

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59TH SESSION

April 13, 1977

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

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Glover, Mr. Hickey, Mr. Howard, Mr. Kosinski, Mr. Rhoads, Mr. Serpa, and Mr. Vergiels.

ALSO PRESENT: Chancellor Neil Humphrey; Dr. Charles Donnelly; Dr. Max Milam; Dr. Herman Westfall, Vice President of Business Affairs UNLV; Dr. Lloyd Smith, DRI; Howard Barrett; Doug Byington; Bruce Arkell; Harry Gianneschi; Don Heath; Paul May; Larry McCracken; Earl Oliver; Sue Wagner; Jim Lien; Shirlee Wedow; John Dolan; and Bill Bible.

UNIVERSITY OF NEVADA--Community College Business Centers

Dr. Humphrey began by saying that the 1977-79 budgets submitted by the Board of Regents anticipated continuing four separate business operations, one for each of the four divisions. The Executive Budget, however, recommended a revision of the Community College Division which would substantially reduce the Community College Division business operation, reduce it to a point that they believe it impossible for that division to provide its own business services. In order to be able to operate if the Executive Budget were approved they started to study the most obvious alternative, that is, the establishment of two accounting centers, one in Las Vegas for Clark County Community College and the University of Nevada at Las Vegas, and one in Reno for UNR, Western Nevada Community College, Northern Nevada Community College, and DRI. They sought help from the independent audit firm presently engaged to audit the University system (which is Kafoury, Armstrong, Turner) and that firm prepared what they call an "exposure draft" to which the President and business office staff were invited to respond.

The Kafoury, Armstrong, Turner firm then reviewed their responses and prepared a second memo which was distributed to the same group. The responses from the staff were almost uniformly negative to the idea. So they prepared an alternative of reorganizing the Community College Division in such a way that all business services would be totally centralized under the President for the Community College Division. That plan was approved by the Board of Regents on April 1st and was transmitted to the Ways and Means Committee and Senate Finance April 4th. The alternative does require \$251,000 more next year than the Executive Budget recommends. However, it is \$130,000 less expensive than is currently being spent in the Community College Division for these and related services, and they would have to drop a number of positions. Last week, Mr. Barrett informed Dr. Humphrey that proposed increases for the Community College Division--increases over the Executive Budget--were not acceptable and that the Governor had authorized him to prepare and propose the creation of business centers in Reno and Las Vegas. Dr. Humphrey said he informed Mr. Barrett that University studies had been limited to accounting only; they had not considered purchasing and non-academic personnel activities, and had not yet completed the study. Dr. Humphrey gave Mr. Barrett copies of everything that was in writing to-date and copies of these are attached to these minutes.

Dr. Humphrey said the Board of Regents has approved asked for the Community College Division reorganization, and he reaffirms this request now. The Board has not considered the reorganization that would be necessary to accommodate to the two business centers proposed by the state administration, so there is no Board action at this time.

Dr. Humphrey added that it is not feasible at this late date to secure Board action in time for the Committee's consideration, and his primary objective has to be to keep the system in a situation where they can respond to the need for business services in the Community College Division, and hopefully do so without hurting the other divisions.

Dr. Charles Donnelly, President of the Community College Division of the University System said that his office is very much interested and involved in planning an organization of community colleges. In 1970, they wrote a state plan which was adopted by the Board of Regents in 1971, and they have followed this plan closely in all their community colleges. He said statements have been made that they do not need a business office in their central office in Reno because Clark County Community College and Western Community College had their own business offices and paid their own bills, and the only thing Dr. Donnelly's office does is pay Northern Nevada Community College bills. He said this is not true, that they pay the bills for all the community college and that everything flows through the Reno office. They are quite concerned with how operations will continue if there is only a secretary and Dr. Donnelly to do this for such a widely scattered system. The reorganization plan involves the minimum number of people needed to process all of the things needed by the community colleges in the state. He said they think it would be far better to accept this planned reorganization at this time and then ask the System to come back next session with a plan for reorganizing in business centers rather than centralize now hastily.

Dr. Milam, President of UNR commented that the proposal in question insofar as it concerns accounting has been opposed by all the personnel involved. He said the university is an education institution whose mission is to perform teaching, research and public service functions. But the accounting, payroll, purchasing, and nonacademic personnel are a necessary part of that mission. He pointed out that the control function for these services becomes less and less effective and efficient the farther away it moves from the level at which the work is done. Consolidation or centralization does not always result in lower cost.

