

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 7, 1981

The Senate Committee on Finance was called to order by Chairman Floyd R. Lamb, at 7:30 a.m., Thursday, May 7, 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:

Howard Barrett, Budget Division

SENATE BILL NO. 514 - Provides for continuing education for district judges.

Senator Jacobsen moved to approve Senate Bill No. 514 as previously amended.

Senator Echols seconded the motion.

The motion carried unanimously.

BILL DRAFT REQUEST 54-2033 (S.B. 653)

Senator Jacobsen moved to introduce a Bill Draft Request to increase the licensing fees of private investigators.

Senator Echols seconded the motion.

The motion carried unanimously.

PRISON CAPITAL IMPROVEMENT PROJECTS

Mr. Howard Barrett explained a handout provided the members of the committee regarding the bonding of the prison system. (See Exhibit C.)

Senator Lamb commented that no General Fund monies would be available to institute the prison CIP's. He asked Mr. Barrett what his goal was toward the reserve. Mr. Barrett indicated their goal was to keep 10% or a little more than that. He noted the 20 million dollars in general funds proposed was with the post-retirement system.

Senator Echols, referring to the last page of the handout, column two, inquired if the current outstanding figures were a declining balance of the first figure. Mr. Barrett concurred, the new issues had not been added into those figures. Senator Echols asked what formula was used to compute the State's bonding capacity. Mr.

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Barrett said it was figured on a 15% increase each year for inflation and also included new construction. He remarked there were a number of things the 1985 legislature had available to them to make changes if they wished or if things looked as if they would not turn out as projected. One of them would be to put to a vote of the people the proposition of changing the constitution with regard to changing the State's bonded indebtedness limitation from 1% to some other percentage. Another thing would be if the people approved an amendment to the constitution to allow variable percentage assessed valuations so the residential properties could be at 20% and businesses at a higher rate.

Senator Echols asked if it would be better to change the percentages during the present session. Mr. Barrett noted he did not think there was any problem in delaying that kind of decision until the 1983 session.

Mr. Barrett commented if the 1983 session of the legislature approved the issuance of 36 million dollars in bonds, that money would be available plus the 20 million dollars from the retirement system. He said retirement had already planned to do a study in the next biennium as how to permanently finance the post-retirement increases of this session of the legislature and of the 1979 session. When a plan was completed as to how to permanently finance the post-retirement increases, the 20 million dollars should come back.

Senator Lamb inquired if this session of legislature was going to be requested to fund 1.6 million dollars for the post-retirement system. Mr. Barrett stated he did not know.

Mr. Barrett said the assumptions on the amount of capital construction were 10% interest each year excluding the inmate driven costs.

Mr. Bill Hancock of the Public Works Board commented that the unit costs utilized were figured conservatively based on the start of the Indian Springs prison of 30 million dollars divided by 612 and inflated 10%. He said they were talking about a lot of support facilities rather than beds. If existing institutions were expanded, he added, that would provide a greater number of beds.

Senator McOrkle requested an explanation of the prison columns. He did not understand the first two 20 million dollars on the last page of the handout. Mr. Barrett said it was the same 20 million dollars. The bonds would be issued 1981 but there was no redemption in 1982; that would start in 1983.

Senator Gibson inquired if the 20 million dollars was going to be a lump request. Mr. Barrett stated the money would be for the expansion discussed the previous morning but not details would be available until after the planning was completed in November. Then Interim Finance would be approached in December with detailed plans to obtain the committee's concurrence, and, if approved, issue the bonds in April.

SENATE BILL NO. 516 - Increases salaries of employees of State of Nevada in classified service.

Mr. Bob Gagnier, Executive Director of the State of Nevada Employee's Association, testified with regard to Senate Bill No. 516. (See Exhibit D.) Mr. Gagnier passed out a comparison sheet to the committee members which showed how the various proposals in bill form compared: Assembly Bill No. 333 (Governor's proposal), Senate Bill No. 516 (Finance proposal), and Assembly Bill No. 398 (SNEA Proposal).

Mr. Gagnier noted SNEA favored the concept of a combination of the flat dollar and a percentage. Their proposal to the legislature was \$100 per month topped by 10%. He indicated SNEA felt that it had been ten years since there had been any type of a flat dollar increase. Mr. Gagnier said if their proposal was averaged out for all State employees it would come out to 18.3%. He stated, according to their figures, State employees had lost 19%.

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Senator Lamb requested an explanation of how the 19% was lost. Mr. Gagnier said SNEA used the base period of October through September. When computed from 1978 to 1980, a balance of 19% was left.

Senator McCorkle inquired why the merit increases were not computed in SNEA's calculations. Mr. Gagnier stated the reason they did not was because if State employee's salaries were started at the prevailing rate, it would have to be considered. But, State employees salaries started below the prevailing rate and merit increases were not included. Senator McCorkle commented if it was true, if you add merit increases in, the total compensation received by the majority of State employees had kept up with inflation. Mr. Gagnier disagreed. He said if every State employee received a merit increase, it would still not be up with the cost of living.

