

Assembly

GOVERNMENT AFFAIRS COMMITTEE
MINUTES OF THE MEETING
FEBRUARY 24, 1971

56 ASSEMBLY SESSION

175

ALL MEMBERS PRESENT

ALSO PRESENT: ROGER TROUNDAY)
GEORGE MILLER) DEPT. OF HEALTH AND WELFARE
HALE BENNETT, CHIEF, CENTRAL DATA PROCESSING
JAMES OLIVER, DATA PROCESSING, EMPLOYMENT SECURITY DEPT.
DARRELL DAINES, CONTROLLER, CLARK COUNTY
DONALD STARR, CHIEF OF CDP, CLARK COUNTY
DON QUESTA, CONTROLLER, WASHOE COUNTY
LEE BERGSTROM, CPA
DAVE HENRY, CLARK COUNTY MANAGER
ASSEMBLYMAN HILBRECHT
ASSEMBLYMAN SWACKHAMER

Chairman Smith called the meeting to order.

AB 170 - Prohibits further purchase of data processing equipment or contracts for privately furnished services by state agencies or political subdivisions.

Assemblyman Hilbrecht, sponsor of the bill, spoke first, explaining that the bill was not drafted as he had requested and that he had talked with various people in the data processing field and from the information he had been able to gather he felt that the bill should be amended to define what is meant by acquiring the equipment, to include the software problem, and so smaller pieces of equipment would be excluded, such as the Federal Government now does.

Lee Bergstrom spoke next saying that he felt much better about the bill after hearing Assemblyman Hilbrecht's comments. He presented a statement to the committee outlining his objections to the bill. Assemblyman Lauri questioned Mr. Bergstrom as to his interest in the bill.

Mr. Bergstrom explained that his firm was the accountants for several non-general fund state agencies, and local government in Reno. Assemblyman Lauri asked Mr. Bergstrom if he felt there was any abuse of the use of the equipment in Washoe County.

Mr. Bergstrom replied that he did not feel so.

Assemblyman Getto asked if Mr. Bergstrom felt there was presently any lack of co-operation among state agencies.

Mr. Bergstrom said that some state agencies might not want to be included in a CDP system.

Mr. Daines read a letter to the committee that he had sent to Assemblyman Hilbrecht outlining his objections to the bill. See attached letter and statement.

Mr. Daines suggested to the committee that perhaps this objective could be achieved by an association of people in the field and legislation would not be needed.

He also presented the committee with an agreement that the City of

Assembly

GOVERNMENT AFFAIRS COMMITTEE
MINUTES OF THE MEETING
FEBRUARY 24, 1971
PAGE 2

/- 176

Las Vegas and Clark County had entered into to show that the cities and counties are trying to solve this problem on their own.

Mr. Starr told the committee that he agreed with Assemblyman Hilbretch that the equipment was being developed at a faster rate than people were able to use it, however he felt that the association of computer people were aware of this problem and tried to do their best to exchange information and use others equipment when they did not have the equipment themselves.

Mr. Starr said he felt that this bill would be hard to comply with in the daily operation of his department.

Assemblyman Bryan asked if Mr. Starr felt that there was any duplication of equipment in Clark County.

Mr. Daines answered that because of the nature of the work, such as payroles, in some cases different departments had to have duplicate equipment.

Mr. Questa stated that he agreed with Mr. Berkstrom and Mr. Daines.

Mr. Berkstrom stated that his main objection to the bill was that when a department head is given responsibility to do a job he should also be allowed to decide what tools to use.

Mr. Oliver and Mr. Miller stated that they agreed with what had been said.

Mr. Miller voiced his objections to the CDP set-up and pointed out that he was not in a position to have any control over this department.

Mr. Bennett stated that he would be glad to work with the committee on any amendments that they wished to add to AB 170.

Chairman Smith questioned Mr. Miller about his feeling on SB 98.

Mr. Miller stated that he opposed it.

Chairman Smith asked if he would object to the bill if it were amended to exclude contracts of small amounts.

Mr. Miller said this would be of some help.

AB 184 - Provides that annual audit of funds and accounts of local governments shall be made under the supervision of Nevada Tax Commission.

Assemblyman Branch gave the committee a brief history of the bill and presented the committee with the proposed amendments.

