

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59th SESSION

March 10, 1977

The meeting was called to order by Chairman Mello at 8:00 a.m.

PRESENT: Chairman Mello, Mr. Bremner, Mr. Glover, Mr. Hickey, Mr. Kosinski, Mr. Rhoads and Mr. Serpa.

TARDY: Mrs. Brookman and Mr. Vergiels.

EXCUSED: Mr. Bode Howard, due to illness.

OTHERS PRESENT: John Dolan, Assembly Fiscal Analyst; Bill Bible, Budget Division; Dan Miles, Budget Division; Peggy Glover, General Services Director; Don Bailey, State Printer; John O'Brien, Records Management Services; Doug Lowberg, Accounting Division; Gordon Harding, Central Data Processing; Art Crosby, Computer Facility; Wilson McGowan, State Controller; Carol Mengel, State Controller's Office and Dale Stump, State Controller's Office.

Chairman Mello commented to Bill Bible that there are members of the Ways and Means Committee that are extremely upset over the Senate getting most of the Governor's bills. Chairman Mello said he had called sometime ago about it and informed John McGroarty that Ways and Means didn't want it to keep happening and it still is, and asked Mr. Bible to get the word to the Governor.

PRINTING OFFICE. Don Bailey discussed the "one-shot" appropriation with the Committee (Page A-20 - S.B. 270 - \$434,000).

Mr. Bailey stated that this "one-shot" is to streamline the printing division of General Services. This will include automated equipment, VDTs, video terminals, two mini computer typesetters, a processor, filming paper and a line printer. This will also include the installation of such equipment, the physical insulation or change within the building that the equipment will go in, and the training and re-training that would be required to operate this updated equipment. The need for the equipment is of a severe nature.

The hot type application which they are now using is very antiquated. One of the largest manufacturers of hot type equipment has not produced a single monotype in the last four and a half years. Also parts are becoming extremely hard to get. The only way to get parts is to solicit and purchase used equipment that parts might be generated from. This is not a good practice because you are replacing a broken part with a worn part. In the personnel of hot type application, the younger generation sees no need to train in this field because the field is passe so they can't get young people interested in the program. The older people are retiring and passing away so they are losing their extremely talented careersmen in hot type application. All these contribute to the antiquated system that is now being used.

Mr. Bremner stated that this is a \$434,000 "one-shot" but it looks to him like it is going to be at least a \$200,000 ongoing expense and asked if that was correct. Mr. Bailey replied yes.

Chairman Mello asked Mr. Bible, since this is an ongoing program, is it in the budget somewhere. Mr. Bible replied no, it would be after the current biennium and would be paid from the usual revenues. The reason it is being recommended out of the general fund this time is that the print shop is a self-sufficient operation and is funded by revenues they generate and for a two year period it would be necessary to have both types of equipment while the new equipment is being phased in so Budget Division is recommending that the general fund pay for the equipment for a two year period and then the equipment would be on line and paid for out of the revenues of the Department.

Chairman Mello asked if the rates at the Printing Department would have to be raised to pay for the equipment. Mr. Bailey replied there would be a slight increase. They are hoping not to raise the rates. The rates right now are based on the hot type application and that is a very costly rate. Chairman Mello asked how long the Printing Office has had the hot type application. Mr. Bailey replied there is one linotype that dates back to 1920.

Mr. Hickey asked if the salary scheduled for the operators was going to be different with the new equipment. Mr. Bailey replied that is something that will have to be negotiated within the union. There are three union representatives within the division. Mr. Bailey doesn't foresee any large increases because the operations are almost parallel. In the keyboard operation, the only difference is in the structure of the keyboard. Generally, they will be doing the same job.

Mr. Glover asked how this was going to affect the number of personnel at the Printing Office. Mr. Bailey replied that the number of personnel will probably be reduced by two in a year and a half to two year program. After that, they will probably be reduced by four. They could encompass the entire six year program by attrition.

Mr. Bailey said there were presently 49 existing positions. There will be no new positions. There are no vacant existing positions. There are thirty non-tradespeople and ten office staff.