Mr. Gagnier noted that under the Governor's proposal, anyone who was making in excess of \$33,000 would benefit more than under SNEA's proposal. He stated the bulk of the employees, if the average mean salary was assumed to be \$15,800, 56% of the State employees would make less than that. SNEA believed their proposal addressed the turnover problem. Avoidable turnover rate for FY 1978, 1979, was 23%; the avoidable turnover rate for FY 1979, 1980 was 21%. Senator Lamb remarked that was not a high rate of turnover. Mr. Gagnier felt the rate was extremely high compared with local government in Nevada. Senator Lamb said his comment was in regard to comparison with private enterprise.

The SNEA Director indicated Senate Bill No. 516 contained two deficiencies in their opinion. One was that there were no provisions in it for special increases. This included the correctional officer series, mental health technicians, and mechanical and construction trades. The second deficiency was in the amounts; the \$75 versus \$100 and the 8% versus the 10%.

Senator McCorkle requested an explanation of the "April 28" proposal. Mr. Gagnier stated that was a proposal that was discussed in the Assembly but had not been proposed. It was similar to Senate Bill No. 516 with the exception that it included the correctional officers and mental health technicians for special adjustment and proposed an \$85 across the board increase rather than \$75.

Senator McCorkle asked how NIC was dealt with in Senate Bill No. 516. Mr. Sparks said NIC funds were not appropriated for the purpose of pay raises. Senator McCorkle inquired why State employees should get more than teachers. Mr. Gagnier did not feel the two issues were related. He said he was not in the position to negotiate for the teachers.

Mr. Jim Wittenburg, Director of the State Personnel Division, testified with regard to Senate Bill No. 516. He noted he was not opposing the bill but felt it did not go far enough in meeting the needs in State government with regard to compensation.

Senator Lamb asked if the PERSONNEL Division was still opposed to an across the board increase. Mr. Wittenburg said they were. Senator Lamb commented that the committee was in agreement on approving an across the board increase.

Senator Echols requested a rationale behind the division's opposition. Mr. Wittenburg stated the reasons for their position involved work force complexities in State government. He did not think Senate Bill 516 addressed adequately a serious lag in areas. He noted two areas in particular with extreme turnover problems were correctional officers and group supervisors. The turnover in the correctional officer area, according to Mr. Wittenburg, were running in excess of 50%.

Senator Echols inquired if the 50% turnover figure was nationwide. Mr. Wittenburg thought the average turnover in the prison systems in the West ran about 15% to 18% less than the 50% figure. Senator Lamb asked, if in Mr. Wittenburg's opinion, did all the problems at the prisons have to do with salaries. Mr. Wittenburg felt that salary was one important variable involved in the problem; it complicated and added to the other problems inherent to a prison system.

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Mr. Wittenburg felt another problem with the salary recommendations in Senate Bill No. 516 was the equity issues on classes which had to do with the factor ranking classification study where the lower ranking classifications received a 10% adjustment as a result of that study. The study on the new system of classification took into consideration comparable worth. The division felt that an 18% increase was essential.

The Director believed another important point was that the Presidential guidelines created a salary straitjacket at the state level which did not occur at the local government and school district levels. He maintained there was at least a 4% differential. He indicated this was the smallest budget in terms of increase presented to the legislature in 20 years. Mr. Barrett commented this was the first time in 20 years this large a number of existing positions were reduced.

Senator Lamb asked if there was anything wrong about not hiring new employees. The Chairman predicted the General Fund balance would be zero unless something happened. Mr. Wittenburg said what the Governor had in mind was the job was going to be done with fewer employees with an increased demand. Fewer employees were going to have to increase productivity or the job was not going to be done. He felt it would take the fairest and most equitable salaries to get the job done and should receive top priority.

Senator Gibson inquired what the turnover rate was in the area above \$30,000. Mr. Wittenburg ventured a guess that it could exceed the average turnover of 22% but added he would get the exact figures to the Senator. Senator Gibson asked what grade a \$30,000 dollar salary would be and commented, according to the chart, the turnover rate above grade 27 looked like approximately half of what the average turnover rate was.

Senator McCorkle remarked that a variety of studies showed salaries were not a motivator but a dissatisfier; people who earned a living wage were not motivated to work harder by a pay increase, but, if they earned less than a living wage, they were motivated. The Senator thought it was fair to assume that most State employees earned a living wage. He asked what alternatives the division was working on to increase productivity. Mr. Wittenburg stated the area of training was one important area that needed to be addressed in State government. He added that he disagreed with the Senator and felt the salary issue was important to employee retention and turnover. Senator McCorkle requested a summary from the division on what they intended to do with their training money and the rationale behind those expenditures.

Mr. Wittenburg noted the division recently conducted an attitude survey to find out what they liked and did not like. The survey was done to get the best possible handle on the kinds of problems employees were concerned about and how they perceived work problems. Lack of training, compensation, and not enough promotions were problems noted by the employees as a result of the survey.

ASSEMBLY JOINT RESOLUTION NO. 36 - Expresses opposition to federal control of public retirement system.

