

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON FINANCE

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 5, 1981

The Senate Committee on Finance was called to order by Chairman Floyd R. Lamb, at 8:00 a.m., Tuesday, May 5, 1981, in Room 231 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Mark Stevens, Budget Division

SENATE BILL NO. 551 - Makes supplemental appropriation to State Board of Parole Commissioners for travel expenses.

Mr. Bryn Armstrong, Chairman of the Nevada Board of Parole Commissioners, testified in support of Senate Bill No. 551. This bill requested a supplemental appropriation of \$1,121.26 to meet travel expenses for the remainder of the current fiscal year.

Mr. Armstrong noted this increase was due in large part to the increase in air fares after deregulation. He indicated the necessity of this travel was to transport each month three people to Las Vegas for parole hearings and revocation hearings in the southern Nevada area. The Chairman of the Parole Board added that the parole hearings had been further impacted by a Supreme Court decision which held that, for the purposes of crediting good time in prison and determining parole eligibility, this was determined on the sum total of the sentences levied. This caused a great number of individuals to be added to the Board's list.

Senator Glaser inquired if the Board had ever used the State Highway or Forestry planes. Mr. Armstrong said they had not. Senator Glaser suggested the Board look into this alternative as the planes needed to be utilized to make the craft cost effective.

Senator Lamb asked Mr. Armstrong if he thought prison population in Nevada was going to increase over the next few years. Mr. Armstrong stated all of the trends indicated there will be an increase out of proportion to the normal expected. He felt the reasons for the increase were due to the youthfulness of the offender, the increasing violence of crimes committed, a reflection of the drug culture, and the rise of alcohol abuse.

Senator Jacobsen inquired if Mr. Armstrong, through his interviews, had any indication that the prison clientele were unhappy with the system. Mr. Armstrong said the Board constantly received complaints from parole applicants about their inability to do their own "time". The prisoners indicated there was too much pressure to

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conform to an anti-social behavioral pattern. There were also complaints regarding the lack of psychiatric and psychological facilities, poor food, and less than adequate medical facilities.

Senator McCorkle asked how individuals serving life sentences without possibility of parole came before the Pardons Board. Mr. Armstrong indicated the Pardons Board had a rule that stated that anybody who had been in the prison system for ten years or longer who had never been reviewed for any error of computation of sentence, was automatically seen.

Senator Echols inquired if the amount requested for the travel expenses was adequate. Mr. Armstrong felt that amount would be adequate. They planned to purchase all the airline tickets necessary on an advance basis at a guaranteed price.

Mr. Sparks asked if the Parole Board had any salary savings in their budget. Mr. Armstrong indicated there were none he was aware of and added all positions were filled and always had been.

ASSEMBLY BILL NO. 154 - Makes various changes in law concerning retired public employees.

Mr. Vernon Bennett, Executive Director of the Public Employees' Retirement System, testified in support of Assembly Bill No. 154. Mr. Bennett noted an additional amendment had been prepared to this bill at the request of the committee. This amendment provided that none of the increases beginning July 1, 1981 and 1982, shall exceed the All Items Consumer Price Index for the previous year.

SENATE BILL NO. 583 - Makes supplemental appropriation to Department of Taxation for budgeting changes.

Mr. Roy Nickson, Director of the Department of Taxation, testified in support of Senate Bill No. 583. This bill requested a supplemental appropriation of \$190,000 for this year to carry out the budgetary changes required by Assembly Bill No. 369, Senate Bill No. 69, and Senate Bill No. 411.

Assembly Bill No. 369 was broken down as follows:

1. (\$20,000) - Computer reprogramming.
2. (\$13,000) - Postage and telephone.
3. (\$ 6,800) - Forms and printing.

Senate Bill No. 69 was broken down as follows:

1. (\$36,300) - Travel to assist assessors.
2. (\$ 1,500) - Procurement of personal property manuals.
3. (\$ 1,500) - Printing.
4. Grade 36 level position to handle personal property depreciation for one month.

Senate Bill No. 411 was broken down as follows:

1. (\$ 2,500) - Small desk computer.
2. (\$ 1,500) - Conduct seminars for local government budget officials.
3. (\$ 500) - Forms.
4. (\$ 1,890) - One Grade 39 position.
5. (\$ 1,610) - One Grade 34 position.
6. (\$ 500) - Student position.

