to \$500 dollars per year for the smaller counties.

Senator McCorkle cited the increase in the revenues to the fund by having an aggressive investment posture. He asked what was done with those funds, and if the fund is ever enhanced to a larger degree than their ability to utilize the funds based upon their present benefit schedule, thus allowing that money to remain in the fund itself in order that they may draw upon these monies at a future date, or are benefits increased because of increased revenues from investments.

Mr. Bennett began answering Senator McCorkle's statement by giving him a brief history of the fund since 1973, the unfunded liability to the System was growing at the rate of \$33 million dollars per year, or approximately \$100 million dollars every three years. He said that the Legislature determined, and they agreed, to fund the system at a rate of 16 percent for that year, and see what the next two years' experience would be. He

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He said that after two years' experience with their investment return, the unfunded liability was decreased by over \$100 million dollars. The cost for current benefits went below 16 percent to 15 and three-eighths. He said that they were able to cut costs due to the investment return roughly \$15 million dollars per year. He said that this eliminated having to utilize an eight-percent return, their liability was decreased, and they were able to enact several improvements in benefits, such as doubling survivor's benefits during the 1975 Legislative Session without additional cost to the System.

He said that during the 1977-79 period, there were some improvements made.

He said that anything that is earned that is over 8 percent goes into the General Retirement Fund which is offset against our unfunded liability. He said it is used to improve the fiscal soundness of the system, but it is not directly tied to any increase in benefits or directly tied to any increases in the budget. He said that the improvements made in their investment return go into the General Retirement Fund.

Senator Gibson asked what the current unfunded liability is.

Mr. Bennett replied that it is \$383 million dollars, including the Police and Firemen's Funds.

Senator Lamb responded that the Legislature wants the employees to have the best retirement system in the world, but the State cannot allow itself to go broke trying to provide the same.

Senator Wilson said that they should not be discussing the level of service but the level of benefits being provided.

Senator Lamb asked if those people within the Retirement System are generally happy with the system.

Mr. Fowler, Lobbyist from Retired Members, replied that they are happy, but he stated that their main concern regarding the System is the curtailment of services. He said he is concerned with the elimination of the service provided to deduct a payment for dues and a deduction for insurance from benefit payments.

Mr. Bennett replied that the law requires that the PERS make an insurance deduction from retired employee checks, and that did not even appear on the survey, and there is no indication that that service will be discontinued.

Senator Gibson said that the thing that concerns him is that the balance from their service fee is beginning to decline.

Mr. Bennett replied that the 1979 Legislature did change the administrative fee procedure, and, in effect, the individual member does not pay the fee; the fee is deducted monthly based upon the need of the system. He indicated that in Assembly Bill 168, which has been passed by the Assembly Government Affairs Committee, PERS is recommending that the fee be eliminated for the simple reason that PERS budget is administered by the Legislature every year, and that is what this fee would pay for -- administration of PERS.

Senator Gibson said that he feels that the Legislature needs to know what it is costing them to administer this program. He stated that some of their costs are not reflected in the budget.

Mr. Bennett  
Lobbyist from Retired Members

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Mr. Bennett replied that they are providing this supplementary information.

Senator Lamb asked what has been the average return for PERS in the ten years that Mr. Bennett has been administering the Retirement System.

Mr. Bennett stated that when he first began, the Retirement System was averaging 4.04. He stated that last year it was 10.08 percent, and they are anticipating that it will be 10.25 percent this year to possibly 10.50 percent. He stated that on new investments, they have averaged 10 percent, but they have many longterm bond investments, which were investments made in the early '60's and '70's on the order of approximately \$200 million dollars, that they have been required to hold on to.

Senator Lamb asked, of the loans that are outstanding, are any of those loans in arrears or held outstanding.

Mr. Bennett replied that there are none that are in arrears or are outstanding.

Senator Lamb asked what the average rate of interest is for those loans.

Mr. Bennett replied that, for the last two years, they have averaged above 15 percent; currently, they are receiving 1½ points plus 17 percent, and in some cases, 1½ points plus 17 percent, plus 5 percent of their gross income.

Senator Lamb asked if these loans have been well-secured.

Mr. Bennett replied that it was reduced to \$200 million dollars four years ago.

Senator Gibson said that this is then not being reduced.

Mr. Bennett stated that he will present a letter from his actuary, (please see Exhibit D), which gives a chart curve of the unfunded liability. He said that this chart reflects that the PERS is in their fourth year of a forty-year funding cycle, which will be completed by the year 2016. He said that they are slightly ahead of schedule. He said that the unfunded liability is designated to fund the system totally at the end of the fortieth year. He said that the liability will increase along the way, it will reach a zenith and then will start to decline, and at the fortieth year, the fund will be at the zero point, and the System at that time will be totally funded, and there will be a reduction in the System for everything except current costs. He said that the unfunded liability will continue to grow because the membership is continuing to grow.

Senator Lamb asked Mr. Bennett what the status of the Retirement System is as opposed to the Social Security System.

Mr. Bennett replied that the PERS has won a two-year delay. He stated that President Reagan's incumbency is very positive because he is opposed to mandatorily imposing the Social Security System on all the states, although he favors this policy for the Federal Government. He said that there will

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be a bill later to place Public Employees on the Social Security System, although it will probably not be heard in major hearings until next year.

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ASSEMBLY BILL 215

This bill was presented by Mr. Ace Martelle, Director of the Department of Human Resources, and Dr. Bing Oberle, Deputy Director.

Mr. Martelle told the Committee that this bill is a request for a supplemental appropriation to pay three unpaid bills for the 1978-1979 period. He said that all three of these bills are outstanding debts.

Senator Lamb asked Mr. Martelle to explain what kind of debts these are.

Mr. Martelle said that they included: (1) the first-month's lease payment for a copying machine that went into the Director's Office from SOC Leasing Company. He then requested that Dr. Oberle explain the other debts.

Dr. Oberle replied that when they undertook a search for the new administrator for Mental Hygiene, Mr. Edmundson, Deputy Director, was sent to Lincoln, Nebraska to check out the credentials for this position. He said that all other expenses for the search committee were paid by MHMR; however, it was decided, in conjunction with the Budget Office, that the travel expense should have been charged to the Director's Office. He stated that by the time that decision was made, there was no longer sufficient funds to pay that bill.

Mr. Barrett said that these bills could have been paid from stale claims if the agency had reverted sufficient funds to the General Fund. He said that there was not sufficient funds that had reverted; therefore, they were forced to come to the Legislature for an appropriation.