Mr. Vernon Bennett, Executive Director of the Public Employee's Retirement System, testified in support of this resolution. (See Exhibit E.)

ASSEMBLY BILL NO. 417 - Provides additional benefit for retired police officers and firemen.

Mr. Vernon Bennett, Executive Director of PERS, testified with regard to Assembly Bill No. 417. (See Exhibit F.) He noted PERS did not take a position on this bill. The bill allowed the police and firemen to receive the full unmodified benefit upon retirement and the surviving spouse would receive 50% of that benefit.

Mr. Bill Bunker, representing the Confederated Firefighters of Nevada, testified in support of this bill.

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Mr. Will Diess, Vice President of the International Union of Police, testified in support of Assembly Bill No. 417.

Senator Lamb asked if this bill would not incur any cost to the retirement system or to anyone else. Mr. Bennett said it would not; the employee would pay the entire cost of the benefit.

ASSEMBLY BILL NO. 511 - Revises definition of "police officer" for public employees' retirement system.

Mr. Vernon Bennett, Executive Director of the Public Employees' Retirement System, testified with regard to Assembly Bill No. 511. (See Exhibit G.) He noted this bill was at the request of Mr. Frank Dayken of the Legislative Council Bureau.

ASSEMBLY BILL No. 171 - Makes appropriation for study of "Nevada plan" of financing public education.

Mr. Ted Sanders, Superintendent of Public Instruction, testified in support of Assembly Bill No. 171. This bill called for a study of the Nevada plan and was consistent with the Governor's one-shot appropriations contained on page A-20 of the executive budget request.

Mr. Sanders said the change in the tax structure, experience with emergency requests, and a much improved data base relative to school district needs pointed out the need to examine carefully some of the underlying tables of the mechanism used to fund schools.

The result of the study would be several things. One would be the proposed modification of the tables in the plan. Also, a computer simulation base would allow a look to be taken at the effects and changes of the plan across time in the future. The costs of operating a small school district would be looked at more effectively to implement more efficient administration of school programs through consolidation. He noted in some areas, students were bussed to California, and, in more remote areas, some children were taking correspondence courses as there were no schools within proximity.

Mr. Sanders indicated, if the bill were approved, it would be their intent to have a steering group overseeing the study and would use technical expertise from the school districts to participate in organizing the structure for the work that was to be done.

Senator Jacobsen commented that he felt a lot of the information to be obtained from the study, the School districts should already have. He said he thought that should have been a function of Mr. Sanders' office. Mr. Sanders stated his office did conduct ongoing studies and each session did make certain modifications to the plan to adjust for certain inequities that occurred that were identified. He felt a more extensive analysis was needed because previous analysis was based on historical expenditure patterns of school districts and he thought other kinds of factors should be looked at to underwrite the cost of education.

Senator Glaser commented one of the major costs in the plan had to do with bussing and asked if the Supreme Court decision with regard to mandatory bussing had any ramifications in reference to this bill. Mr. Sanders said the only place it might have ramifications would be in the Clark County School District but believed the cost of that bussing was very nominal.

Senator Gibson remarked he was the only person left in the legislature that was in on the development of the Nevada plan. He felt one important matter was to develop the information and material to educate the legislators with regard to the plan.

Senator Echols stated he believed the activities undertaken by the steering group might become a full time job. Mr. Sanders said he hoped it would not

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become so for those legislators once they had a basic understanding of the plan and how it worked. Senator Echols noted that he had seen many studies done through the legislative sessions and very few had accomplished anything. Mr. Sanders indicated this study would result in some minor modifications that would effect the distribution of school district funds.

Ms. Joyce Woodhouse, representing the Teachers Association, testified in support of Assembly Bill No. 171.

Mr. Ed Greer, representing the Clark County School District, voiced support for this bill.

ASSEMBLY BILL NO. 320 - Makes appropriation for replacement of drapes and carpets at Southern Nevada Children's Home.

Mr. Bing Oberle, Assistant Director of the Department of Human Resources, testified in support of Assembly Bill No. 320. He indicated this bill as amended was a one-shot supplemental bill calling for \$59,142 for replacement of drapes and carpet at the Southern Nevada Children's Home. These consisted of seven cottages that were approximately ten years of age.

Senator McCorkle asked what the cost of the carpeting was per square yard. Mr. Oberle said he was not sure of the cost of the carpet. He indicated he would get that information to the committee.

Senator Echols asked how many children lived in each cottage. Mr. Barrett stated there were ten children per cottage in both Northern and Southern homes. Senator Echols inquired if this was the first time the carpeting had ever been replaced. Mr. Oberle indicated it was. He noted the original installation of the carpeting and drapes was less than adequate.

ASSEMBLY BILL NO. 321 - Makes appropriation for repainting and certain repairs to buildings of Las Vegas Mental Health Center.