Out-of-State Travel. Mr. Bailey stated there is an increase in out-of-state travel which is based on travel time allotment to Mr. Bailey and his staff to study mainly the federal composition technique that he hopes to install in the Printing Division.

In-State Travel. The in-state travel is the van that they have which is for delivery services throughout the capitol complex and in some cases includes Reno trips.

Other Contractual Services. This includes special book bindings, special typesetting, color separations and things that cannot be done within the shop and which have to be purchased outside.

Buildings and Grounds. Mr. Bailey pointed out that there is an increase. There was a Honeywell contract that was taking care of their air-conditioning and heating units. It was an expensive contract and it was terminated. That was put back under Buildings and Grounds, whereby it did increase them, but in the overall picture, by terminating the contract, they will generate a \$1,100 saving.

Other Government Services. Other Government Services includes accounting services.

Dues and Registrations. This will encompass some special training for sending several of Mr. Bailey's people to training programs in California and possibly Wyoming.

Raw Materials. This encompasses Mr. Bailey's entire stock inventory. It covers a multitude of stock items.

Press Payment and Building Repayment. These are an end of the year repayment to the general fund for the 25 inch press that was purchased several years ago and also the payment for the building.

Mr. Miles explained that when the existing positions were put in, they were put in at .88% of a position because 7 1/2 hours is 88% of eight hours and to be consistent with what Budget Division does with all other budgets, they do handle it that way. It actually turns out to be 49 people.

Mr. Kosinski asked if there was anyone else in state government working 7 1/2 hours a day. Mr. Bailey replied no.

Mr. Serpa asked why union help was used in the Printing Department. Mr. Bailey replied, generally in the trades, particularly the printing trade, you will find, particularly in the hot type application, the unions have been a predominate factor for years and upon generating the printing division for the state, again to get qualified people they went to the union trades. The unions have been there since 1870 or 1873. They do have three trade unions represented: Pressmen's Union, Binders Union and Hot Composition Union.

RECORDS MANAGEMENT SERVICES. Mr. John O'Brien stated that this is a unit of the State Printing Division under General Services. About 15% of their total work program is being requested as an appropriation. This appropriation will provide for the administrative functioning of the unit.

No additional personnel or equipment has been requested.

Their primary mission is to establish and maintain administrative service centers in the areas of copying, a microfilm unit and to function with the records management services.

They service approximately 125 state offices statewide through their service centers. Among these centers are seven copy centers which they operate. The main thrust of these service centers is to limit the proliferation of expensive copiers and basic microfilm equipment. The centers are strategically located where there is a grouping of state offices. In order to provide this service they also maintain a technical surveillance over all agencies requests or proposals for copiers and microfilm equipment. This is done in coordination with the purchasing division. The procedures for this are spelled out in the State Administrative Manual. Each agency is to provide them with the proposal for a copier or microfilm equipment. Their first consideration is to determine if this agency is in the area of one of the copy centers. If it is not, the second consideration is whether the equipment they request is appropriate for that office. The records management function is broken into three phases. They develop records retention and disposal schedules for agencies. They have at this time most agencies covered by record schedules which are finally approved by the State Board of Examiners for implementation. They also maintain a small records center in the capitol basement. Most of the records stored there, being inactive records, are for those of agencies in the capitol complex. One of the primary functions in the records management area is to provide reference services to inactive original records or to microfilm duplicates for some large agency. They find that considerable referencing has been done for them.

In the budget, under travel, there is \$500.00. That will be generated by services.

The remaining part of their work program is generated through services to agencies. These services are based on actual job cost factors as stipulated in the Administrative Manual.

Mr. Kosinski asked if Records Management has ever been requested to share any of their expertise with the Legislative Council Bureau in the organization of their copier services. Mr. O'Brien replied no.

Mr. Kosinski asked if Records Management would be willing to share some of their knowledge with the Legislative Council Bureau. Mr. O'Brien replied yes, at any time.