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PROBATION SUBSIDIES

This budget presentation was given by Mr. William Lewis, Chief Probation Officer for Carson City. He asked that they allow Mr. Frank Sullivan, on behalf of all probation officers in the State, to speak, and Mr. Arthur Bester, Probation Subsidy Supervisor for Clark County.

Mr. Lewis said briefly that he is fully in favor of residential treatment centers, and he requested that the Committee give parallel consideration to the juvenile probation system as they have given to the adult probation system. He indicated that they need assistance with their programs and an inflationary salary increase.

Senator Gibson asked Mr. Lewis to state more clearly what the Probation Subsidy's request is.

Mr. Lewis replied that the Youth Services Division asked for a 40 percent increase, and the Probation Subsidies Division has not received an increase since 1977. He said that

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Senator Jean Ford's Subcommittee had recommended an increase of 10 percent. He stated that that would be their request, also.

Mr. Frank Sullivan, Chief Probation Officer for Washoe County, then gave his presentation on behalf of all the probation officers in the State. He stated that the Probation system is falling behind without any increase. He said that this system is utilized by all judicial districts and has benefited Nevada's youths and communities. He indicated, though, that they are running out of room to service all the individuals who are being referred to them for treatment, and he feels that unless there is some augmentation of their currently proposed program, they will not be able to survive the greater demands placed upon this system by such factors as the MX Missile and the growing population in Nevada and the influx of mining operations. He said that eventually this will place a greater strain on the adult system.

Senator Lamb said that he feels that this observation is very true.

Senator Jacobsen noted that this program is very worthwhile. He asked if Mr. Sullivan might be able to suggest any program that might be cut back on in order to do something else.

Mr. Sullivan replied that he is not aware of any. He said that one thing he objects to is that there is no funding being made available for institutions for youths. He said that he also does not agree with the priorities set up in the budget by the Governor.

Senator McCorkle asked what the viability would be of extracting funding for these programs from the institutional programs.

Mr. Sullivan replied that that would not work; that the growth of the State will prevent this from being a viable alternative.

HIGH SCHOOL RODEO FUND. This budget was presented by Ms. Marsha De Bragga. She stated that the benefits of this program are immeasurable; that they are able to send 45 students each year to the National Rodeo Finals because of the help this budget provides. She said that the rules of conduct are strict and so are the grade requirements that the students must maintain to stay in the program.

Senator Jacobsen said that he had interviewed many of the students involved in the program and they were not aware of the government's participation in the funding of this program at all.

Ms. DeBragga replied that they may not be, but that the funding provided by the government does enable them to continue this program. She also said that the parents of these children and their families contribute greatly, too.

Senator Lamb said that if the High School Rodeo Program did not exist, many of these kids would be left with nothing to do and would be more prone to get into trouble.

Senator Jacobsen asked Ms. De Bragga if she were given a choice as a preventive measure of where to place funding, would she give the funding to the Probation Subsidies Budget or to the High School Rodeo Fund.

Ms. De Bragga said that that was a very hard decision to make, but she stated she saw the High School Rodeo Fund as a preventative measure.

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NEVADA JUNIOR LIVESTOCK SHOW BOARD

This budget presentation was given by Mr. William C. Behrens, Secretary Treasurer of the Reno-Sparks branch, and Mr. Frederick Dressler, Gardnerville.

Mr. Behrens began his presentation by referencing the committee to a handout explaining the budget proposals (see Exhibit G), and opened the forum to questions from the committee.

Senator Jacobsen asked if it might be more economical to impose upon our agricultural friends and request that they donate some of their time to judging the livestock shows instead of paying for these services.

Mr. Behrens replied that they try to utilize local talent as much as possible, but, for instance, at the State Horseshows, they have been asked to use only card-carrying judges. Mr. Behrens also indicated that this program has grown by 25% to include programs with rabbits, goats, dogs, and the dairy industry.

Senator Lamb endorsed the program by saying that one bad adult case eats up the budget of this Fund for one year, and if this program can prevent one child from turning out badly, then it has served its purpose.

EQUAL RIGHTS COMMISSION

This budget was presented by Dr. Lee Rayford, Executive Director, and he began by reading from Exhibit H.

Senator McCorkle said that there has been some talk that with the resurgence of the Moral Majority, there will be a resurgence of problems with discrimination. He asked Dr. Rayford if he had seen any evidence of this problem surfacing through his affiliation with the Equal Rights Commission.

Dr. Rayford replied that he has seen absolutely no evidence of this; that it has not been reflected to the Equal Rights Commission at all.

Senator Gibson said that he wished to compliment Dr. Rayford on his performance in his current position; that since Dr. Rayford has assumed the leadership of the Equal Rights Commission, this agency has excelled in its performance.

RAPID CHARGE

Dr. Rayford indicated that this program is phasing out.

FEDERAL GRANT

Dr. Rayford stated that this account is merely the extra funding they have earned from the Federal Government, and that this budget statement is merely a request for authorization to receive these funds.

Senator Gibson asked Dr. Rayford what the future of the funding for this program would be in light of the present Administration's position on the budget.

Dr. Rayford said that, to date, there has been no decrease in funding proposed.

Senator McCorkle asked if there was, to Dr. Rayford's knowledge, any greater evidence of discriminatory practices in the northern end of Nevada over that of the southern portion of the State.



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Dr. Rayford replied that this would only be as a result of more heightened awareness of an individual's human rights than had been previously the case in the Northern end of the State.

Senator Lamb asked if the accusations made were legitimate complaints.

Dr. Rayford indicated that in most instances the claims filed were merely misunderstandings.

Senator McCorkle said that it is a fact that proportionately there are more Blacks in the southern part of Nevada than in the northern part, and he asked Dr. Rayford if he had any idea why this might be.

Dr. Rayford replied that he feels it is a result of better employment opportunities in the Las Vegas area, although he did indicate that the Black population in the northern part of the State is beginning to increase. He said that it appears to be no more than simply a matter of preference.

Senator Gibson said that in 1940 in Clark County Basic Magnesium Industries installed a magnesium plant and imported nearly 2,000 Blacks from the deep south to work in the new plant. He said that was the beginning of the migration, and it has just continued and grown from there. He said that the Blacks coming into Las Vegas found better opportunities.

Senator McCorkle asked if Dr. Rayford agreed with Senator Gibson's explanation.

Dr. Rayford responded that it sounded reasonable.

Senator McCorkle said that he thought that the press had recently been very unfair to members of the Senate and had misrepresented some of the comments that had been made.