Mr. Nickson said an additional \$100,000 was placed into the bill on the assumption that the department would be mandated to assist the assessors in the fourteen rural

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counties in the hiring of employees. That amendment had not been made as yet to Senate Bill No. 69.

Senator Gibson requested a written breakdown on the appropriation.

SENATE BILL NO. 617 - Creates prison farm fund.

Mr. Perry Comeaux, Assistant Director of the Department of Prisons, testified in support of Senate Bill No. 617. He said the purpose of this bill was to create a prison farm fund as an enterprise fund and to provide the sum of \$100,000 for working capital and the replacement of equipment over the next several years. Mr. Comeaux stated that this bill, as written, did not provide for the appropriation of \$100,000 and the department was requesting the bill be amended to include that appropriation.

The executive budget provided for 100% funding of self-generated revenue. The \$100,000 working capital appropriation was necessary for two reasons: first, the prison farm and equipment with a replacement value of approximately \$250,000 had to be replaced in the near future; secondly, in order to obtain favorable prices on bulk supplies.

Mr. Comeaux indicated that all of the revenue to fund this project would be self-generated from milk sales. All the department needed was the initial one-shot appropriation.

Senator Gibson inquired if the \$100,000 was shown in the Governor's budget. Mr. Comeaux indicated it was shown on page A18 of the executive budget. This bill had not been worded to provide specifically an appropriation.

ASSEMBLY BILL NO. 498 - Makes appropriation for replacement of floor coverings at Southren Nevada Correctional Center.

Mr. Comeaux stated the purpose of this bill was to provide a one-shot appropriation in the amount of \$16,300 to replace floor coverings at Southern Nevada Correctional Center. The present carpeting which was badly worn was to be replaced with commercial grade tile using inmate labor.

Senator McCorkle asked what would be the problem in using concrete floors. Mr. Comeaux noted that alternative had been looked at but it was felt that concrete floors would be too difficult to maintain from a sanitary standpoint. He indicated it was generally the middle portion of the housing unit that was to be recovered and the area between the cells. Senator Gibson commented that concrete floors were too absorbant and porous to be sanitary for the required purpose even with the use of sealer paint.

Senator Echols asked how many square feet were to be covered. Mr. Comeaux said there were 12,806 square feet to be covered at the cost of \$1.38 per square foot.

Senator Gibson inquired if this money was in the budget. Mr. Comeaux stated the money was orginally in the executive budget in the amount of \$81,000 which would have taken care of all the other housing units as well.

SENATE BILL NO. 618 - Increases post-retirement allowances of certain persons receiving disability or service retirement allowances from public employees' retirement system.

Mr. Vernon Bennett, Executive Director of the Public Employees' Retirement System, testified in support of Senate Bill No. 618. (See Exhibit D.)

Senator Lamb inquired as to what the total dollar cost of the bill was. Mr. Bennett indicated the amount was about \$8,000 less than \$607,550 but would still have a cushion of \$8,000 as a surplus contained in the bulk amount.

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Senator Gibson inquired as to how many people would be affected by this bill. Mr. Bennett said, presently, there were less than 100 and those people were in their 80's and 90's. Senator Gibson asked if those individuals would receive also the cost of living retirement increase. Mr. Bennett replied that they would.

SENATE BILL NO. 619 - Requires certain approvals before state agencies may reallocate money received under federal block grants.

Mr. Sparks addressed this bill. He noted Mr. Barrett had requested this bill be amended to remove the State Board of Examiners from the process.

Senator Wilson moved to amend Senate Bill No. 619 to remove the Board of Examiners and clarify the block grant language.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 153 - Makes various changes in provisions regarding interim finance committee.

Mr. Sparks testified with regard to Assembly Bill No. 153. (See Exhibit E.)

Senator Gibson commented there was one more thing that should be included. He noted there was a situation last year where the Chairman would not call a meeting. He felt there should be some way of having a meeting when one should be held. The rest of the committee agreed with Senator Gibson.

ASSEMBLY BILL NO. 359 - Makes appropriation for bill drafts for executive agencies and judiciary for 61st session.

Mr. Sparks indicated this was the biennial bill appropriating money to the budget division for the payment of costs of the executive agencies bill drafts. When those costs were determined by Mr. Daykin, the executive agencies were billed for that cost of legislation and that money transferred to the legislative fund.