Mr. Harry Clemens, representing Jerome Gripenrog of the Mental Health and Mental Retardation Division, testified with regard to this bill. He said this was a one-shot appropriation bill in the amount of \$9,900 to accomplish repairs and painting at the Las Vegas Mental Health Center. This included the repair of damage due to normal wear and tear, painting of the multipurpose building, and the painting of the trim on the exterior of the Out-patient/Administration Building, the In-patient/Adolescent Building, the In-patient/Adult Building, and the Food Services Building.

Senator McCorkle stated he had talked to people who were knowledgeable about Public Works who commented that they felt the Public Works Board was beginning to encroach on areas that should be maintenance items. The Senator felt an item like painting should have been included in the agency's maintenance budget. Mr. Clemens said contract work in excess of \$5,000 had to go through the Public Works Boards. Mr. Barrett commented this money was not going to the Public Works Board; it was going to the facility itself for the repairs.

ASSEMBLY BILL NO. 351 - Makes appropriation for certain capital improvements for Department of Military.

Major Stewart McRitchie, Facilities Officer of the Army National Guard, testified in support of Assembly Bill No. 351. He noted this appropriation was to be used for repainting the ceilings on the Air Force building in Carson City and to replace fifteen coolers in Henderson and Las Vegas.

Senator Jacobsen inquired as to what was the reduction from the original \$15,000 attributed to. Major McRitchie indicated the work was now to be done with in-house labor and the coolers were going to be purchased by the facility and installed with the use of National Guard equipment. The painting had to be done by a contractor as the type of paint on the building was textured and beyond in-house labor capability.

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ASSEMBLY BILL NO. 321

Senator Jacobsen moved to approve Assembly Bill No. 321.

Senator Glaser seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 351

Senator Jacobsen moved to approve Assembly Bill No. 351.

Senator Glaser seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 171

Senator Glaser moved to approve Assembly Bill No. 171.

Senator Gibson seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 511

Senator Jacobsen moved to approve Assembly Bill No. 511.

Senator Echols seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 417

Senator McCorkle moved to approve Assembly Bill No. 417.

Senator Gibson seconded the motion.

The motion carried unanimously.

ASSEMBLY JOINT RESOLUTION NO. 36

Senator Jacobsen moved to approve Assembly Joint Resolution No. 36.

Senator Echols seconded the motion.

The motion carried unanimously.

BONDING CAPACITY DISCUSSION

Senator Lamb asked Mr. Barret where the 20 million dollars in General Funds were picked up. Mr. Barrett said in October of 1983. These were the 20 million dollars loaned to the post-retirement system.

Senator Glaser asked what would happen to the retirees in the future. Senator Lamb stated PERS was working on that. Mr. Barrett indicated PERS already had a plan to do a study during the next biennium for a permanent way of financing all of the post-retirement increases.

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Senator Lamb noted concern over using the bottom line on the State's reserve. Mr. Barrett stated his group was concerned also; they would like to retain a balance of 35 to 40 million dollars.

Senator Gibson commented the problem he perceived was Mr. Barrett was requested to bring back a bond schedule, not to request General Fund money. Senator Gibson asked, referring to the historical use of the 15% increase in the evaluation, would it be altered by Senate Bill No. 69. Mr. Barrett said there were a number of ways that could be altered depending on what the next legislature did.

Senator Gibson inquired if Mr. Barrett's estimates were in light of Senate Bill No. 69. Mr. Barrett replied they were Roy Nickson's estimates down through 1984; beyond that, they were the Budget Division's estimates with the 15% increase. He noted the 1985 estimate was wide open as the legislature would have many options if the people passed the bill of the constitutional amendment to have a variable assessment ratio.

The Vice Chairman asked Mr. Sparks if the aforementioned coincided with his group's assumption ratios. Mr. Sparks said they did.

Senator McCorkle inquired if the 88 million dollar bonding capacity could be realized today without Senate Bill No. 69 passing. Senator Gibson stated that was a factored up/factored down figure and was correct. Senator McCorkle said even with factoring, there would still be a net reduction in assessed valuation because of starting with a lower assessed value. Senator Gibson indicated the theory was the replacement value was the inflation factor. The replacement value reflected the increase due to inflation; the depreciation had the effect of cutting that down.

Senator McCorkle felt strongly they would not see the appreciation rate of the last ten years because of what had happened to the interest rates. He said a 10% appreciation could not be assumed.

Senator Lamb asked the committee how they felt about using General Fund monies for prisons and the pavilions.

Senator Glaser commented that when the 20 million dollars was retained it was for the purpose of using it for a real emergency. He did not feel this would be the proper time or use of those monies.

Senator McCorkle suggested treating the 20 million dollars as an extra safety valve for the appropriated reserve. Senator Lamb remarked that was the original purpose of putting the 20 million dollars away.

Senator Lamb requested Mr. Barrett to do more study on Senate Bill No. 69 to find out which direction they should be going.

Senator Wilson inquired as to what the present surplus was. Mr. Sparks said it was approximately 30 million dollars excluding the 20 million dollars with post-retirement. Senator Wilson asked what a reasonable surplus was recommended to be. Mr. Barrett stated around 40 million dollars. Senator Gibson noted that the committee should keep in mind the budget was approximately 40 million dollars short of monies needed for public schools.