Mr. Berkstrom stated that the Accountants' Association generally agreed with the amendments to the bill, he felt that it

Assembly

GOVERNMENT AFFAIRS COMMITTEE
MINUTES OF THE MEETING
FEBRUARY 24, 1971 PAGE 3

1-177

would be wise to consider this bill in conjunction with the bill which deals with the State Board of Accountancy. It was his feeling that the area of judging the work of accountants was a very difficult area and should be done by people in the field.

Chairman Smith asked if there was a change in the necessity of this type of legislation at this time.

Mr. Berkstrom stated that this bill would serve a useful purpose, if amended as suggested.

Assemblyman Bryan asked if the State Board of Accountancy would make the decision on the work done by the accountants.

Mr. Berkstrom replied that this was so.

Assemblyman Bryan suggested that it was not always a good idea for members of a profession to judge the work of other members of the same profession.

Mr. Henry spoke against the bill.

Assemblyman Branch questioned Mr. Henry as to why he was opposing the bill when it had been amended to meet the objections of the local officials.

Mr. Henry stated that at the last session he knew it would not be approved by the Senate and so did not oppose it.

AB

AB 310 - Extends filing deadlines for corrected applications for permit to appropriate public waters.

Assemblyman Swackhamer, sponsor of the bill, explained to the committee that he had introduced the bill at the request of a friend, however the bill was not drafted just as he requested it. He suggested that Mr. Westergard be questioned about this bill and asked for his suggestions as to how it be amended.

Chairman Smith asked for committee introductions of several BDRs.

BDR 46-1511 - Assemblyman Getto moved to not introduce this BDR.

Assemblyman Dini seconded the motion.

The motion carried.

BDR 20-1483 - Assemblyman Getto moved for committee introduction.

Assemblyman Dini seconded the motion.

The motion carried unanimously.

ASSEMBLY

AGENDA FOR COMMITTEE ON Government Affairs

1-12

Date 2-24-71 Time _____ Room 214

Bills or Resolutions to be considered

Subject

Counsel requested*

AB 170

Prohibits further purchase of data processing equipment or contracts for privately furnished services by state agencies or political subdivisions.

AB 175

Authorizes certain county fair and recreation boards to expend "surplus" revenues; removes limitation on boards' power; provides salary for members of certain boards.

AB 184

Provides that annual audit of funds and accounts of local governments shall be made under supervision of Nevada Tax Commission.

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

Date _____ Time _____ Room _____
Subject _____

Page 2:

Line 21 - add "and".

Line 22 - delete entirely.

Line 24 to 36 - delete and substitute the following:

"If the Nevada Tax Commission believes, upon examination and evaluation of the auditor's report and after consultation with the auditor, that the report does not conform with the criteria established in NRS 354,486 and NRS^{254,624}, it shall refer such report to the Nevada State Board of Accountancy for grievance proceedings. Should the Board of Accountancy find the report substantially deficient, the Nevada Tax Commission shall consider if a re-examination of the local government's funds and accounts would be in the public interest. In determining whether such re-examination shall be made, the Nevada Tax Commission may seek the advice of:

- a. The Nevada State Board of Accountancy;
- b. representatives of the local government involved;
- c. the Attorney General; and
- d. any other knowledgeable or interested person.

"Upon the determination by the Nevada Tax Commission that a re-examination shall be made, it shall appoint an auditor or auditors to conduct such examination and define the scope thereof. The expense of such examination shall be paid by the local government."

February 22, 1971

1-179

MEMORANDUM RE: A. B. 170
FROM: Dave Ebner
TO: Le Bergstrom

Page 1, Line 8:

"Purchase any equipment unless authorized by the Legislature."

This would mean that Washoe County would have to get legislative approval to buy their "Friden Add-Punch," which cost approximately \$2,500. See the rather peculiar definition of equipment in 242.140, which presumably includes teletypes, microfilm systems and data capturing equipment.

Page 1, Line 9:

"contract for privately furnished data processing services, unless

Since the bill does not define or limit data processing services, it appears that the phrase would include (a) the temporary requirement of off-site keypunching services, (b) the rental of another's hardware to copy discs, go tape to disc, etc., and other miscellaneous chores required in bringing up or maintaining computer hardware systems, (c) schooling of all types, and (d) possibly hardware and software maintenance contracts. We find it difficult to believe this was the intent.