Senator Gibson moved to approve Assembly Bill No. 359.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 153

Senator Gibson moved to amend Assembly Bill No. 153 to provide that the Chairman or a majority of both committees may call a meeting of Interim Finance.

Senator Glaser seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 618

Senator Jacobsen moved to approve Senate Bill No. 618.

Senator Gibson seconded the motion.

The motion carried unanimously.

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ASSEMBLY BILL NO. 498

Senator Gibson moved to approve Assembly Bill No. 498.

Senator Jacobsen seconded the motion.

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

SENATE BILL NO. 617

Senator Gibson moved to amend Senate Bill No. 617 to provide an appropriation of \$100,000 and to amend to make effective on passage and approval.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 583

Senator Gibson moved to amend Senate Bill No. 583 from the sum of \$190,000 to \$100,000.

Senator Echols seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 154

Senator Gibson moved to amend Assembly Bill No. 154 to provide that the increase shall be no greater than the cost of living increase.

Senator Echols seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 551

Senator Echols moved to approve Senate Bill No. 551.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 274

Senator Echols moved do pass as previously amended to remove the ceilings on automobiles.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

BILL DRAFT REQUEST

The committee agreed to introduce a Bill Draft Request transferring the Public Service Motor Carrier function to the Department of Motor Vehicles.

SENATE BILL NO. 538 - Revises provisions on Aid to Dependent Children, State supplementary assistance to aged and blind persons, and assistance to the medically indigent.

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Mr. Ace Martell, Director of the Department of Human Resources, stated he was before the committee to discuss Senate Bill No. 538. Mr. Martell noted he had met with Mr. Frank Dayken and Jan Wilson of the Legislative Council Bureau to get their interpretation of exactly what the bill meant. The Director stated the department wanted to make sure they had a clear understanding of the committee's desires and intent with regard to the bill.

Mr. Martell said they felt the bill also might require some additional language or wording. Senator Lamb asked if the department wanted a letter of intent in addition. Mr. Martell stated a letter of intent, in the opinion of the Attorney General and Mr. Dayken, would not be worth the paper it was written on and would invite lawsuits from every angle.

The Director indicated the department would have to have a lot of latitude to move money between categories. Secondly, he noted a lot of reductions might have to be made. The department might reduce or not approve any nursing home beds. He stated the department might have to cut back on cost reimbursement to nursing homes, physicians, hospitals, etc. Mr. Martell said they would have to make many tough decisions in between the period when this legislative session closed and when the department finally knew what the Federal government was going to do. He indicated the department wanted to make sure they would have the legal authority to do the aforementioned.

Mr. Martell stated this bill did not effect caps in accordance with Mr. Dayken's interpretation. The bill would allow the department the authority to go back to Interim Finance but the agency wanted to make sure that was the committee's intent.

Senator Gibson commented that he had talked to Mr. Martell and told him that it was the Committee's intent that the agency not come to Interim Finance and not come in-for a supplementals for next session. He noted the bill was drafted at his instigation but should reflect the whole committee's feelings.

Senator Echols asked if the bill were legally defensible. Senator Gibson remarked it had to be put into law. Mr. Martell added that the fact that it would be in the law meant that was the intent of the legislature and would not obviously attract lawsuits. He assumed there might be some civil rights lawsuits over the bill depending on if any reductions were made.

Mr. Martell stated the other point that was extremely important if it was the desire of the committee to cap the department, that they have what they asked for in the executive budget which had been put in the bill. The MHR budget was interwoven with this budget as there were a lot of Title XIX dollars obligated to MHR. If there were to be major reductions in Federal monies, the department would be back to "square one" with regard to planning, programs, and organization for the entire year.

The Director noted there were a few minor changes in the bill the department was requesting. He said this bill did exactly what the department wanted from the standpoint of clarifying the NRS so the department would be prepared for block grant funding. The department should be able to deal with any problem they would have without requiring a special session of the legislature.

One of the items requested was, if capped, the department would like to have the flexibility to move money between any of the categories. He added the department would go to Interim Finance before transferring monies. He indicated if the language in the bill was clearly specified the potential for lawsuits would be eliminated. Senator Gibson commented that if the department were required to live within the appropriation they would adjust to the circumstances and they should have the flexibility requested. Senator Wilson remarked that counsel should be sure that the language of the bill was clear.