Senator Wilson asked what the Administration's priority was with regard to bonding. Mr. Barrett indicated the Administration felt the State bonding capacity was sufficient to provide for both the prisons and the pavilions.

SENATE BILL NO. 516

Senator Gibson moved to amend Senate Bill No. 516 to include the special salary adjustment of 5% for the correctional officers series and group supervisors.

Senator Jacobsen seconded the motion.

ONE OR MORE PAGES ARE MISSING FROM BOTH
THE ORIGINAL MINUTES AND THE MICROFICHE.

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day (SEE BELOW), Date (SEE BELOW), Time (SEE BELOW)

REVISED AGENDA

WEDNESDAY, MAY 6, 1981 - 7:30 a.m.

1. A. B. No. 489 - Authorizes board of regents of state university to finance two multipurpose pavilion projects by issuance of state general obligation securities payable from state slot machine tax proceeds. (Ken Partridge)
2. Prison CIP's

THURSDAY, MAY 7, 1981 - 8:00 a.m.

1. A.J.R. No. 36 - Expresses opposition to federal control of public retirement system. (Vernon Bennett)
2. A. B. No. 417 - Provides additional benefit for retired police officers and firemen. (Vernon Bennett)
3. A. E. No. 511 - Revises definition of "police officer" for public employees' retirement system. (Vernon Bennett)
4. A. B. No. 171 - Makes appropriation for study of "Nevada plan" of financing public education. (Ted Sanders)
5. A. B. No. 320 - Makes appropriation for replacement of drapes and carpeting at Southern Nevada Children's Home. (Ace Martell)
6. A. B. No. 321 - Makes appropriation for repainting and certain repairs to buildings of Las Vegas Mental Health Center. (Jerome Griepentrog)
7. A. B. No. 351 - Makes appropriation for certain capital improvements for Department of Military. (Major McRitchie)

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day THURSDAY, Date MAY 7, 1981, Time 8:00 a.m.

SUPPLEMENTAL AGENDA

1. S. E. No. 516 - Increases salaries of employees of State of Nevada in classified service. (Jim Wittenburg, Bob Gagnier)

Bob Gagnier
Bus. No. 516

SENATE COMMITTEE ON FINANCEDATE: May 7, 1981

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
Mitch Best	State Personnel	885-4050
Jim Wittenberg	State Personnel	11
Roy Tennoth	Div of Forestry	885-4350
Larry Smith	Asst Dir of Forestry	885-4350
Robert D. Westford	Dept. of Conservation	885-4360
Richard E. Baker	Public Works Board	885-4870
Bill Bunker	Federated Fire Fighters	883-2703
PERRY COMEAUX	DEPT OF PRISONS	885-4444
Steve Robinson	" "	11 11
Harry Clunna	DIVISION OF MENTAL HYGIENE	885-5943
BING OBERLE	DEPT. OF HUMAN RESOURCES	885-4730
Hancock	PUBLIC WORKS	4870
WOLFF	P.R. (???)	5069
M. J. R. R. R.	SPICA	
John J. ...	SN?!	885-4208
Vern Bennett	PERS	885-4208
Will Keats	PERS	885-4200
Stewart MacRitchie	Military Dept., Camp ...	883-7111
TED SANDERS	DEPT OF EDUC	885-5700

<u>Yr./Mnth.</u>	<u>Plan Com- pleted</u>	<u>Legis- lative Con- currence to Issue</u>	<u>Proceeds</u>	<u>Con- struction Begins</u>	<u>Construc- tion Con- pleted</u>	<u>Bond Capacity Remaining</u>	<u>System Capa- city</u>	<u>Inmate Popu- lation</u>	<u>Over (Under) Capa- city</u>	<u>Additional Approp. (One-Shots)</u>	<u>Additional Approp. Operating(1)</u>	<u>Additional Approp. Bond Ret.</u>	<u>Total Added Approp.</u>
1987:													
January													
February													
March													
April												\$2,680,000 ⁽²⁾	
May													
June							3,596	4,440	844				
July											\$16,124,675		\$27,261,031
August													
September													
October					455 beds		+ 455 Total 4,051	4,600	549	\$536,609	\$5,157,025	\$4,824,000 ⁽³⁾	
November												\$5,360,000 ⁽⁴⁾	
December													
1988:													
January													
February													
March													
April												\$2,680,000 ⁽²⁾	
May													
June							4,051	4,920	869				\$34,682,309

(1) Facility driven - not inmate driven.
 (2) April, 1982 Issue.
 (3) October, 1983 Issue.
 (4) October, 1985 Issue.