Dr. Rayford said that he was aware of the situation, and that he, too, felt that to be so.

#### STATE CONTROLLER'S OFFICE

This budget presentation was given by Mr. Wilson McGown, State Controller, Mr. Bill Reinhard, General Manager, and Mr. John Crossley, Legislative Auditor.

Mr. McGowan began by explaining that there is a request for a salary increase for the position of the General Manager, (See Exhibit I), and cited the importance of the job as being the main consideration for this merit increase. He said that the position would tackle the Task Force's recommendations and would be responsible for instituting the FMIRS accounting system which is utilized by the State Controller's Office. He said that this system--FMIRS--has not been given a chance to prove itself yet; that its practicability and its effectiveness has been backed up by other accounting firms. He finally indicated that the General Manager's salary should be commensurate with that of other government agency positions, which would entitle him to a salary of \$36,850 per year.

He said that there is also a recommendation to augment the Assistant Controller's salary above what the agency request had been and, they do not feel that this increase is necessary.

There is also a request of a reclassification of the position of Third Computer Programmer II to the Senior Computer Systems Analyst, which would result in a \$1,000 per year salary increase.

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Mr. McGowan said that they can live with the provisions of the Out-of-State Travel budget, but they are requesting that their original request for their In-State Travel budget be reinstated because they have been so greatly criticized for not being more responsive to all the agencies' accounting problems, and this would necessitate that kind of budget request.

Senator Glaser asked why it would be necessary to travel to Las Vegas to educate these agencies.

Mr. Reinhard replied that there is a significant portion of the State's business which is conducted in the Las Vegas area; that it is vital in order to properly educate all State agencies to the FMIRS system.

Senator Jacobsen asked for an explanation of the training budget of \$4,000.

Mr. Reinhard replied that that money is for in-house training, especially for those employees involved in the data processing division.

Senator McCorkle asked for an explanation of the Office Expense and Supply category and the Communications Expense category.

Senator Lamb noted that the agency's work program had been \$42,000 for Office Supplies and the Governor gave the agency \$50,000.

Mr. McGowan said that that is true, but they based their request on projected costs from vendors not on their previous work program.

#### OTHER CONTRACT SERVICES

Mr. McGowan said that this is the expense of operating the Hewlett-Packard computer that does their daily processing and allows them to write checks daily, if necessary. He said that these costs are a set figure again.

Mr. McGowan cited the example of what the Governor's recommendation is for the EDP Systems Program Facility Charge, which is a cutback of \$26,000 less than the Controller's Office has been programmed to utilize this year and is considerably below what had been requested in handling their computer demands.

Senator McCorkle asked Mr. Barrett for his reaction to these claims, and asked how they could be funded less money than what is currently needed to cooperate this function presently.

Mr. Barrett replied that this is not funding for less than what is being utilized currently; he said that this is an increase over the actual year of 1979-80; however, he indicated that part of this is utility costs which, as indicated the day before, will have to be augmented.

Mr. Reinhard interjected a comment that in the last couple of years, most of the testing and design work has been done on their own equipment; they are proposing now to institute those programs they have found to be useful to the State Controller's operation, and because of augmenting their present system with these new programs, the use of the computer will increase greatly.

Senator Jacobsen asked why it was necessary to give an increase to the Assistant Controller.

Mr. Barrett replied that this is an across-the-board 14% increase that is being given to all unclassified employees.

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Senator Jacobsen asked if Mr. McGowan is saying that the Assistant Controller does not deserve a salary increase.

Mr. McGowan responded that he does not feel that, but if it came down to a choice of who would be more vital to the Controller's Office, it would be the General Manager's position.

Senator Lamb solicited the comments of Mr. John Crossley.

Mr. Crossley said that he feels that today there is a great interest in government accounting; that it has become big business, and that it now requires a high degree of accounting talent in order to operate all phases of government economically and soundly. He said that they should start requiring at least a Bachelors of Arts Degree in Accountning of all applicants, but he indicated that he would prefer that they be Certified Public Accountants if they are to assume administrative duties.

Senator Gibson said that they have spent a great deal of time and money on the FMIRS System, and it is still not working.

Mr. Crossley said tha he agreed, but that the FMIRS System is a highly technical accounting system, and that necessitates that to implement its proper function, one must be an accountant.

Senator Lamb asked if Mr. Crossley concurred with Mr. McGowan's request in revising the salary recommendations for the two positions he had mentioned.

Mr. Crossley replied that he agreed with the request for the positions. He also indicated and enumerated some of the accounting details that do not come under the jurisdiction of the Finance Committee and do not required their approval; therefore, the Finance Committee and the Legislature are not aware of these sources or revenue.

Senator Glaser said that unless there is an appropriation to the budget for the Cohtroller's Office, Mr. McGowan cannot have the salary augmentations that have been requested, and he asked Mr. McGowan if these salary increases had been originally requested.

Mr. McGowan replied that they had been originally requested.

Mr. Barrett said that the Controller's Office had originally submitted their request and had reconsidered after a meeting with the Budget Office.

Senator Gibson asked how many agencies are utilizing the FMIRS system.

Mr. Reinhard said that most of the agencies are currently utilizing it.

Senator McCorkle summarized what had been said by stating that if the Legislature were to now expend the monies to fund better qualified and higher paid individuals to institute the FMIRS system properly, this would eliminate a great deal of manual accounting that is currently done because of many agecnies attitudes towards the system.

Mr. Reinhard was hesitant, but he replied that this is essentially true.

SENATE BILL NO. 74

SENATOR GLASER MOVED THAT THE COMMITTEE AMEND THE BILL ON PAGE 4, LINES 20 AND 22 TO REDUCE THE AMOUNT TO \$33,900 AND TO DELETE THE AMOUNT OF \$10,000 FROM LINES 20 AND 21 ON PAGE 4.

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SENATOR MCCORKLE SECONDED THE MOTION.

The committee decided that they would wait until the revised amendments were provided for their perusal before making a final decision on the bill.

ASSEMBLY BILL NO. 215

SENATOR GIBSON MOVED A DO PASS ON ASSEMBLY BILL NO. 215.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION WAS CARRIED UNANIMOUSLY.

SENATE BILL NO. 229

SENATOR GIBSON MOVED TO HOLD SENATE BILL NO. 229.

THE COMMITTEE JOINED UNANIMOUSLY IN THE DECISION.

Senator McCorkle asked permission to have the committee introduce legislation appropriating \$28,000 annually to provide for training of all judges by the Judicial College. This would become a budgeted function.