ACCOUNTING DIVISION. Mrs. Glover stated that Mr. Lowberg heads the Accounting Division of General Services and that is General Services staff. It is not a division. He is support for General Services staff and does accounting for General Services and the Department of Administration and anyone else that wants to buy services.

Mr. Lowberg stated that accounting is the central accounting for the Department of General Services, Department of Administration, the Governor's Office and the Lieutenant Governor's office. In addition, they do the books for some minor Boards and Commissions. The funding for the budget is through charges to these agencies for whom accounting services are performed.

The salary category takes into account the deletion of two existing positions. These positions are being deleted due to the new purchasing system that is currently being initiated. (Two Senior Account Clerks.) These are being cut just due to the change in workload from the initiation of the new purchasing system. In the past they have done a lot of work for purchasing manually and with the automated system it should cut this out.

The remaining figures are for the other nine existing positions.

Salary Reserve Adjustment. This takes into account any anticipated Legislative increase.

In-State Travel. The amount indicated is to cover any necessary trips to Reno and to cover the state purchasing auctions.

Operating Expenses. This takes into account anticipated inflation and minor workload increases.

The only item that has changed considerably is other contract services. Its intent is to maintain all equipment on maintenance agreements.

Mr. Serpa asked under line item state owned building rent, that they must have a pretty nice building and asked if the figure wasn't a little too high for the amount of people. Mr. Lowberg replied, not really. They reside in the top of the Archives. It has approximately 2,000 square feet, of which with the existing staff, even after deletion, will be required to maintain the records, people and equipment.

Chairman Mello commented that with some of the Committee members being so close, they should take a look at some of these buildings and find out what some of these people are doing.

Mr. Kosinski asked Mr. Lowberg if he was aware the purchasing division was going to an automated purchasing system. Mr. Lowberg replied yes. Mr. Kosinski asked Mr. Lowberg why he did not reduce the two positions but waited for the Budget Office to do it. Mr. Lowberg replied that nobody really enjoys losing existing positions. Mr. Lowberg stated they do have CETA positions in the office assisting the current staff. At the time when he was preparing the budget he felt that the CETA program would possibly terminate.

Mr. Glover asked Mr. Lowberg how he would feel about the Accounting Division, after July 1st, taking over the responsibilities of winding up the accounting affairs for the bicentennial commission. Mr. Lowberg replied his office would take it on and would be able to take care of it.

CENTRAL DATA PROCESSING. Gordon Harding stated that Central Data Processing provides systems and programming services to about 60 state

and county organizations. They have about 3,000 active programs which support these various agencies. During the last biennium there were several major projects. The first of these projects was the Secretary of State corporate charter application, the implementation of the new purchase order system, the implementation of the personnel segment of the personnel payroll system. They have done work in Title XIX (a complete overhaul of the Medicare program) and they have made substantial improvements in the productivity of their people. During this biennium they have effectively increased the productivity of their people anywhere from 30% to 50%.

During the last biennium they dropped three positions from their authorized staff. Prior to the last biennium they had 58 positions and they now have 55.

Effectively, in this next biennium they have several major projects they will be working on. The first is the gaming work permit application. This will computerize work permits for several hundred thousand people who are employed in the gaming industry both past and present. They will be working on a parent locator program for the welfare people. This is a program in which they find parents who have skipped and through this means, they hope to be able to saddle parents with the cost of some of these programs rather than having the tab picked up by the Welfare people.

Central Data Processing would like to make two changes in the budget as presented to the Committee. In the fall of this year they dropped a clerical position. That position was vacant for several months and they found they could get along without it, so the Clerk can be eliminated.

Another change in the budget is in the overtime figure. The overtime figure is \$36,000 the first year and \$37,000 the second year. They installed some new data entry equipment in December. Their experience to date has indicated that they should be able to reduce that overtime cost by \$1,500 per month or \$18,000 in each of the two fiscal years.

There are two major elements of expense within the budget.