Mr. Martell noted that two-thirds of the department's costs went out in long term care and constituted the most expensive areas of cost, care, and medicaid which the agency would want to control immediately. Possibly, if additional funds were available, licenses for new beds could be issued.

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Senator Lamb inquired if this would create a problem as nursing homes were needed. Mr. John Duarte felt they would have to come up with agreements with those facilities only for those amounts of dollars really needed to be spent. Mr. Martell remarked that it would be foolhardy to lead any providers to believe that the agency could fund 700 new beds when they could not do it.

The percentage of need on the average grant was going to be recommended to the Welfare Board to be dropped from 92% to 91% to come in at \$75 average grant effective July 1, Mr. Duarte said. He continued he was also going to ask the Welfare Board to allow the division to adjust this at any time during the year without having to go back to the Welfare Board itself for every rate adjustment.

Senator Gibson remarked that most of the people in the long term care facilities were permanently and totally disabled. Mr. Duarte said they were mainly aged and disabled. The Senator thought alternatives should be looked at constantly including home/family care through subsidization. Mr. Duarte noted the agency had a package of alternatives.

The Vice Chairman, referring to the agency's Title IX budget, commented there was no way the legislature could continue to fund the kind of increases shown in the budget. Mr. Martell replied the department did not have any problem with that statement; all they wanted was to make sure that they very clearly understood what was expected of them and the bill was in a language so they could carry out their responsibilities.

Senator Gibson inquired if the other bills that were part of this bill package were moving all right. The Senator noted the agency should make sure those bills got to the Senate floor. Mr. Martell noted they would make sure they did.

Mr. Martell indicated another item for discussion was whether the committee would consider establishing any kind of a trigger allowing the department to go to Interim Finance predicated upon a dramatic increase in caseload with regard to ADC and the adult category.

The Director noted the department also wanted to request the ability to remove subsection three in sections five, six and seven, from the bill regarding the withdrawal of Federal funds which was redundant language.

Senator Gibson noted the reasons those sections were in there was that the budget was built on Title XIX funds. He said what the department was proposing that the committee cap them with General Fund money at the level the Governor had recommended in the budget. He stated that proposal was based on certain level of Federal funding which may or may not come about. The purpose of the language in this bill, he stated, was if Federal funds were withdrawn, the committee did not want that made up with State money which was why those sections were in the bill. Mr. Duarte noted the problem with those sections was when the Federal government put a cap on those funds, there were no matching funds to go against them. He felt the way the bill was written there was ambiguity as to what was really being talked about. Mr. Martell said they would be capping State dollars in the bill; whatever the Federal block grants were would be another issue all together.

Senator Gibson commented the assurance the committee wanted was that there be no method for the department to start putting in more State funds to take up Federal fund slack. He noted the committee may decide to do so but they did not want the department to make that decision.

Senator Glaser, referring to the trigger mechanism, asked if it would be better to equate caseloads as percentages. Mr. Duarte said the current caseload in ADC was 14,750.

Mr. Stevens commented that the amounts appropriated and authorized in the bill were the amounts that were in the executive budget and his division had recommended additional amounts in a memo to the Finance and Ways and Means Committees. Those numbers would have to be changed when the budgets were finalized.

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Senator Lamb requested the department to come back before the committee after their meeting with Mr. Dayken.

Senator McCorkle indicated he felt the local government in Reno was trying to avoid the funding problem by dumping the burden on the State. Mr. Duarte said this was problem they had been faced with for quite some time; the threat of counties withdrawing their support, particularly in the protective services area. He noted it appeared that they would be receiving only 75% of the funds they were spending previously. Mr. Martell noted this was a new era impacting these budgets because there was going to be less money from the Federal government.

AID TO DEPENDENT CHILDREN (Pg. 571)

Senator Gibson moved to amend the AID TO DEPENDENT CHILDREN budget per a memo sent April 4, 1981, from the Administration.

Senator Glaser seconded the motion.

The motion carried unanimously.

Senator Gibson moved to approve the AID TO DEPENDENT CHILDREN budget as amended.

Senator Echols seconded the motion.

The motion carried unanimously.

ASSISTANCE TO THE AGED AND BLIND (Pg. 573)

Senator Echols moved to approve the ASSISTANCE TO THE AGED AND BLIND budget as recommended by the Governor.

Senator Gibson seconded the motion.

The motion carried unanimously.