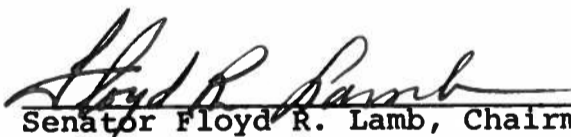
Senator Lamb said the committee would only introduce the bill if they were given the opportunity to examine it first in committee.

There being no further business, the meeting was adjourned at 10:42 a.m.

Respectfully submitted by:

  
Tracy L. Dukic, Secretary

APPROVED BY:

  
Senator Floyd R. Lamb, Chairman

DATED: Apr 22, 81



SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day (SEE BELOW), Date (SEE BELOW), Time 8:00 a.m.

MONDAY, MARCH 30, 1981

1. Mining Cooperative Fund (Pg. 1022 - John Schilling)
2. Nevada Industrial Commission (Pg. 970 - Joe Nusbaum)
  - a. Nevada Industrial Commission (Pg. 980)
3. Unemployment Compensation Administration (Pg. 993 - Larry McCracken)
  - a. OASI Administration (Pg. 1005)
  - b. Consortium Contract (Pg. 1006)
  - c. Washoe County CETA (Pg. 1008)
  - d. CETA Balance of State (Pg. 1010)
  - e. Work Incentive (Pg. 1013)
  - f. Employment Security Fund (Pg. 1014)

TUESDAY, MARCH 31, 1981

1. Taxi Cab Authority (Pg. 767 - Jim Avance)
2. MX Planning (Pg. 1020 - Steve Bradhurst)
  - S. B. NO. 229 - Makes appropriation to revolving account for certain expenses relating to MX missile project.

WEDNESDAY, APRIL 1, 1981

1. Probation Subsidies (Pg. 346)
2. High School Rodeo Association (Pg. 1019)
3. Junior Livestock Show Board (Pg. 1024)
4. Equal Rights Commission (Pg. 150 - Dr. Lee Rayford)
  - a. Rapid Charge Process (Pg. 153)
  - b. Federal Grant (Pg. 154)
5. Office of the Controller (Pg. 50 - Wilson McGowan)

THURSDAY, APRIL 2, 1981

1. Mental Health and Mental Retardation Subcommittee Meeting

FRIDAY, APRIL 3, 1981

1. Mental Health and Mental Retardation Subcommittee Meeting

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day (SEE BELOW), Date (SEE BELOW), Time 8:00 a.m.

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SUPPLEMENTAL AGENDA

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FRIDAY, APRIL 3, 1981

1. Finance Committee Work Session

MONDAY, APRIL 6, 1981

1. Subcommittee on Mental Health and Mental Retardation

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON FINANCE

DATE: April 1, 1981

PLEASE PRINT	PLEASE PRINT	PLEASE PRINT	PLEASE PRINT
NAME	ORGANIZATION & ADDRESS	TELEPHONE	
ROSS CALVERTSON	NEVADA PUBLIC EMPLOYEES ACTION COM	883-0900	
Ray Tronoveth	Div of Forestry	885-4550	
Fred Walden	LCB	5137	
LOAN SMITH	NEV. DIV OF FORESTRY	4350	
Will Keating	PERS	885-4200	
Trina Harris	PERS	885-4200	
Vern Bennett	PERS	885-4200	
Warren T Fowler	Retired Public Employees of Nevada	782-5811	
RING ABEELE	Dept of Human Resources	885-4780	
Ace Martelle	" " " "	" "	
Dennis R Colling	Staff Gov. Comm. on fire safety code	885-4290	
JACK PINE	STATE BUDGET OFFICE	885-4065	
ART BESSER	Clark Co JUVENILE COURT SERVICES	719-5611	
HAROLD MADREHEAD	7 <sup>th</sup> JUD DIST PROBATION	289-3766	
Bill Lewis	Carson City Juvenile Probation Dept	880-2736	
Frank Sullivan	Washoe Co Probation	785-4293	
MIKE KATZ	YOUTH SERVICES DIVISION	5982	

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



ARTHUR J. PALMER, *Director*  
(702) 885-5627

LEGISLATIVE COMMISSION (702) 885-5627  
KEITH ASHWORTH, *Senator, Chairman*  
Arthur J. Palmer, *Director, Secretary*  
INTERIM FINANCE COMMITTEE (702) 885-5627  
DONALD R. MELLO, *Assemblyman, Chairman*  
Ronald W. Sparks, *Senate Fiscal Analyst*  
William A. Bible, *Assembly Fiscal Analyst*

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627  
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620  
ANDREW P. GROSE, *Research Director* (702) 885-5637

March 31, 1981

S.B. 74 - First Reprint

EXPLANATION

I. Finances for the State Fire Service Training Program

The state fire service training program is financed by federal money in the budget of the state division of vocational education. Presently, the division of vocational education provides these funds to the University of Nevada Reno where the training program is actually administered. Senate bill 74 would move the operation of the program from the University of Nevada Reno to the state fire marshal division, but the primary financing would continue to be through the state division of vocational education.

In the recent past, the state fire service training program has received about \$75,000 per year. The interim study members felt that this figure should be increased; and therefore, section 8 of S.B. 74 was drafted with a supplemental appropriation of \$10,000 per year.

In reviewing the governor's proposed budget (page 269), the sums of \$86,250 for fiscal year 1981-82 and \$97,500 for fiscal year 1982-83 are recommended for the state fire service training program. If these amounts are retained in the budget and if the Federal Government comes through with the grant money, the \$10,000 per year in supplemental financing would not be necessary. In light of this situation, one could eliminate the \$10,000 per year from S.B. 74. However, it should be recognized that President Reagan's proposed federal budget would cut vocational education by 25 percent. If such a cut is applied to the fire service training program, as small as it is already, the firemen will probably be coming before the interim finance committee for additional support.



Page 2

II. Finances for the Rural Communities Fire Protection Grants Program

The Rural Communities Fire Protection Grants Program is administered by the state division of forestry. For the past 2 years, it has received \$30,000 per year in state funds. When S.B. 74 was drafted, it was not certain whether the executive budget would retain this \$30,000 per year. Therefore, the bill was drafted to fully fund the grants program at \$63,900 per year. The funding recommendation was retained in the executive budget (page 835), and in this way a duplication of \$30,000 in funding was inadvertently created.

To eliminate this duplication, one of two courses of action could be taken.