Other Contract Services. The figures for other contract services for the two fiscal years is \$138,000 and \$145,000. Essentially this item is made up of two components: (1) equipment used by CDP personnel in the data entry area and (2) a group of terminals for timesharing for their programmers. This is one of the main reasons why they have been able to achieve this increase in productivity because they have been using timesharing as one of the tools which allows them to get better mileage out of their people.

The balance of other contract services simply represents the cost of data terminals and data entry equipment in customer agencies served by CDP. These are in effect pass-through items that appear within agency budgets under data processing services. These are terminals located within the budgets of those agencies and their activities.

The other major item in their budget is the charge from the computer facility for data processing services. This figure is increased over that which appeared in the last biennium essentially for these reasons: (1) Since their workload has increased their percentage of the computer facility bill is larger than it was before; (2) The computer facility will be requiring additional equipment which will represent additional costs and (3) There has been a change in the computer facility financing which represents an increase in that number.

The balance of the small increases are all attributable to inflation.

Mr. Kosinski stated that Mr. Harding talked about increases in productivity and cutting down on personnel needs and asked if Mr. Harding knew what it has cost per position that they have deleted. Mr. Harding

replied that essentially you can probably, as a rule of thumb, say that for each position cut they have had to put back a third of those dollars in equipment and software.

Mr. Serpa stated he didn't see any in-state travel, yet he sees Stipends and Travel and asked if that was where the in-state travel went. Mr. Harding said the in-state travel is \$1,100. The line item Stipends and Travel represents the monies that are involved with their rehabilitation program for prison inmates. They train prison inmates in programming and in data entry. The Stipends they pay represent monies that are paid to the prison to utilize these people to work on projects. They are very pleased with this program. It has allowed CDP to utilize those people to help keep the costs down and it has provided rehabilitation for inmates and they have an excellent record in recidivism in this program. None of the people in the program have returned to prison once they have been released. On-site, they normally have one inmate programmer. They normally have two of three off-site within the institution. The same thing is true in data entry. There are usually one or two on-site keypunch operators with two or three off-site in the institution. The total program encompasses from five to ten people at any time.

Mr. Glover asked how much Mr. Harding's salary compacted with the Director's. Mr. Harding replied about \$3,600 per year.

COMPUTER FACILITY. There is a "one-shot" appropriation on Page A-20. (S.B. 178 - \$212,275)

Mr. Art Crosby stated that in S.B. 178 they are asking the ability to spend \$469,844 to buy an attached processor, which will attach to the state owned IBM 371-58 computer. This device will give them two arithmetic units. At the present time they only have one. It will give them an increase in the ability to do productive work in 1 1/2 to 1.8 times what they can do today.

Mr. Bremner asked if the computer acquisition sinking fund would have to be replenished. Mr. Crosby said the sinking fund will be changed in this act to change the appreciation. They have had several audits by federal people wherein they say that you can't charge the federal government a penny more to do union work that you charge your general fund agency. Their recommendation is to go to a depreciation account as opposed to the way they were doing it. This act will put them on a straight depreciation for the initial acquisition of the 371-58 plus the acquisition of the attached processor.

Chairman Mello asked the Committee to look at Page A-19 under classified salaries and asked Mr. Bible where the bill is. Mr. Bible stated it was introduced in the Senate.

Chairman Mello asked Mr. Bible about the unclassified salaries. Mr. Bible said that also was introduced in the Senate.

Chairman Mello asked for a list of the Governor's bills and the ones that have been introduced in the Senate and in the Assembly and those that haven't been introduced at all and where they are going to do. Mr. Bible replied, yes.

Mr. Crosby stated that the computer facility was established by Legislation in 1969. It is overseen by a Commission, which is comprised of the State Controller, who is Chairman, the Director of the Department of Administration, the Director of the Department of Motor Vehicles, the Highway Engineer, the Chairman of the NIC and the Director of the Employment Security Department.

They currently have two computers in the facility. One is totally funded by the Department of Labor and is dedicated to do the Employment Security work. The state owned 371-58 does the balance of the work for

all agencies, except Employment Security. They bill each user on the state owned computer for the work performed on an equitable basis. The Employment Security Department by direction of the Department of Labor will be removing their computer sometime this summer. They are going to remodel their building and move it out. Consequently, some of the line items in this budget had to be raised because ESD is sharing building costs, heating costs, cooling costs, electricity and paying rent for floor space. The budget request submitted had to be modified greatly to do that.