PUBLIC SERVICE COMMISSION (Pg. 744)

Senator Gibson moved to approve the revised PUBLIC SERVICE COMMISSION budget as recommended by the Governor.

Senator Wilson seconded the motion.

The motion carried unanimously.

SOUTHERN NEVADA CORRECTIONAL CENTER (Pg. 633)

Senator Gibson moved to amend the SOUTHERN NEVADA CORRECTIONAL CENTER budget to lower the utility rate per a memo from Howard Barrett.

Senator Echols seconded the motion.

SOUTHERN NEVADA RESTITUTION CENTER (Pg. 658)

Senator Glaser moved to amend the SOUTHERN NEVADA RESTITUTION CENTER to increase rent per a memo from Howard Barrett.

Senator Gibson seconded the motion.

The motion carried unanimously.



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DIVISION OF STATE PARKS (Pg. 813)

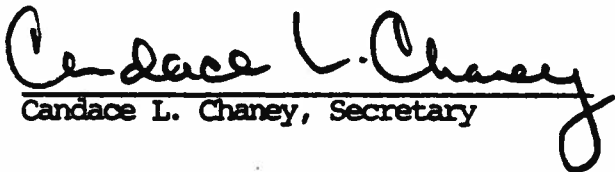
Senator Gibson moved to reopen the DIVISION OF STATE PARKS to amend the budget to increase user fees to \$500,000 for the first year and to \$600,000 for the second year.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

There being no further business, the meeting adjourned at 10:15 a.m.

Respectfully submitted by:

  
Candace L. Chaney, Secretary

APPROVED BY:

  
Senator Floyd R. Lamb, Chairman

DATE: May 12-81

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

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

TUESDAY, MAY 5, 1981

- ✓ 1. S. B. No. 551 - Makes supplemental appropriation to State Board of Parole Commissioners for travel expenses. (Bryn Armstrong)
- ✓ 2. S. L. No. 583 - Makes supplemental appropriation to Department of Taxation for budgeting changes. (Roy Nickson)
- ✓ 3. S. B. No. 617 - Creates prison farm fund. (Charles Wolff)
- ✓ 4. A. B. No. 498 - Makes appropriation for replacement of floor coverings at Southern Nevada Correctional Center. (Charles Wolff)
5. S. B. No. 618 - Increases post-retirement allowances of certain persons receiving disability or service retirement allowances from public employees' retirement system. (Howard Barrett)
6. S. E. No. 619 - Requires certain approvals before state agencies may reallocate money received under federal block grants. (Ron Sparks)
7. A. B. No. 153 - Makes various changes in provisions regarding interim finance committee. (Ron Sparks)
8. A. B. No. 359 - Makes appropriation for bill drafts for executive agencies and judiciary for 61st session. (Ron Sparks)

SENATE COMMITTEE ON FINANCE

DATE: MAY 5, 1981

PLEASE PRINT	PLEASE PRINT	PLEASE PRINT	PLEASE PRINT
NAME	ORGANIZATION & ADDRESS		TELEPHONE
Drew H. ...	Private ...		555-5049
Ray Nickson	DEPT. of ...		555-4992
Vern Bennett	PERS		885-4208
Bob Felten	State of Nev. Employees Assn.		882-3910

VERNON B. 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

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

**TESTIMONY PROVIDED TO THE SENATE FINANCE COMMITTEE  
REGARDING ASSEMBLY BILL 154 ON MAY 5, 1981**

I am Vernon Bennett, Executive Officer of the Public Employees Retirement System. Per request of Senators Lamb and Gibson, we have prepared an additional amendment to AB 154 which will spell out that the new increase provided in Section 2 to begin July 1, 1981 and July 1, 1982, shall not exceed the All Items Consumer Price Index. The amendment further provides that if the All Items Consumer Price Index does not increase at least 10% during the previous year, ~~that these benefits shall be prorated at all levels.~~ Our suggested amendment is as follows:

On page 2, after line 22, add the following: 3. Benefits beginning July 1, 1981 and July 1, 1982, under this section are payable only if they do not exceed the percentage increase in the All Items Consumer Price Index during the previous calendar year. The percentage for post-retirement increases provided in this section shall be reduced to the percentage increase in the All Items Consumer Price Index for the previous calendar year if the Index increase is less than 10%.

This amendment is the wording used in Senate Bill 173 of the 1977 Session. The system has no objection to the proposed amendment. We will be pleased to answer any questions the Committee may have regarding the proposed amendment.