**STATE GENERAL OBLIGATION BOND CAPACITY
INCLUDING PAVILION AND PRISON BONDS**

<u>Date</u>	<u>Total Capacity</u>	<u>Current Outstanding</u>	<u>Pavilion</u>	<u>Prison</u>	<u>Remaining Capacity(1)</u>
7/1/81	\$ 88,000,000	\$2,785,000	\$40,000,000	\$20,000,000 ⁽²⁾⁽³⁾	\$ 25,215,000
7/1/82	101,200,000	2,420,000	39,258,772	20,000,000 ⁽³⁾	39,521,228
7/1/83	116,380,000	2,055,000	38,439,715	36,000,000 ⁽⁴⁾	20,165,285
				19,720,000 ⁽³⁾	
7/1/84	133,837,000	1,690,000	37,534,657	36,000,000 ⁽⁴⁾	39,205,943
				19,406,400 ⁽³⁾	
7/1/85	153,912,550	1,325,000	36,534,568	40,000,000 ⁽⁵⁾	21,501,814
				35,496,000 ⁽⁴⁾	
				19,055,168 ⁽³⁾	
7/1/86	176,999,432	1,110,000	35,429,470	40,000,000 ⁽⁵⁾	46,866,654
				34,931,520 ⁽⁴⁾	
				18,661,788 ⁽³⁾	
7/1/87	203,549,347	890,000	34,208,336	39,440,000 ⁽⁵⁾	76,490,506
				34,299,302 ⁽⁴⁾	
				18,221,203 ⁽³⁾	
7/1/88	234,081,749	600,000	32,858,983	38,812,800 ⁽⁵⁾	110,491,001
				33,591,218 ⁽⁴⁾	
				17,727,747 ⁽³⁾	

- (1) Excluding any new issues other than Pavilion or Prison Bonds.
- (2) 1982 Prison Bonds considered against 7/1/81 capacity since issuance would probably be about April of 1982.
- (3) 1982 Prison Bonds.
- (4) 1983 Prison Bonds.
- (5) 1985 Prison Bonds.

YOU CAN COMPARE THE SALARY PROPOSALS THAT ARE BEFORE THE LEGISLATURE

The following chart shows how the three salary proposals currently before the Nevada Legislature would effect state classified employees. The present salary is taken from the current compensation schedule.

The chart shows how the List Administration proposal of 14% would effect that salary, how the provisions of SB 516 would effect it and finally how SNEA's proposal of \$100 per month topped by 10 percent would change it. The SNEA plan is contained in AB 398 currently in the Assembly Ways and Means Committee. The figures in parentheses () are the annual increase under the different proposals. The chart compares ONLY THE FIRST YEAR provisions of the plans. Salaries shown are annual.

<u>PRESENT SALARY</u>	<u>LIST PROPOSAL</u>	<u>FINANCE PROPOSAL</u>	<u>SNEA PROPOSAL</u>
6,098	6,953 (855)	7,487 (1,389)	8,028 (1,930)
6,346	7,234 (888)	7,754 (1,408)	8,301 (1,955)
6,594	7,517 (923)	8,022 (1,428)	8,574 (1,980)
6,854	7,814 (960)	8,302 (1,448)	8,859 (2,005)
7,127	8,125 (998)	8,597 (1,470)	9,160 (2,033)
7,425	8,464 (1,039)	8,919 (1,494)	9,488 (2,063)
7,722	8,803 (1,081)	9,240 (1,518)	9,815 (2,093)
8,045	9,171 (1,126)	9,588 (1,543)	10,169 (2,124)
8,379	9,552 (1,173)	9,950 (1,571)	10,537 (2,158)
8,726	9,948 (1,222)	10,324 (1,598)	10,919 (2,193)
9,098	10,372 (1,274)	10,726 (1,628)	11,328 (2,230)
9,495	10,824 (1,329)	11,155 (1,660)	11,764 (2,269)
9,904	11,291 (1,387)	11,597 (1,693)	12,215 (2,311)
10,338	11,785 (1,447)	12,065 (1,727)	12,691 (2,353)
10,797	12,309 (1,512)	12,560 (1,763)	13,196 (2,399)
11,268	12,846 (1,578)	13,069 (1,801)	13,714 (2,446)
11,764	13,411 (1,647)	13,605 (1,841)	14,260 (2,496)
12,285	14,005 (1,720)	14,167 (1,882)	14,833 (2,548)
12,842	14,640 (1,798)	14,769 (1,927)	15,446 (2,604)
13,425	15,304 (1,879)	15,399 (1,974)	16,087 (2,662)
14,032	15,996 (1,964)	16,055 (2,023)	16,755 (2,723)
14,677	16,732 (2,055)	16,751 (2,074)	17,464 (2,787)
15,346	17,494 (2,148)	17,473 (2,127)	18,200 (2,854)
16,053	18,300 (2,247)	18,238 (2,185)	18,979 (2,926)
16,797	19,149 (2,352)	19,040 (2,243)	19,796 (2,999)
17,577	20,038 (2,461)	19,883 (2,306)	20,654 (3,077)
18,396	20,971 (2,575)	20,768 (2,372)	21,556 (3,160)
19,251	21,946 (2,695)	21,691 (2,440)	22,496 (3,245)
20,155	22,977 (2,822)	22,668 (2,513)	23,491 (3,336)
21,110	24,065 (2,955)	23,699 (2,589)	24,541 (3,431)
22,114	25,210 (3,096)	24,783 (2,669)	25,645 (3,531)
23,168	26,412 (3,244)	25,922 (2,754)	26,805 (3,637)
24,271	27,669 (3,398)	27,113 (2,842)	28,018 (3,747)
25,424	28,983 (3,559)	28,358 (2,934)	29,287 (3,863)
26,639	30,368 (3,729)	29,670 (3,031)	30,623 (3,984)
27,916	31,825 (3,909)	31,049 (3,133)	32,028 (4,112)
29,267	33,364 (4,097)	32,508 (3,241)	33,514 (4,247)
30,680	34,975 (4,295)	34,035 (3,355)	35,068 (4,388)
32,168	36,672 (4,504)	35,642 (3,474)	36,705 (4,537)
33,729	38,451 (4,722)	37,327 (3,598)	38,422 (4,693)
35,366	40,317 (4,951)	39,095 (3,729)	40,223 (4,857)
37,089	42,281 (5,192)	40,956 (3,867)	42,118 (5,029)
38,899	44,345 (5,446)	42,910 (4,011)	44,108 (5,209)
40,808	46,521 (5,713)	44,972 (4,164)	46,209 (5,401)
42,816	48,810 (5,994)	47,141 (4,325)	48,418 (5,602)
44,924	51,213 (6,289)	49,417 (4,493)	50,736 (5,812)
47,130	53,728 (6,598)	51,801 (4,671)	53,163 (6,033)