They are eliminating nine positions in the computer facility because they are losing this business. They will have no vacant positions when this move is made.

Mr. Glover asked since the Employment Security Department is going to be pulling out, how much will that in dollar amounts increase the costs of the other users. Mr. Crosby stated that ESD is paying around \$70,000 to \$75,000 per year of shared overhead.

Mr. Glover asked if there were any other departments that are contemplating withdrawing. Mr. Crosby replied not that he was aware of.

CONTROLLERS OFFICE. Mr. Wilson McGowan, State Controller, explained to the Committee the responsibilities of the State Controller's Office, the Program Plans and the Personnel Requirements. (His speech is attached.) Mr. McGowan passed out to the Committee the Annual Report of the State Controller.

Mr. Kosinski asked Mr. Bible if he had any comment on Mr. McGowan's request for overtime. Mr. Bible stated that what Mr. McGowan is requesting is simply make a cash payment instead of comp. time. Mr. Bible stated that it is the first time he has seen this request. It was not in the budget. Mr. McGowan stated this was strictly an oversight.

Chairman Mello pointed out that they had \$6,000 overtime and still had people that took off so that must mean that there are a lot of people working overtime. Ms. Mengel replied that the overtime is generated in two areas. One is the payroll processing. There is a very short lag time right now to process payroll from the time of payroll cutoff to the time when the checks have to be written. There are approximately two days. Ms. Mengel said they were requesting less in overtime because of the fact that they will be losing the Legislature's payroll. The overtime they are requesting is strictly for the data processing staff. That is basically to cover the fact that the system is operating on weekends and they have to call people in if there are system problems.

Chairman Mello asked if the Legislature does not give them the \$5,000 each year of the biennium, what will then do then? Ms. Mengel replied they would try to cover it from salary savings.

Chairman Mello asked how much salary savings they had now. Ms. Mengel replied it is pretty tight. The salary savings is pretty close to zero.

Chairman Mello asked if there were any positions that have been vacant. Ms. Mengel replied right now they do have two positions that are vacant that have been vacant for approximately six months. Chairman Mello stated there should be some savings from those positions. Ms. Mengel replied yes, but they also have been granted two positions out of the salary savings that they have generated, both of the positions in the data processing area that are being funded out of salary savings now.

As to the Senior Accountant, Mr. McGowan explained that the main reason this position hasn't been filled is because they are in the process of being brought before the Personnel Board in regard to the person that resigned. Mr. McGowan accepted his resignation and the person wants to withdraw it and Mr. McGowan has said no. Otherwise, this position would have been filled.

Chairman Mello stated that he is just trying to find out where the surplus money is going. There is a position that pays \$19,000 per year that has been vacant for six months and there is some money there and asked where that money has gone. Chairman Mello stated that he didn't believe that reclassification of two people is going to eat up that much money. Ms. Mingel replied no, part of the money is being kept in case they have to pay back wages to the individual. Ms. Mingel stated that they also have on the data entry section, one of the positions that has been funded from salary savings which is another keypunch operator. There are now four data entry people on their staff. The career aid is the position which they have requested in the data entry section which was recommended. They are asking that that be actually given to them as a permanent position. It is just a temporary position they were granted because of the workload.

Mr. Bible stated that he thought what Ms. Mingels was saying is that the position was left vacant in order to fund an additional keypunch operator which does not show in the budget and the temporary position. Ms. Mingel replied that is part of the reason the Computer Supervisor II was left vacant.

Mr. Bible stated that in effect they have 29 people on board for 30 positions and one of the positions is being left vacant or in effect is an underfill with a data entry type position.

Chairman Mello said it sounds like to him that there is a vacancy and they have brought on a part-time employee and now they want the part-time to be full time and there is still a vacancy. Mr. Bible stated that was correct.