- A. A.B. 74 could be amended to reduce the appropriation on lines 19-22 of page 4 from \$63,900 per year to \$33,900 per year, and the \$30,000 per year which is in the division of forestry's budget could be retained; or
- B. The \$63,900 per year appropriation in S.B. 74 could be retained, and the \$30,000 per year figure in the division of forestry's budget could be eliminated.

The first alternative of reducing the appropriation in S.B. 74 has the advantage of preserving the existence of the budget category in the division of forestry's budget.

In either case, a total financing of \$63,900 per year would be provided for the Rural Communities Fire Protection Grants Program.

FW/11p3.2.SB74

EXHIBIT D

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

April 2, 1981

The Honorable Floyd R. Lamb  
Chairman, Senate Finance Committee  
State Legislature  
Carson City, Nevada 89710

Ref: Projected unfunded liability curve.

Dear Senator Lamb:

On April 1, 1981, members of the Senate Finance Committee had specific questions regarding the unfunded liability of the System and the fact that the liability has grown during the past four years. We advised the Committee that the Actuary had prepared a projection on the growth of the unfunded liability during the 40-year funding period. The Actuary has advised that there will be normal projected increases in the unfunded liability during several years of this period and then a tapering off so that there will be no liability at the end of the 40 years. This curve is necessary because we are using a level percentage of payroll method of funding so that the System will maintain a relatively static contribution rate during the 40-year period. If we were to do otherwise, we would be adjusting the contribution rates every two years to provide contributions necessary to fund the curve in the unfunded liability which would place an undue burden on the current members and public employers and a lesser burden on members and public employers during the last few years.

I have recently discussed this matter with our Actuary. He has assured me that the current unfunded liability growth is in accordance with the normal projections and recent experience of the System in which some member groups have increased the number of early retired employees. The Actuary feels that the current growth of unfunded liability is in a comfortable margin in accordance with his projections. He also suggested that I remind the Committee that the entire curve, from the first through the 40th year, is approximately \$100 million lower than was projected originally in the Harris Kerr Forster Study. Therefore, he feels that the System is doing exceptionally well during some very volatile inflationary times. We are enclosing a copy of the projected curve for the unfunded liability as prepared by our Actuary. We will be pleased to discuss this matter further with the entire Committee or individual members who so desire.

We hope that the above and attached information will resolve any concern your Committee may have regarding our unfunded liability.

Sincerely

*Vernon Bennett*

VERNON BENNETT  
Executive Officer

Encl:  
c.c.: Senate Finance Committee  
Retirement Board

VB:bb

1593

NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Unfunded Accrued Liabilities and Amortization Payments  
Based on Level Percentage-of-Payroll Method  
6½%-Per-Year Payroll Growth Assumption  
1980 to 2016

(amounts in thousands)

<u>July 1</u>	<u>Unfunded Accrued Liability</u>		<u>Amortization Payment for next fiscal year</u>	
	<u>Regular</u>	<u>Police &amp; Fire</u>	<u>Regular</u>	<u>Police &amp; Fire</u>
1980	\$333,465	\$ 58,093	\$ 12,203	\$ 2,126
1981	347,502	60,538	12,996	2,264
1982	361,836	63,035	13,841	2,411
1983	376,441	65,580	14,741	2,568
1984	391,283	68,165	15,699	2,735
1985	406,318	70,785	16,719	2,913
1986	421,500	73,429	17,806	3,102
1987	436,769	76,090	18,963	3,304
1988	452,062	78,754	20,196	3,518
1989	467,300	81,408	21,509	3,747
1990	482,397	84,038	22,907	3,991
1991	497,254	86,626	24,396	4,250
1992	511,756	89,153	25,982	4,526
1993	525,775	91,595	27,670	4,820
1994	539,166	93,928	29,469	5,134
1995	551,764	96,123	31,384	5,467
1996	563,386	98,147	33,424	5,823
1997	573,823	99,966	35,597	6,201
1998	582,845	101,537	37,911	6,604
1999	590,190	102,817	40,375	7,034
2000	595,571	103,754	42,999	7,491
2001	598,661	104,293	45,794	7,978
2002	599,104	104,370	48,771	8,496
2003	596,497	103,916	51,941	9,049
2004	590,397	102,853	55,317	9,637
2005	580,311	101,096	58,913	10,263
2006	565,693	98,549	62,742	10,930
2007	545,937	95,108	66,820	11,641
2008	520,375	90,654	71,163	12,397
2009	488,267	85,061	75,789	13,203
2010	448,799	78,185	80,715	14,061
2011	401,068	69,870	85,962	14,975
2012	344,083	59,943	91,549	15,949
2013	276,749	48,212	97,500	16,985
2014	197,862	34,470	103,837	18,089
2015	106,098	18,483	110,587	19,265
2016	0	0	0	0

VERNON BENNETT  
EXECUTIVE OFFICER

WILL KEATING  
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



**PUBLIC EMPLOYEES RETIREMENT SYSTEM**

693 WEST NYE LANE

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

March 31, 1981

The Honorable Floyd R. Lamb  
Chairman  
Senate Finance Committee  
Nevada State Legislature  
Carson City, NV 89710

Dear Chairman Lamb:

The Senate Finance Committee had several questions and requested additional information regarding the Public Employees Retirement System budget request. Specific issues to be addressed are the feasibility study performed by Deloitte Haskins & Sells regarding automation of the PERS manual accounting system and building costs and rent for the PERS office building.

A recommendation of the internal control audit of PERS done in March, 1979, was to perform a feasibility study to identify data processing requirements, alternative methods of meeting these requirements, and the costs and benefits of the more promising alternatives. As a result of this recommendation, the Public Employees Retirement Board, at their meeting held March 26 and 27, 1980, authorized the Retirement staff to employ the firm of Deloitte Haskins & Sells to perform an internal audit regarding the feasibility of converting manual accounting to computer. The study was completed in August, 1980, at a total cost of \$27,334. We are enclosing a copy of the study, under separate cover, for the Committee's reference. The study recommended that PERS automate its accounting system. Deloitte Haskins & Sells also recommended that PERS issue a request for proposal and select the best bid submitted. We are taking this approach on the basis of this recommendation, as we feel it is the most advantageous procedure. We are merely seeking the very best service for the most reasonable price.