Page 1, Line 14:

"..... with another political subdivision owning equipment."

Taken literally, I suppose this means you cannot enter into a contract with another political subdivision involving any leased equipment. Needless to say, this probably excludes 95% of all political subdivisions in the State of Nevada from joint use of existing facilities, since nearly all EDP equipment these days is leased.

Page 1:

It is interesting to note that the purchase of software, which will become a much larger item of purchase in the 1970's, is not even mentioned in the bill!

It happens to be one of the few areas where the General Services Administration of the United States has thought it advisable to establish government-wide criteria.

Page 1, Line 10:

"..... no longer than one year, and"

I wonder if the Incline Village General Improvement District could have completed their agreement with the private data processing organization in Sacramento with this limitation? In other words, maybe some contracts require more than a one year duration. A contract is not necessarily bad simply because it extends for more than one year (often the contrary is true).

GENERAL COMMENTS:

A. All organizations within the State expend monies, and they do it as they see fit. It must be assumed that waste is present in many cases, but until now, the State has apparently ignored it - or decided that the local entity must be responsible.

If the State is to take over responsibility from the local entity, and they are doing just that, it might be easier to start with personnel contracts or purchase and use of automobiles.

B. Although there is waste in the data processing area (as in all other areas of governmental activity), there has been a question of how to approach the problem. Most of the current literature in the field of data processing stresses the need of informed and active interest by local management, and suggests local management judge the organization's proficiency by comparing results with established objectives. In other words, handle DP like any other activity in the organizational structure.

This law would, in effect, take final responsibility out of the local arena and place it in the hands of people who have no responsibility to the people paying the bill.

C. The effective use of data processing requires a matching of people and machines into an existing environment to act as a service center for the organization.

Although the prominent hardware companies have pushed for centralization of equipment, there is a growing question as to whether this will, practically, reduce the cost for the individual user.

If this bill is passed, it will force the individual entities toward this centralization of equipment. This will strengthen the position of the State, and, in the process, lose the very important concept of the data processing center as a service center for the individual organization.

The inability of CDP to properly serve its many users should be a clear example of this.

D. People involved in data processing in Nevada clearly recognize that the State's Central Data Processing facility has a very large budget each year, but they have reservations about its being a competent or respected organization. To a significant degree, this distrust carries over to the Data Processing Commission and its involvement in affairs of other organizations could only lead to greater problems.

DAVID B. HENRY
County Administrator

Office of the Comptroller

CLARK COUNTY COURT HOUSE
LAS VEGAS, NEVADA
89101

7- 182
DARREL R. DAINES
Comptroller
Phone: 385-3131

February 12, 1971

Honorable Norman Ty Hilbrecht
Minority Leader
Room 108
Legislative Building
Carson City, Nevada 89701

Re: Assembly Bill No. 170

Dear Assemblyman Hilbrecht:

The news release in the Review-Journal February 7, 1971 regarding A.B. 170 unfortunately contained some inaccurate information:

1. The County of Clark does not own its computer, but, rather, leases it.
2. The School Board's budget for rental of its computer EVEN FOR NEXT YEAR is less than \$16,000.00 per month.

Data Processing is a very sensitive area with us, and, as a result, it was recently placed under the direct administrative control of the Clark County Comptroller. The intense administrative supervision by the Comptroller and County Administrator has required our computer operation to COST JUSTIFY every application and request for additional equipment.

We have pursued a direction not completely foreign to what I infer is the purpose of your bill. We recently completed preliminary negotiations with the City of Las Vegas to share with its Police Department the information contained in the Sheriff's SCOPE file. We have, further, discussed the possibility of including North Las Vegas, Henderson and Boulder City in the SCOPE system, but have not established a timetable to accomplish this, as yet. Preliminary discussions have been started regarding other mutually beneficial projects. (The City of Las Vegas has an engineering-oriented computer with a large flat-bed plotter and we see no reason to duplicate this equipment, since we can work out an exchange of services.)

February 12, 1971

I would be happy to make available to you whatever information you require from our Data Processing Operations.

1-183

We do not visualize the supervision of County Data Processing as a proper State function, particularly in view of the State's Computer Data Processing Commission's inability to solve its own current problems.

I sincerely hope you will permit us to discuss this subject with you before your bill goes any further.