Mr. Rhoads asked about the private businesses getting their checks and asked if it was an agency problem. Mr. Bible replied normally a vendor will send a bill to the agency that rendered the service. The agency then will take the bill and prepare a form called a voucher payable. The voucher payable will be presented to Budget Division for pre-audit for the Board of Examiners for its legality and propriety. As soon as the pre-audit check is completed, the voucher payable form is then delivered to the State Controller's Office. The State Controller's Office then will keypunch and process it through the computer and make a state warrant. The state warrant is then transmitted back to the agency and the agency puts it in an envelope and mails it to the vendor. On any certain plain there can be a hold-up in any one of these areas. Mr. Bible stated that Budget Division's cycle time is normally less than a week.

Mr. Bremner stated that he had heard the same complaint in Las Vegas. Travel agents, as an example, do not want to sell the state airplane tickets because they don't get their money for 90 to 120 days. They don't even want state business anymore.

Mr. Bible stated that the state is paying, prior to the trip being taken, upon issuance of the ticket. Prior to last year they were waiting until after the completion of the trip. That process has been sped up.

Mr. Serpa asked for an explanation of contractual services and other contract services. Mr. Bible said that in the contract service line item, there are a number of items that are done for the State Controller's office. They have additionally requested contract services for some special studies. The other contract service item is principally data processing equipment and where the main computer is charged.

Mr. Kosinski asked what techniques Mr. McGowan used to get so much staff training money out of the Governor. Mr. Bible replied in central data processing and computer facilities there is a great deal of staff training because work is of such a technical nature.

Mr. Serpa asked when they transferred the payroll accounting over to Personnel, did the Controller do all of the payroll before? Ms. Mingel replied they did all of the actual payroll processing. Ms. Mingel said positions would be lost because of the transfer.

SO

Action was taken on the following budgets:

STATE PRINTING (Page 74). Mr. Bremner made a motion for a "Do Pass-Governor's Recommendation"; seconded by Mr. Vergiels. Motion approved.

RECORDS MANAGEMENT SERVICE (Page 77). Mr. Hickey made a motion for a "Do Pass-Governor's Recommendation"; seconded by Mr. Kosinski. Motion approved.

ACCOUNTING
~~XXXXXXXXXX~~ DIVISION (Page 79). Mr. Kosinski made a motion for a "Do Pass-Governor's Recommendation"; seconded by Mr. Rhoads. Motion approved.

CENTRAL DATA PROCESSING (Page 63). Mr. Bremner made a motion that the budget be amended to delete the Clerk Typist and decrease the overtime by \$18,000 each year of the biennium; seconded by Mr. Vergiels. Motion approved.

Mr. Bremner made a motion for a "Do Pass-Governor's Recommendation as Amended"; seconded by Mr. Vergiels. Motion approved.

COMPUTER FACILITY (Page 84). Mr. Kosinski made a Motion for a "Do Pass-Governor's Recommendation"; seconded by Mr. Hickey. Motion approved.

STATE CONTROLLER (Page 35). Chairman Mello stated that under existing positions there is a Senior Accountant which has been vacant for six months. The resignation was turned in, accepted and the individual decided to withdraw his resignation. The Computer Operator II has been vacant for six months and they have a part-time employee filling that position. They want to make the part-time keypunch operator a full time employee and still there could be some savings in the Computer Operator II because that may not be filled.

Mr. Kosinski made a motion for a "Do Pass-Governor's Recommendation"; seconded by Mr. Bremner. Motion approved. Mr. Glover voted no.

The meeting adjourned at 9:45 a.m.