As stated in the testimony presented on March 27, 1981, lease payments for the PERS office building from the Administrative Fund to the Public Employees Retirement Fund were eliminated from the budget request. The office building at 693 West Nye Lane was built as an investment for the Public Employees Retirement Fund at a cost of \$997,679. Operating costs for the building (utilities, janitorial service, repairs, taxes, insurance, etc.) average approximately \$4,730 per month. The Administrative Fund currently

EXHIBIT E

RETIREMENT BOARD  
DARREL R. DAINES  
CHAIRMAN  
SAM A. PALAZZOLO  
VICE CHAIRMAN  
MEMBERS  
WILLIS A. DEISS  
PEGGY GLOVER  
BOYD D. MANNING  
MARGIE MEYERS  
TOM WIESNER

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The Honorable Floyd R. Lamb  
Chairman  
Senate Finance Committee  
Page 2  
March 31, 1981

pays \$3,900 per month from the operating budget for the rent of the building. The building was intended as an investment for the Retirement Fund and is for sale.

Should the Committee determine to restore lease payments to the PERS budget request at our current lease cost, our budget would be increased by \$46,800 each year of the biennium.

This addition and the requested amendments to our budget would represent an increase over actual 1980 expenditures of 23.4% and a reduction from the 1981 approved budget of 3.5%.

Please be assured that removal of the building lease costs was not intended to be misleading in any way. This information is in the printed budget and was provided to both committees in written form and verbally at the time of our presentations.

We will be pleased to meet individually with any member of the Committee who may have additional questions or require further clarification or to reappear before the Committee as a whole to discuss further this matter if you so desire.

Respectfully submitted,



Vernon Bennett  
Executive Officer

KH/njp  
cc: Senate Finance Committee

~~EXHIBIT E~~

CLARK COUNTY JUVENILE COURT SERVICES

March 31, 1981

The attached information is supplied for your perusal and review. We hope that the data contained herein will provide you with some general insight into the Probation Subsidy Program as it exists in Clark County Nevada.

THE JUVENILE PROBATION SUBSIDY PROGRAM IN  
CLARK COUNTY, NEVADA

RC

I. ORIGIN

- A. Block Grant from Federal Government
- B. Begun November 1971
- C. Most Nevada Counties participated

II. PURPOSE

- A. Decrease commitments to youth institutions
- B. Deal with high risk delinquents on the verge of commitment.
- C. Demonstrate savings to the state by decreasing commitment.
- D. Increase community protection

III: IMPLEMENTATION

- A. Provide intensive supervision to youth identified as high risk.
- B. Establish specialized supervision programs substantially above the usual or by the use of new techniques in addition to or instead of routine supervision per NRS 213.220 to 213.420 inclusive.
- C. Use of alternate living resources within the community instead of commitment to a state institution.
- D. Majority of participants must be on suspended commitment to a state institution.

IV: CLARK COUNTY METHOD OF IMPLEMENTATION

- A. Probation Subsidy staffing committee established to screen potential participants and provide recommendation to the Court.

B. Decrease case load of Subsidy Probation Officer to facilitate intensive supervision.

1. Staffing at each Center consists of:

- (a) Supervisor (Coordinator of overall program)
- (b) Probation Officer (Supervising sexually segregated case loads)
- (c) Probation Aide ( Assisting in facilitation of program)
- (d) Tutor (generally a Clark County School District Special Education Teacher, facilitating the educational element)
- (e) Volunteers ( where a need is identified)

C. Establish Coping Centers (now known as Probation Centers) to provide specialized core programming for Subsidy wards.

1. Educational Elements (a tutor provided at each Center)

- (a) Reading
- (b) Math
- (c) Homework from schools

2. Juvenile Justice Elements

- (a) Burglary/Drug Abuse
- (b) Juvenile system
- (c) Laws and Consequences

3. Survival Skills Elements

- (a) Money Management
- (b) Job seeking skills
- (c) Drivers Education

4. Family Communications Element

- (a) Parent Training
- (b) Parent Group Counseling

- (c) Youth Communication
- (d) Youth Group Counseling
- 5. Social/Emotional Element
  - (a) Becoming a person
  - (b) Relationship building
  - (c) Recreation

V. FISCAL YEAR 1980 STATISTICS (July 1, 1979 to June 30, 1980)

(See Attachment A - Case Load Breakdown)

- A. Probation Subsidy staffing committee interviewed 431 youth for possible entrance into the program
- B. 297 youth received Probation Subsidy services
- C. 194 new entries, 103 carry overs from previous Fiscal Year.
- D. Successful Probation Subsidy participants numbered 254; Wardship terminations numbered 135; 119 wards carried into the new Fiscal Year.
- E. Probation Subsidy participants committed to a youth institution numbered 43 or 24% of terminations were negative; 76% successful termination rate.

VI. FUTURE PROBATION SUBSIDY PROGRAM IN CLARK COUNTY

- A. Expanded number of Probation Centers (this year from 3 to 5).
- B. Probation Centers located in community where wards and families reside.
- C. Seeking a 6th Center to be located in North Las Vegas.
- D. Core programming of Probation Subsidy programs available to regular probationers if need identified.
- E. Centers opened extended hours with counselors available to youth and families of the neighborhood.

- F. Probation Officers regularly visit neighborhood schools.
- G. Increased communication and liaison with community law enforcement representatives.
- H. Staff at Centers atuned to community safety in the neighborhood.

VII. BUDGET CONSIDERATION

- A. Clark County Probation Subsidy program funded at \$317,780.00 per year.
- B. This amount provides salaries to Probation Subsidy employees; provides funds for operation of the 5 Centers; and permits alternate living placement as needed for Probation Subsidy participants.
- C. No increases in financial participation by State of Nevada since 1977.
- D. Population of youth between 8 and 18 years of age increasing rapidly.
- E. To institutionalize the 135 Probation Subsidy participants who were successfully terminated from the program during Fiscal Year 1979/80 for ONE MONTH at a rate of \$1,500.00 per month would cost the State of Nevada \$202,500.00. The Clark County Probation Subsidy budget for ONE YEAR OR ONE TWELVE MONTHS is \$317,780.00. Were 135 successful participants institutionalized for one year the cost to the State of Nevada would have been approximately \$2,430,000.00



## ATTACHMENT A

## CLARK COUNTY JUVENILE COURT SERVICES

Total Subsidy Cases through December 31, 1980 - 1,067

<u>Fiscal Year</u>	<u>Cases Under Supervision</u>	<u>New Cases</u>	<u>Commitments</u>
1/2-80/81	184	65	23
79/80	297	194	43
78/79	257	164	40
77/78	238	145	37
76/77	247	149	40
75/76	287	174	50
74/75	184	89	21
73/74	156	87	21
	<hr/>	<hr/>	<hr/>
TOTAL	1,850	1,067	275

BUDGET REQUEST NARRATIVE  
NEVADA JUNIOR LIVESTOCK SHOW BOARD  
FY 82-83

The Nevada Junior Livestock Show Board is responsible for a growing number of livestock related activities in addition to its traditional responsibilities. Programs in 4-H and FFA are expanding in scope each year and are creating new participation for State livestock events.