Sincerely,



DARREL R. DAINES
Comptroller

DRD/max

REVIEW JOURNAL, 2-7-71
Computer time
subject of bill

CARSON CITY (AP)—A Las Vegas lawmaker has introduced legislation he says will prevent government from wasting money on multi-million dollar computers.

The bill says no government agency, including schools or local bodies, can buy a computer or rent a privately-owned one without permission from the State Computer Data Processing Commission.

Assemblyman Norman Hilbrecht, D-Las Vegas, said this way an agency first can find out if there's a government computer available that can be shared.

Hilbrecht said the intent is to prevent what happened in Clark County where the county owns a computer that isn't used full-time but the school district rents one for \$35,000 a month.

Two years ago the legislature approved a bill so that all state agencies have to get commission approval and not duplicate computer facilities.

Assembly Bill # 170

COOPERATIVE AGREEMENT

THIS AGREEMENT entered into by and between the County of Clark, a political subdivision, hereinafter called the "COUNTY," and the City of Las Vegas, a municipal corporation, hereinafter called the "CITY,"

WITNESSETH:

WHEREAS, pursuant to Chapter 277.045 of the Nevada Revised Statutes, two or more political subdivisions may enter into cooperative agreements for the performance of any governmental function, and

WHEREAS, the COUNTY and the CITY each possess certain specialty equipment, the duplication of which is not in the best economic interest of the public, and

WHEREAS, the governing bodies of the COUNTY or the CITY have agreed to make this specialty equipment available on a cost basis to the other political subdivision, and

WHEREAS, the administration of this agreement can best be handled through the Office of the County Administrator, representing the COUNTY, and the City Manager, representing the CITY,

NOW, THEREFORE, in consideration of the covenants, conditions, agreements and promises of the parties hereto, it is mutually understood and agreed as follows:

1. The COUNTY shall permit the CITY to tie into the COUNTY'S data processing equipment for the purpose of storing and retrieving information from a file known as the Sheriff's SCOPE System. The CITY will provide its own equipment, which must be compatible with the equipment operated by the COUNTY, and the CITY shall pay monthly an amount representing the

actual cost for the use of any of the equipment housed in the COUNTY'S Data Processing Operations Division. The determination of costs is to be arrived at, using the best available information and negotiated between the County Administrator and the City Manager. These costs shall be reviewed at such time or times as agreed upon by the County Administrator and the City Manager. 1-186

2. The CITY shall make available to the COUNTY the services of its 1130 Computer and Flat-Bed Plotter for the running of certain engineering problems, and shall bill the COUNTY monthly. The determination of costs is to be arrived at, using the best available information and negotiated between the County Administrator and the City Manager. These costs shall be reviewed at such time or times as agreed upon by the County Administrator and the City Manager.

3. The CITY shall provide to the COUNTY the facilities of its Animal Shelter, and shall bill the COUNTY monthly. The determination of costs is to be arrived at, using the best available information and negotiated between the County Administrator and the City Manager. These costs shall be reviewed at such time or times as agreed upon by the County Administrator and the City Manager.

4. The CITY shall make available to the COUNTY'S Juvenile Department the services of its Automotive Department, making available gasoline and oil and other minor services, and shall bill the COUNTY monthly. The determination of costs is to be arrived at, using the best available information and negotiated between the County Administrator and the City Manager. These costs shall be reviewed at such time or times as agreed upon by the County Administrator and the City Manager.

The foregoing Cooperative Agreement is hereby approved by the County of Clark, a political subdivision, and the City of Las Vegas, a municipal corporation, and directed to be spread on the minutes of the respective governing bodies.

All, or any portion, of this Agreement may be cancelled by either party upon thirty (30) days' written notice to the other, addressed to the County's Administrator or the City's Manager, and forwarded by the United States mails.

CLARK COUNTY, NEVADA

Date of Commission Action:

February 22, 1971

Loretta Bowman

BY James B. Ryan
JAMES RYAN
Chairman
Board of County Commissioners

ATTEST:

Loretta Bowman
LORETTA BOWMAN
County Clerk

CITY OF LAS VEGAS, NEVADA

Date of Council Action:

By Oran Gragson
ORAN GRAGSON
Mayor

ATTEST:

Edwina Cole
EDWINA COLE
City Clerk