STATE CONTROLLER'S OFFICE
1976-1977 BIENNIUM ACCOMPLISHMENTS

THE STATE CONTROLLER'S OFFICE IS RESPONSIBLE FOR PROVIDING ACCOUNTING SERVICES, PAYING CLAIMS, AND REPORTING ON THE COMPLETE FINANCIAL CONDITION OF THE STATE OF NEVADA. DURING THE CURRENT BIENNIUM WE HAVE ATTEMPTED TO CHANGE THE EMPHASIS IN THE CONTROLLER'S OFFICE FROM A CLERICAL FUNCTION TO A CONTROLLING FUNCTION. WE HAVE ADOPTED METHODS OF ACCOUNTING FOR AND REPORTING ON THE FINANCIAL CONDITION OF THE STATE IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. WE ARE USING AUTOMATED DATA PROCESSING TO MORE EFFICIENTLY PERFORM ROUTINE CLERICAL FUNCTIONS. THE FOLLOWING IS A LIST OF WHAT WE HAVE ACCOMPLISHED DURING THE PAST BIENNIUM:

1. THE HEWLETT-PACKARD 3000 HAS PROVIDED US WITH THE CAPABILITY OF PROCESSING FMIRS DATA IN LESS TIME.
2. THE TIME FRAME OF RESPONDING TO VENDOR CLAIMS HAS BEEN DECREASED BECAUSE WE HAVE THE ABILITY TO PRE-EDIT TRANSACTIONS DAILY BEFORE THEY ENTER FMIRS. THIS MEANS THAT THE TRANSACTION CAN BE CORRECTED AND RE-SUBMITTED WITHIN THE SAME WEEK.
3. WE HAVE AUTOMATED OUR CHECK AND DOCUMENT FILING SYSTEMS AND FORMS INVENTORY CONTROL SYSTEM. THIS ALLEVIATES THE CLERICAL EFFORT INVOLVED IN PUSHING PAPER AND FREES THE STAFF TO GET INTO SOME OF THE MORE IMPORTANT ASPECTS OF FINANCIAL CONTROL.
4. WE HAVE DEVELOPED A VENDOR DATA SYSTEM WHICH ALLOWS THE INDIVIDUAL USER AGENCIES TO CONTROL PAYMENTS BEING MADE FROM THEIR ACCOUNTS. THIS PERMITS FASTER PROCESSING AND PRE-EDITING OF DOCUMENTS THROUGH OUR OFFICE THUS SPEEDING THE PAYMENT OF VENDOR CLAIMS.
5. THE STATE'S BONDED INDEBTEDNESS INFORMATION HAS BEEN CONSOLIDATED AND IS NOW BEING REPORTED IN LINE WITH GENERALLY ACCEPTED REPORTING STANDARDS. THIS HAS PROVIDED BOND RATING INSTITUTIONS AND BOND PURCHASERS WITH A FULLER DISCLOSURE OF ACCURATE INFORMATION.

6. THREE FISCAL YEARS HAVE BEEN CLOSED DURING THE CURRENT BIENNIUM. TWO ANNUAL REPORTS HAVE BEEN PRODUCED AND THE THIRD ONE IS BEING PRINTED NOW. THE TIME BETWEEN THE CLOSE OF A FISCAL YEAR AND PUBLICATION OF THE ANNUAL REPORT HAS BEEN REDUCED FROM 21 MONTHS TO 9 MONTHS. NOT ONLY IS THE REPORT NOW MORE TIMELY, BUT THE REPORTING STANDARD HAS BEEN GREATLY IMPROVED. WE ANTICIPATE CLOSING THE FISCAL YEAR 1977 BOOKS BY AUGUST 31 AND PRODUCING THE ANNUAL REPORT BY DECEMBER 1, 1977.

STATE CONTROLLER'S OFFICE

PROGRAM PLANS

THE CONTROLLER'S OFFICE INTENDS TO CONTINUE MOVING IN THE DIRECTION OF BETTER ACCOUNTABILITY FOR THE STATE OF NEVADA. WE WILL CONTINUE TO UPGRADE THE STANDARDS AND TIMELINESS OF REPORTS ON THE FINANCIAL CONDITION OF THE STATE. FOLLOWING IS A STATEMENT OF THE AIMS OF THE CONTROLLER'S OFFICE FOR THE ENSUING BIENNIUM:

1. WE WILL BE IMPROVING THE TECHNIQUE FOR FISCAL YEAR CLOSING AND REDUCING THE TIME LAG FOR PRODUCING THE ANNUAL REPORT.
2. WE WILL BE DEVELOPING THE CAPABILITY FOR ANALYZING AND CONTROLLING THE CASH TRANSACTIONS ON A TIMELY BASIS. THIS INVOLVES WEEKLY BANK RECONCILIATIONS, ECONOMIC DATA RETRIEVAL OF ALL DEPOSIT TRANSACTIONS, AND MAINTENANCE OF A DAILY CASH TRANSACTION SUB-SYSTEM.
3. WE PLAN TO FURTHER ANALYZE FMIRS AND IMPLEMENT ENHANCEMENTS IN ITS OPERATION AS WELL AS IN ITS REPORTING TECHNIQUE.
4. WE ALSO PLAN TO BE ABLE TO PROVIDE VENDOR INFORMATION AS TO SOURCE AND PURPOSE OF PAYMENTS.
5. WE PLAN TO PROVIDE FOR FURTHER ENHANCEMENT OF DIRECT DATA ENTRY, EDIT, AND REPORTING CAPABILITIES.
6. WE WILL BE PROVIDING AGENCY ACCOUNTING TRAINING AS NECESSARY TO AID AGENCY PERSONNEL IN USING FMIRS EFFECTIVELY.

STATE CONTROLLER'S OFFICE

PERSONNEL REQUIREMENTS

IN ADDITION TO THE BUDGET FOR PERSONNEL COSTS WHICH THE GOVERNOR HAS RECOMMENDED WE WOULD LIKE TO REQUEST THE FOLLOWING:

OVERTIME

OVERTIME WAS INADVERTENTLY OVERLOOKED WHEN OUR BUDGET WAS PREPARED. WHILE THE CONTROLLER'S OFFICE IS ONLY OPEN 5 DAYS A WEEK FROM 8 TO 5, THE DATA PROCESSING OPERATIONS FUNCTION SEVEN DAYS A WEEK. IF SYSTEM PROBLEMS ARE ENCOUNTERED ON THE WEEKEND, IT IS NECESSARY FOR THE DATA CONTROL STAFF AND OCCASIONALLY THE PROGRAMMERS TO BE CALLED IN TO IDENTIFY AND CORRECT THE PROBLEM. WE RECOMMEND A BUDGET OF \$5,000 TO COVER THESE COSTS.

SENIOR ACCOUNTANT

ALTHOUGH WE WILL NO LONGER BE PHYSICALLY PROCESSING PAYROLL, THE RESPONSIBILITIES OF CERTAIN FUNCTIONS HAVE NOT BEEN REMOVED FROM THE CONTROLLER'S OFFICE. WE WILL STILL BE RESPONSIBLE FOR THE POST-PAYROLL RECONCILIATION FUNCTION. THE STATE PROCESSES IN EXCESS OF \$82 MILLION IN PAYROLL COSTS PER YEAR. PAYMENTS TO VENDORS FOR PAYROLL ACCRUALS AVERAGE \$1.3 TO \$1.5 MILLION PER PAY PERIOD. THE AMOUNTS ARE MANUALLY COMPUTED AND THEN THE CHECKS ARE HAND-TYPED. SOME OF THESE VENDORS ASSESS SEVERE PENALTIES FOR PAYMENTS NOT MADE TIMELY OR ACCURATELY. IN ADDITION THE POSITION WILL BE RESPONSIBLE FOR THE FOLLOWING POST-PROCESSING RECONCILIATIONS:

1. BI-WEEKLY RECONCILING FMIRS TO THE PAYROLL SYSTEM
2. BI-WEEKLY MONITORING VENDOR PAYMENTS
3. RECONCILING PAYROLL BANK ACCOUNT WEEKLY
4. RECONCILING PAYMENTS DUE TO AND FROM THE PAYROLL BANK ACCOUNT AND BOTH THE MAIN BANK ACCOUNT AND ESD'S BANK ACCOUNT BI-WEEKLY
5. DEVELOPING STATISTICAL AND CONTROL FIGURES FOR THE PAYROLL SYSTEM.