The annual Nevada Junior Livestock Show has experienced at least a 25% increase in size over the last two years, and substantial increases in numbers have been noted in the rabbit, poultry, dairy goat and dairy cattle divisions of the Nevada State Fair. The State 4-H Horse Program has been the most rapidly growing program in the state. A combination of these factors in addition to the ever increasing costs of operation of these events has encouraged the Show Board to request additional funds for its operational budget for the next biennium.

In expense category 7020, Operational Supplies, the Board is requesting an additional \$100 in FY1982 and \$200 in FY1983. Supplies purchased in this category include ear tags for animals, straw for bedding, contestant identification numbers, exhibit identification cards and equipment purchased to create additional facilities for the stalling of livestock, among other costs of operation. The costs of these materials has been steadily increasing each year and the Board will find it necessary to continue to replace and repair a big majority of existing equipment over the next several years. In addition, the current situation with the management of the Nevada State Fairgrounds will create an added expense of \$1,000 to \$1,500 per event for usage of the grounds and facilities.

In expense category 7040, Printing and Duplication, the Board is requesting an additional \$100 in FY1982 and \$300 in FY1983. Business forms, contracts for pre-show buyers, buyer's statements and sale receipts on livestock are included in this account. As additional entries are received each year, more forms are needed to properly process each entry. The monetary amount necessary for the printing of these forms has been increasing annually.

Expense category 7050, Insurance, is a necessary evil that must be included in the budget each year. The cost of maintaining insurance coverage at status quo is steadily on the upsurge. The Board is requesting a \$100 increase in FY1982 and another \$100 increase in FY1983.

Category 7060, Contractual Services, is the main expense category for the Show Board. Included in this category are payments for the services for the judges, auctioneers, nightwatchmen and additional help required for the volume of animals involved. In addition, the Board supports a professional position in conjunction with the University of Nevada for the purpose of coordinating and conducting all youth livestock activities and programs under the jurisdiction of the Board and the University of Nevada Extension Service. This position has become beneficial and necessary as numbers have increased and support should be continued in this manner. The Board is requesting an additional \$700 in FY1982 and an increase of an additional \$500 in FY1983. The budget request should be allotted for cost of living considerations and the rising cost of obtaining qualified judges and other professional services. The services of these professionals are required for the Nevada State Fair, Youth Livestock and Dairy Show, the Nevada Junior Livestock Show, the State 4-H Horse Show and other related events.

Participation ribbons, premium ribbons, award rosettes, trophies, buyer's signs and other awards or promotional materials are included in expense category 7120, Advertising. The monetary consideration for these items is not only based on rising costs, but also on the increase of the number of these items required as the participation in events increases. The ribbons and awards provide an incentive for the youth to become involved in livestock programs. Wherever possible, donations from the private sector provide the bulk of the awards which are presented. Buyer's signs and other promotional materials are a direct expense which must be incurred by the Board. An increase of \$100 is requested for this category in FY1982 and an additional \$100 to be allocated as well in FY1983.

The Show Board has been allocated a total of \$14,000 for expenses in FY1981. The Board is requesting \$15,000 in FY1982 and \$16,000 in FY1983. The requesting budget has become necessary as a result of a rapidly expanding program and increased operational costs.

NEVADA JUNIOR LIVESTOCK SHOW BOARD

OPERATIONAL BUDGET 1981-82

1605

<u>EXPENSES</u>	<u>PAYMENT OF SHOW BOARD EXPENSES</u>		<u>CONTRIBUTION</u> <u>UNIVERSITY OF</u> <u>NEVADA (RENO)</u>
	<u>STATE FUND</u>	<u>DONATIONS &amp;</u> <u>SALE COMMISSIONS</u>	
OPERATIONAL SUPPLIES AND EXPENSES	\$1500	\$1300	--
PRINTING	\$600	\$500	--
INSURANCE	\$700	\$200	--
CONTRACT SERVICES	\$3500	\$800	--
Judges - \$2800			
Auctioneers and Misc.			
Professional Services - \$800			
SALARY FOR PROFESSIONAL POSITION (Including Benefits)	\$7200	\$2291	\$9491
ADVERTISING	\$1500	\$1400	--
TRAVEL FUND		\$1000	\$600
Youth Agent & Judging Team Trips			
REPAIRS & MAINTENANCE OF EQUIPMENT (Includes new and replacement equipment)		\$6200*	
BOARD CONTRIBUTION TO SECRETARIAL POSITION		<u>\$600</u>	<u>Balance U.N.R.</u>
TOTAL BUDGET	\$15,000	\$14,291	\$10,091

Plus \$320 allotted for payment of Board Members.

\*Amount allotted for the construction of new wash rack and hog scale facilities at Nevada State Fairgrounds.

NEVADA JUNIOR LIVESTOCK SHOW BOARD

OPERATIONAL BUDGET 1982-83

1606

<u>EXPENSES</u>	<u>PAYMENT OF SHOW BOARD EXPENSES</u>		<u>CONTRIBUTION UNIVERSITY OF NEVADA (RENO)</u>
	<u>STATE FUND</u>	<u>DONATIONS &amp; SALE COMMISSIONS</u>	
OPERATIONAL SUPPLIES AND EXPENSES	\$1700	\$2400	--
PRINTING	\$700	\$600	--
INSURANCE	\$800	\$300	--
CONTRACT SERVICES Judges - \$2900 Auctioneers and Misc. Professional Services - \$900	\$3700	\$900	--
SALARY FOR PROFESSIONAL POSITION (Including Benefits)	\$7500	\$2655	\$10,155
ADVERTISING	\$1600	\$1600	--
TRAVEL FUND Youth Agent & Judging Team Trips		\$1200	\$600
REPAIRS AND MAINTENANCE OF EQUIPMENT (Includes new and replacement equipment)		\$2500	--
BOARD CONTRIBUTION TO SECRETARIAL POSITION		\$800	<u>Balance U.N.R.</u>
TOTAL BUDGET	\$16,000	\$12,955	\$10,655

Plus \$320 allotted for payment of Board Members.