VB:bb

VERNON B. 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

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

**TESTIMONY PROVIDED TO THE SENATE FINANCE COMMITTEE  
REGARDING SENATE BILL 618 ON MAY 5, 1981**

I am Vernon Bennett, Executive Officer of the Public Employees Retirement System. SB 618 was requested by Governor List. The bill is favored by the Retirement System. It will provide a \$30 per month increase to the \$50 per month increase that was passed by the 1975 Legislature for persons who began drawing benefits prior to July 1, 1963. This benefit was funded in 1975 by an appropriation of \$2,007,500. The System has realized a considerably better investment return than the original 5% per annum assumption which was used in the projection. Therefore, there is currently a surplus in the dedicated fund of \$607,550 as computed by the Actuary. The additional benefit will be paid from the surplus in the dedicated fund. There is no new appropriation required by the bill. Therefore, we respectfully request your favorable consideration of SB 618.

We will be pleased to answer any questions you may have.

VB:bb

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627

WILLIAM H. ASHWORTH, *Senate Chairman*  
Arthur J. Palmer, *Director, Secretary*

INTERIM FINANCE COMMITTEE (702) 885-5640

DONALD R. MELLO, *Assemblyman, Chairman*  
Ronald W. Sparks, *Senate Fiscal Analyst*  
William A. Bible, *Assembly Fiscal Analyst*

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

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

A.B. 153  
March 16, 1981

MEMORANDUM

TO: Assembly Ways and Means Committee  
FROM: Fiscal Analysis Division  
SUBJECT: A.B. 153 - Makes various changes in provision regarding Interim Finance Committee.

A.B. 153 changes the procedure under which the Interim Finance Committee considers requests by state agencies to increase (augment) their budgets with gift and grant funds or to revise their legislatively approved budgets through work program revisions. Under current statutory practice, the Interim Finance Committee generally has a 45-day period within which to act after receipt of either work program augmentation or work program revision requests. If the request is not denied through action of the Committee within the 45-day time-period, it is considered approved. Because of this provision, failure of a motion to approve an item being considered by the Interim Finance Committee did not constitute rejection of the item. Instead, unless the item was specifically denied, the failure of a motion to approve meant that the item was approved after the passage of the specified time interval. As amended in A.B. 153, work program augmentation and revision requests would still become effective if not considered within the 45-day period. However, if the Committee meets and considers the item, it would then require Committee approval to become effective:

Also, the Ways and Means Committee is suggesting that A.B. 153 be amended to require that all items submitted by the Executive Branch under the provisions of Chapter 364, 1979 Session (S.B. 255), must be placed on the Interim Finance Committee's next agenda. Section 4 of A.B. 153 provides that during the legislative session the Interim Finance Committee, in reviewing the acceptance of grants and reviewing work program revision requests, can break down into its two component committees and take separate action. In this case the item would be approved if approval is given by each of the money committees.

WAB/ca



STATE OF NEVADA  
**DEPARTMENT OF ADMINISTRATION**  
 CAPITOL COMPLEX  
 CARSON CITY, NEVADA 89710

ROBERT LIST  
*Governor*  
 HOWARD E. BARRETT  
*Director*

*Exhibit F*

April 8, 1981

**MEMORANDUM**

**TO:** Senate Finance and Assembly Ways and Means Committees

**FROM:** Budget Division

**SUBJECT:** Revised Recommendations to the Welfare Administration (101-3228), Medical Care Unit (101-3243) and Aid to Dependent Children Budgets (101-3230)

**A. Welfare Administration (101-3228)**

It is recommended that the Aid to Dependent Children (ADC) caseload be revised upward to 14,750 recipients per month in fiscal year 1981-82 and 13,750 recipients per month in fiscal year 1982-83. It is also recommended that a specialized unannounced home visit unit be established beginning July 1, 1981. The cost of these additions to the Welfare Administration budget is listed below:

	<u>1981-82</u>	<u>1982-83</u>
<u>Revenue:</u>		
General Fund	\$228,604	\$215,184
Federal Funds	228,604	215,184
<b>Total</b>	<u>\$457,208</u>	<u>\$430,368</u>

Expenses:

Additional positions recommended

1. Increase ADC caseload by 1,000 recipients per month.

Eligibility Certification					
Specialist I	5.0	\$ 73,385	4.0	\$ 61,384	
Eligibility Certification					
Supervisor	1.0	16,797			
Administrative Aid II					
Range A	1.0	9,098	1.0	9,495	
<b>Sub-Total</b>	<u>7.0</u>	<u>\$ 99,280</u>	<u>5.0</u>	<u>\$ 70,879</u>	

	<u>1981-82</u>	<u>1982-83</u>
<b>2. Establish Unannounced home visit unit.</b>		
Eligibility Certification Specialist I	10.0 \$146,770	10.0 \$153,460
Eligibility Certification Supervisor	1.0 16,797	1.0 17,577
Welfare Investigator II	4.0 61,384	4.0 64,212
Administrative Aid II Range A	2.0 18,196	2.0 18,990
Sub-Total	<u>17.0 \$243,147</u>	<u>17.0 \$254,239</u>
Fringe Benefits	<u>\$ 61,034</u>	<u>\$ 59,909</u>
Total Salary/Fringe	\$403,461	\$385,027
In-state Travel	\$ 14,136	\$ 14,256
Operating		
Office Supplies	\$ 7,800	\$ 7,875
Operating Supplies	335	330
Communications	18,830	18,985
Printing, Duplicating	2,375	2,420
Structure/Improvement	3,000	
Total Operating	<u>\$ 32,340</u>	<u>\$ 29,610</u>
Equipment		
Executive Units	\$ 3,228	
Clerical Units	1,978	
Calculators	600	
Total Equipment	<u>\$ 5,806</u>	
Training	<u>\$ 1,465</u>	<u>\$ 1,475</u>
<b>TOTAL</b>	<u><u>\$457,208</u></u>	<u><u>\$430,368</u></u>

**B. Medical Care Unit (101-3243)**

The revised recommendation reduces the number of new positions originally recommended by seven positions the first year of the biennium and eight positions the second year. In-state travel and operating amounts have also been reduced due to the position reduction. Fiscal agent charges and medical payments are recommended at a higher level due to the 1,000 recipient per month increase in the budgeted ADC caseload. The costs associated with these changes are listed below:



	<u>1981-82</u>	<u>1982-83</u>
<b><u>Revenue:</u></b>		
General Fund	\$427,396	\$472,909
Federal Funds	<u>427,396</u>	<u>472,909</u>
<b>Total</b>	<b><u>\$854,792</u></b>	<b><u>\$945,818</u></b>
<b><u>Expenses:</u></b>		
New positions not recommended		
Administration -		
Medical Services Assistant	1.0 (\$ 15,346)	1.0 (\$ 16,053)
DO Staff Support -		
Las Vegas		
Medicaid Service Examiner II	1.0 ( 16,053)	2.0 ( 32,850)
Reno		
Medical Service Examiner II	1.0 ( 16,053)	1.0 ( 16,425)
Inpatient -		
Las Vegas		
Social Worker Supervisor	1.0 ( 17,577)	1.0 ( 18,396)
Management Assistant I	1.0 ( 10,338)	1.0 ( 10,797)
Reno		
Social Worker Supervisor	1.0 ( 17,577)	1.0 ( 18,396)
Management Assistant I	1.0 ( 10,338)	1.0 ( 10,797)
<b>Sub-Total</b>	<b><u>7.0 (\$103,282)</u></b>	<b><u>8.0 (\$123,714)</u></b>

	<u>1981-82</u>	<u>1982-83</u>
Fringe Benefits	(\$ 18,199)	(\$ 22,437)
Total Salary/Fringe	(\$121,481)	(\$146,151)
In-State Travel	(\$ 5,690)	(\$ 6,260)
Operating		
Office Supplies and Expense	(\$ 850)	(\$ 1,075)
Operating Supplies	( 125)	( 149)
Communications	( 5,839)	( 7,205)
Printing, Duplicating	( 575)	( 630)
Total Operating	<u>(\$ 7,389)</u>	<u>(\$ 9,059)</u>
Fiscal Agent Charge	\$ 44,712	\$ 49,248
Medical Payments	<u>944,640</u>	<u>1,058,040</u>
TOTAL	<u>\$854,792</u>	<u>\$ 945,818</u>

C. Aid to Dependent Children (101-3230)

It is recommended that the Aid to Dependent Children (ADC) caseload be revised upward to 14,750 recipients per month in fiscal year 1981-82 and 13,750 recipients per month in fiscal year 1982-83. The cost associated with this change is listed below:

	<u>1981-82</u>	<u>1982-83</u>
<u>Revenue:</u>		
General Fund	\$450,000	\$450,000
Federal Funds	450,000	450,000
Total	<u>\$900,000</u>	<u>\$900,000</u>
<u>Expense:</u>		
Cash Assistance	<u>\$900,000</u>	<u>\$900,000</u>

An additional amount will also be needed for this fiscal year (1980-81) for the Aid to Dependent Children budget. The supplemental appropriation of \$2,161,837 State dollars

Senate Finance Committee  
Assembly Ways and Means Committee  
April 8, 1981  
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(matched by a like amount of federal funds) was based on a caseload of 13,750 recipients per month from January, 1981, through June, 1981. The March, 1981, ADC caseload reached 14,714. The exact figure to be recommended will be calculated the last week of April, when the April ADC caseload figures become available.

MS/bdg



In Reply Refer to:

**DIVISION  
OF  
STATE  
PARKS**

April 24, 1981

JOHN L. MEDER  
Administrator

Senator Floyd R. Lamb  
Chairman  
Senate Finance Committee  
Capitol Complex  
Carson City, Nevada 89710

SUITE 210  
1923 N. CARSON ST.  
CAPITOL COMPLEX  
CARSON CITY,  
NEVADA 89710  
(702) 885-4384

Dear Senatro Lamb:

Mailing Address:  
Capitol Complex  
Corson City  
Nevada 89710

It is my understanding that the Senate Finance Committee has acted to increase the user fees in the State Park budget (4162) from \$300,000 annually, as recommended in the Executive Budget, to \$600,000. This is an excessive increase that will require substantial increase of the existing user fees. The current fees are \$2 a day per car for day use, \$4 a day per car for boat launching and camping, and \$20 for an Annual Permit. To generate the \$600,000, it would be necessary to increase the fees to \$4 per day for day use, \$6 per day for camping and boat launching, and \$35 for an Annual Permit. At these prices, we believe the park visitation would drop drastically, thus resulting in less use and less revenue collected rather than an increase in revenue. Also, many Nevada families would be priced out of enjoying the state parks as a major portion of their family recreation. In addition,

1. State Park staff has been dilligent in collecting user fees. In both years of the present biennium, more user fees were collected than required by budget mandate. In 1980, \$373,000 was collected which is \$73,000 more than the \$300,000 called for in the budget.
2. Park visitation increased slightly during the past two years. We anticipate this trend to continue, but not to the extent that would allow the generation of \$600,000 without major fee increases.
3. User fees and visitation dropped at Lahontan last summer when the Health Department closed the lake to swimming and water skiing. Hopefully, the water quality problem will not reoccur this year, but if it does, the revenue from the second most heavily used park in the System will be greatly reduced.

Administration: (702) 885-4384  
Operation and Maintenance: (702) 885-4387  
Planning and Development: (702) 885-4370

a division of the Department of Conservation and Natural Resources  
Roland D. Westergard, Director

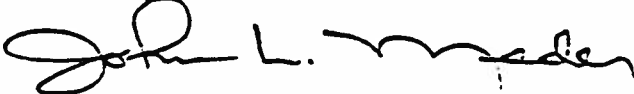
O-313

4. User fees are collected on an annual basis and are used on a fiscal basis. Four months of the current collection year has already past, so a substantial loss of revenue for FY'82 has already been lost.
5. The projected use fee increases will be significantly higher than those charged by neighboring states and other public park agencies in Nevada. See attached.

The existing use fees were doubled two years ago and to double some of them again appears to us to be excessive. The Park Advisory Commission has recommended that the day use at Tahoe be increased from \$2 to \$3 a day and the Annual Permit be increased from \$20 to \$30. Included with the level of revenue collected last year, the total potential amount is \$474,025 for FY'82 and \$484,025 for FY'83. See attached letter to Ways and Means Committee. We believe these revenue figure and increases are realistic and would not adversely effect the park usage or the ability of the average family to enjoy the use of Nevada State Parks.

We respectfully request reconsideration of the user fee revenue as proposed by the Senate Finance Committee and ask that if increases are recommended that they are made in line with the projections described.

Sincerely,



John L. Meder  
Administrator

JLM/hq

Attachments

cc: Roland Westergard