Dr. Westfall agreed with Dr. Milam by saying they feel they have reached economies of scale and that centralization would not be efficient. He said their business offices are much more than accountants and bookkeepers. They work continuously with the President, the deans and department chairmen in assisting in budget preparation, giving them financial information and helping them in their financial management.

Dr. Westfall said the CPA report that Chancellor Humphrey referred to listed four components of the accounting function. These are the financial (planning or training) and budgeting, administrative processing of data, financial reporting, and financial budget administration. These four areas must be under direction and control of the President on his campus in order for him to administer an educational program properly. In addition, they feel that UNLV has a problem of distance if they have a centralized system in Reno 450 miles away.

Dr. Lloyd Smith, President of the Desert Research Institute, read the attached memo directed from his office to Dr. Humphrey's. He pointed out that not only does their accounting office work closely with clients and with principle investigators, they are involved each day in financial conferences in terms of costing proposals, of figuring out the right kind of overhead for given situations. To have this function located at a remote place would create considerable problems for DRI. They feel they must maintain their own accounting office.

Mr. Mello informed Dr. Smith that he had appointed a cloud seeding subcommittee comprised of Mr. Bremner and Mr. Howard. He added that he had the letter from Dr. Linkletter and would be in touch with him and Dr. Kocmond. He also suggested that they be available to appear before the subcommittee some time this week.

Howard Barrett of the budget office said his office still stands behind their original plan, but if the Committee wishes to maintain a separate identity for the Community College Division, the state would not object to that. They do not feel that the central administration of the community colleges is the way to go, and they don't think that Northern Community College, Western Community College and Clark County Community College should be centralized unless UNLV, UNR, and DRI are also. The proposal to centralize all of the accounting, personnel and payroll functions of the entire University System in one office is acceptable to the state. The attachment contains two pages from the Budget that roughly identify the positions in that area in the various budgets. That would identify about 93 positions in the next two years in those particular areas, and about \$1.5 million. They think that within those positions, and that within that money, the Board of Regents ought to be able to set out a centralized and efficient office that will provide the services to all of the University System. They have included lines at the bottom of the memo; something similar could be added into the appropriation act to direct the Board of Regents to set up the central administration.

Dr. Humphrey reiterated what he had said about the fact that the studies done by Kafoury, Armstrong and Truner are not complete and are limited to the accounting function since they were not at the point of considering purchasing and nonacademic personnel.

John Dolan commented that Mr. Barrett had only spoken to UNR, UNLV, DRI, etc. But what about the appropriation areas for Agriculture Experiment and Cooperative Extension? They have business accounting people in those areas too. Mr. Barrett said they should probably also be in there because the language was intended to get those budgets that have accounting people involved.

A.B. 661 RESTORATION OF MORRILL HALL

Mr. Mello commented that last Session, he introduced a bill to provide money if they met certain standards, which they obviously did not meet. And the bill was probably written where they could not meet those standards, but he wanted to see how serious they were about the program.

Doug Byington showed the Committee a copy of the 1899 yearbook Artemisia which contains a picture of Morrill Hall and several of the other buildings on campus at that time. Today, he said there are only two buildings still in existence from that period, Morrill Hall and Lincoln Hall. Mr. Byington asked for financial assistance in restoring Morrill Hall and read the attached memorandum to the Committee. He said the estimated construction cost is \$740,000.

Harry Gianneschi, Director of Alumni Development said they can show they are very serious about this project. Since 1971, they have raised \$237,818 from individual contributors. They also have available matching funds from the National Park and Recreation Board amounting to \$53,000. Last Monday afternoon, the city of Reno through their third year block grant funds provided through the Community Development Act of 1974, voted \$100,000 appropriation to Morrill Hall restoration, \$50,000 coming in 1977 and \$50,000 coming in 1978. So at this point, they have accumulated a total of \$390,818.

Mr. Gianneschi said this shows wide support from Nevadans through the state, because a restoration is normally a difficult thing to get funds for.