NEVADA JUNIOR LIVESTOCK SHOW BOARD  
GENERAL FUND  
STATEMENTS OF REVENUE, EXPENDITURES AND FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1980 AND 1979

	<u>1980</u>	<u>1979</u>
<b>REVENUE</b>		
Livestock sales	\$257,507	\$250,130
Interest income	1,313	494
Other income	635	314
State of Nevada appropriation	<u>13,281</u>	<u>11,320</u>
	<u>272,736</u>	<u>262,258</u>
<b>EXPENDITURES</b>		
Expenses relating to show and sale:		
Distribution to participants	244,542	237,624
Supplies	-	910
Fees and labor	14,722	12,286
Repairs and maintenance	253	328
Communications, advertising and travel	2,975	2,436
Insurance	<u>565</u>	<u>557</u>
	263,057	254,141
Investment in fixed assets	3,668	3,767
Postage	121	120
Operating expense	3,070	2,113
Office expense	34	36
Bad debts	1,030	88
Over and short	<u>-</u>	<u>1</u>
	<u>7,923</u>	<u>6,125</u>
	<u>270,980</u>	<u>260,266</u>
Excess of Revenue over Expenditures	1,756	1,992
<b>FUND BALANCE</b>		
Beginning of Year	<u>21,379</u>	<u>19,387</u>
End of Year	<u>\$ 23,135</u>	<u>\$ 21,379</u>

The accompanying note is an integral part of these financial statements.



## Exhibit H

**THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL  
MINUTES AND THE MICROFICHE.**



WILSON MCGOWAN  
State Controller

STATE OF NEVADA  
OFFICE OF  
**STATE CONTROLLER**  
CARSON CITY, NEVADA 89710  
(702) 885-4330

EXHIBIT I

NEW POSITION REQUEST

The State Controller requests two new accounting positions. The total cost would approximate \$70,000 in fiscal year 81-82 and \$80,000 in 82-83.

The State of Nevada needs timely, accurate financial information. This need has been expressed by the Legislative Auditor and the Executive Branch of government for years and more recently by:

1. "Standard and Poors' Corp. warned state and local governments to clean up their bookkeeping."

"The bond-rating firm told 8,000 municipal bond issuers it rates to make their financial statements conform to generally accepted accounting principles.

Failure to meet these accounting standards will be considered as a negative factor in its bond ratings, S & P warned.

Government units won't be rated at all where the report isn't timely or is substantially deficient in term of reporting." (excerpt, Wall Street Journal 5/7/80).

We have been informed by bond raters that if our financial report had conformed with generally accepted accounting principles the State of Nevada would save 1/4 of 1% on its bond issues. The dollar savings would approximate \$250,000 each year.

2. The Federal Revenue Sharing Act states:

"ACCOUNTING, AUDITING, AND EVALUATION.--(1) INDEPENDENT AUDITS.--Each State government and unit of local government which expects to receive funds under subtitle A for any entitlement period beginning on or after January 1, 1977 (other than a government to which an election under paragraph (2) applies with respect to such entitlement period), shall have an independent audit of its financial statements conducted for the purpose of determining compliance with this title, in accordance with generally accepted auditing standards, not less often than once every 3 years."

This means that our Annual Financial Report must conform with generally accepted accounting principles.

These requested positions are necessary if we are to:

1. Comply with the State Accounting Procedures Law NRS 353.219-3245.
2. Reduce dramatically the number of duplicate manual accounting systems that exist in almost every agency of state government.
3. Establish a managerial accounting task force to observe agency needs and provide systems to meet these needs. This task force will also serve to promulgate accounting policy throughout the state.
4. Provide the economic decision makers of the state the necessary financial information upon which sound business judgement can be exercised.
5. Comply with Federal Grant requirements.

A staff accountant in the State Controller's Office will require as a minimum:

1. A college degree in accounting or business administration; a masters degree and or CPA certificate is preferred. Staff accountants are to be in the unclassified service. The salary range must be competitive with industry and government.

Currently, the salary requirement would approximate \$30,000 to \$35,000 per position depending upon education and experience qualifications.

**A. B. 215**

---

**ASSEMBLY BILL NO. 215—COMMITTEE ON  
WAYS AND MEANS**

**FEBRUARY 24, 1981**

---

**Referred to Committee on Ways and Means**

**SUMMARY—**Makes supplemental appropriation to department of human resources for payment of claims. (BDR S-189)

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



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

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AN ACT making a supplemental appropriation to the office of the director of the department of human resources for the payment of certain claims; 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. 1. There is hereby appropriated from the state general  
2 fund to the office of the director of the department of human resources  
3 the sum of \$1,979.84 for the payment of the claims of:  
4 (a) S.O.C. Leasing Company in the amount of \$203.35;  
5 (b) The Travel Advisors, Inc. in the amount of \$270; and  
6 (c) The central data processing division of the department of general  
7 services in the amount of \$1,506.49.  
8 2. This appropriation is additional and supplemental to that made by  
9 section 30 of chapter 574, Statutes of Nevada 1977.  
10 3. After June 30, 1981, any unencumbered balance of the appropria-  
11 tion made by subsection 1 must not be committed for expenditure, and  
12 the balance reverts to the state general fund.  
13 SEC. 2. This act shall become effective upon passage and approval.

**S. B. 229**

**SENATE BILL, NO. 229—SENATORS KEITH ASHWORTH,  
GLASER, GIBSON, CLOSE, BLAKEMORE AND LAMB**

**FEBRUARY 13, 1981**

**Referred to Committee on Finance**

**SUMMARY—**Makes appropriation to revolving account for certain expenses relating to "MX" missile project. (BDR 8-687)

**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 to a revolving account for planning expenses of political subdivisions relating to the "MX" missile project; 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 "MX" missile planning account, which is hereby created as a non-  
3 reverting account within the fund, the sum of \$2,000,000.
- 4    **SEC. 2.** This account must be administered by the state board of  
5 examiners and is to be used for making advances to political subdivisions  
6 of this state for planning expenses relating to the installation of the "MX"  
7 missile system which qualify for reimbursement by the Federal Govern-  
8 ment.
- 9    **SEC. 3.** A political subdivision may apply to the state board of exam-  
10 iners for an advance from this account for planning expenses which it  
11 shows that the Federal Government has agreed to reimburse.
- 12    **SEC.** Upon reimbursement from the Federal Government, a politi-  
13 cal subdivision shall deposit the amount it received as an advance for  
14 planning expenses into the state treasury for credit to the "MX" missile  
15 planning account.