NOTE: The figures in parentheses () are the annual increases under the different proposals.

2010 Budget

Approximate Number of employees	PRESENT SALARY	LIST PROPOSAL	FINANCE PROPOSAL	SNEA PROPOSAL	APRIL 28th PROPOSAL
000	6,098	6,953 (855)	7,487 (1,389) 22.8	8,028 (1,930) 31.6	7,606 (1,508) 24.7
000	6,346	7,234 (888)	7,754 (1,408) 22.2	8,301 (1,955) 30.8	7,874 (1,528) 24.1
11	6,594	7,517 (923)	8,022 (1,428) 21.7	8,574 (1,980) 30.0	8,142 (1,548) 23.5
1	6,854	7,814 (960)	8,302 (1,448) 21.1	8,859 (2,005) 29.2	8,422 (1,568) 22.9
2	7,127	8,125 (998)	8,597 (1,470) 20.6	9,160 (2,033) 28.5	8,717 (1,590) 22.3
2	7,425	8,464 (1,039)	8,919 (1,494) 20.1	9,488 (2,063) 27.8	9,039 (1,614) 21.8
8	7,722	8,803 (1,081)	9,240 (1,518) 19.7	9,815 (2,093) 27.1	9,360 (1,638) 21.2
000	8,045	9,171 (1,126)	9,588 (1,543) 19.2	10,169 (2,124) 26.4	9,709 (1,664) 20.7
127	8,379	9,552 (1,173)	9,950 (1,571) 18.7	10,537 (2,158) 25.8	10,069 (1,690) 20.1
28	8,726	9,948 (1,222)	10,324 (1,598) 18.3	10,919 (2,193) 25.1	10,444 (1,718) 19.7
693	9,098	10,372 (1,274)	10,726 (1,628) 17.9	11,328 (2,230) 24.5	10,846 (1,748) 19.2
389	9,495	10,824 (1,329)	11,155 (1,660) 17.5	11,764 (2,269) 23.9	11,275 (1,780) 18.7
173	9,904	11,291 (1,387)	11,597 (1,693) 17.1	12,215 (2,311) 23.3	11,716 (1,812) 18.3
387	10,338	11,785 (1,447)	12,065 (1,727) 16.7	12,691 (2,353) 22.8	12,185 (1,847) 17.9
233	10,797	12,309 (1,512)	12,560 (1,763) 16.3	13,196 (2,399) 22.2	12,681 (1,884) 17.4
333	11,268	12,846 (1,578)	13,069 (1,801) 15.9	13,714 (2,446) 21.7	13,189 (1,921) 17.0
410	11,764	13,411 (1,647)	13,605 (1,841) 15.6	14,260 (2,496) 21.2	13,725 (1,961) 16.7
388	12,285	14,005 (1,720)	14,167 (1,882) 15.3	14,833 (2,548) 20.7	14,288 (2,003) 16.3
425	12,842	14,640 (1,798)	14,769 (1,927) 15.0	15,446 (2,604) 20.3	14,889 (2,047) 15.9
256	13,425	15,304 (1,879)	15,399 (1,974) 14.7	16,087 (2,662) 19.8	15,519 (2,094) 15.6
451	14,032	15,996 (1,964)	16,055 (2,023) 14.4	16,755 (2,723) 19.4	16,175 (2,143) 15.3
271	14,677	16,732 (2,055)	16,751 (2,074) 14.1	17,464 (2,787) 19.0	16,871 (2,194) 14.9
550	15,346	17,494 (2,148)	17,473 (2,127) 13.8	18,200 (2,854) 18.6	17,594 (2,248) 14.6
311	16,053	18,300 (2,247)	18,238 (2,185) 13.6	18,979 (2,926) 18.2	18,357 (2,304) 14.3
498	16,797	19,149 (2,352)	19,040 (2,243) 13.3	19,796 (2,999) 17.8	19,161 (2,364) 14.1
324	17,577	20,038 (2,461)	19,883 (2,306) 13.1	20,654 (3,077) 17.5	20,003 (2,426) 13.8
369	18,396	20,971 (2,575)	20,768 (2,372) 12.9	21,556 (3,160) 17.2	20,888 (2,492) 13.5
309	19,251	21,946 (2,695)	21,691 (2,440) 12.7	22,496 (3,245) 16.8	21,811 (2,560) 13.3
114	20,155	22,977 (2,822)	22,668 (2,513) 12.5	23,491 (3,336) 16.5	22,787 (2,632) 13.1
375	21,110	24,065 (2,955)	23,699 (2,589) 12.3	24,541 (3,431) 16.3	23,819 (2,709) 12.8
271	22,114	25,210 (3,096)	24,783 (2,669) 12.1	25,645 (3,531) 15.9	24,903 (2,789) 12.6
264	23,168	26,412 (3,244)	25,922 (2,754) 11.9	26,805 (3,637) 15.7	26,041 (2,873) 12.4
241	24,271	27,669 (3,398)	27,113 (2,842) 11.7	28,018 (3,747) 15.4	27,233 (2,962) 12.2
106	25,424	28,983 (3,559)	28,358 (2,934) 11.5	29,287 (3,863) 15.2	28,478 (3,054) 12.0
171	26,639	30,368 (3,729)	29,670 (3,031) 11.3	30,623 (3,984) 15.0	29,790 (3,151) 11.8
112	27,916	31,825 (3,909)	31,049 (3,133) 11.2	32,026 (4,112) 14.7	31,169 (3,253) 11.6
75	29,267	33,364 (4,097)	32,508 (3,241) 11.1	33,514 (4,247) 14.5	32,628 (3,361) 11.5
51	30,680	34,975 (4,295)	34,035 (3,355) 10.9	35,066 (4,388) 14.3	34,154 (3,474) 11.3
55	32,168	36,672 (4,504)	35,642 (3,474) 10.8	36,705 (4,537) 14.1	35,761 (3,593) 11.2
13	33,729	38,451 (4,722)	37,327 (3,598) 10.7	38,422 (4,693) 13.9	37,447 (3,718) 11.0
21	35,366	40,317 (4,951)	39,095 (3,729) 10.5	40,223 (4,857) 13.7	38,195 (3,829) 10.8
000	37,089	42,281 (5,192)	40,956 (3,867) 10.4	42,118 (5,029) 13.6	41,076 (3,987) 10.7
4	38,899	44,345 (5,446)	42,910 (4,011) 10.3	44,108 (5,209) 13.4	43,031 (4,132) 10.6

2010

5-20-81 E.

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 PRESENTED TO THE SENATE FINANCE COMMITTEE
REGARDING AJR 36, MAY 7, 1981

I am Vernon Bennett, Executive Officer of the Public Employees Retirement System. AJR 36 will state the Legislature's opposition to creation of a federal agency to regulate public retirement systems within state government. It will also state your position that the jurisdiction for local public retirement systems should remain with the State Legislature. We feel that creation of a federal regulatory agency of this nature will have a fiscal impact on local and State government. The Retirement System respectfully requests your favorable consideration of this Assembly Joint Resolution.

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

VB/bb

0-207

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

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TESTIMONY PROVIDED TO THE SENATE FINANCE COMMITTEE
REGARDING ASSEMBLY BILL 417, MAY 7, 1981

I am Vernon Bennett, Executive Officer of the Public Employees Retirement System. The System has previously been opposed to AB 417 due to cost impact and opposition from public employers. However, amendments to the bill in the Assembly have removed the concerns of the System. The determination that the employee will pay the full cost of the new benefit has removed the cost impact to the employer. Deletion of the provision that the benefit apply to all employees has removed the concern of the State and larger employee groups who were not desirous of this benefit. Therefore, at their meeting held in April, 1981, the Retirement Board determined that they would withdraw their opposition to AB 417 and that they would not take a position regarding same.

We will be pleased to answer any questions the Committee may have.

VB/bb

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



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TESTIMONY PROVIDED TO THE SENATE FINANCE COMMITTEE
REGARDING ASSEMBLY BILL 511, MAY 7, 1981

I am Vernon Bennett, Executive Officer of the Public Employees Retirement System. AB 511 was introduced at the request of Legislative Counsel to establish in the law, the results of the Supreme Court decision. The positions listed in AB 511 for coverage under early retirement are those removed by the Legislature during the 1977 Session. These positions have been previously approved by the Police and Firemen's Retirement Fund Advisory Committee and the Retirement Board. The Retirement Board has not had the opportunity to take an official position regarding this bill. However, we feel sure that the Board will have no opposition regarding same.

We will be pleased to answer any questions any member of the Committee may have.

VB/bb