Mr. Mello said now that they have collected a little more than half what they need without A.B. 661, what happens to the federal matching funds? Mr. Gianneschi said he had included in the \$390,818 the \$53,000 federal matching funds. He said matching funds are based on a portion of a particular phase of the building. Right now, they are only available for matching funds expended on the exterior. Later they can apply for additional matching funds.

Mr. Mello asked if they were working on the building right now, and Mr. Gianneschi said right now it is in the State Public Works Board and they will be going out to bid on the first two phases; they have that money already in hand. This did not include the \$100,000 they got from the city recently.

Don Heath, President of the Alumni Association said they heartily concur with the request for these appropriations.

Mr. Kosinski stated that they have indicated they now have commitments for almost \$400,000, and they are asking for \$100,000. They will still be short \$.25 million. Do they have any commitments for this money? Mr. Byington said they do not but feel they can do the bulk of the restoration with this. They would like to secure additional money soon and are in the process now of developing two applications for private foundations for funding. They want to be able to go to them with a total finance package showing what they have raised, because usually they like to make matching grants. Mr. Kosinski asked if the Committee could have a commitment from him that if they got the \$100,000, they would not be back in two or four years for more money. Mr. Byington said they would not be back for more money.

A.B. 273

Bruce Arkell, State Planning Coordinator, said A.B. 273 is the appropriations bill for the consolidated biennial reports; that it is a one-shot item in the budget. There is also some other legislation which talks about what should be in the biennial report, the content, planning, etc. There are two sets of bills; one is in the Assembly and the other is in the Senate. The assembly bill, A.B. 192, which talks about the content of the report is essentially a skeleton bill, he said. At the end of that was to be attached a list of agencies which would be included in the biennial report. There is a complete bill in the Senate, S.B. 302, that goes into much more detail and talks about who should be in the report. Basically what both bills anticipated, as well as the fiscal note was to incorporate all agencies that are presently required by statute to submit biennial reports, with a few minor exceptions like the Budget Office and some of the other elected officials. The Budget Office's biennial report is the Executive Budget and would not be appropriate for the consolidated report. Mr. Arkell suggested that A.B. 273, which is the appropriations for the report, be acted on, and that A.B. 192 (and A.C.R. 16 as well) be held. Mr. Mello asked if he had explained this to Mrs. Hayes who introduced these bills, and he said he would, but that it was his understanding she was not unhappy about it.

A.B. 347

Assemblyman Paul May said this measure is one that was heard in Taxation. It was referred to the Ways and Means Committee at the request of Mr. Mello. The fiscal note is around \$57,000 for the first year; \$100,000 for successive years. The actual figure, the \$57,000, is a result, he said, of audits done on two cab companies, both operating in Clark County. The DMV indicated that they were not aware that these two cab companies have been using in part natural gases to operate their fleets, and only upon seeing an article about an explosion mentioned by one of the companies did they become aware of it and consequently set about the audit. The two companies had not been aware of the fact they were required under NRS to pay the 6¢ per gallon tax presently imposed on special fuels. A disagreement

resulted between the cab companies regarding the formulation used by DMV--100 cubic feet equaling one gallon, whereas there is testimony that California pays around 7¢ or 8¢; it was about 3/4 of that figure.

The argument that the cab companies made was that they felt they should be exempt from the 6¢ per gallon special fuels tax for these reasons. Number one: the federal government does not seek to impose any tax on special fuels in that category. The State of California does not impose a direct tax on those fuels. The State of California does have a \$6.50 to \$8.50 flat vehicle figure per year that is charged in lieu of tax.

Further testimony indicated that the ecological values, the anti-pollution values of these measures were almost beyond value. Those 186 vehicles are on the roads 7 days a week, 24 hours a day. By allowing these two fleets to be exempt from the special fuels tax, we would be welcoming other fleets to convert their vehicles over to the other fuel.

The conversion cost in switching a vehicle over is around \$450, which is minimal, but does not take into consideration the cost of the equipment necessary to provide the means for getting that natural gas into the vehicle itself. The actual cost of the cab companies involved is considerable in establishing the compressors and the equipment necessary to buy natural gas from Southwest Gas Co and to put it into their cars. The mileage rate is much less than those filled with gasoline, and they have to come back to home base to fill up with natural gas.

Mr. May said the Committee on Taxation looked at this very carefully, especially in relation to special interest aspects, and discounted that by about a 2/3 majority.

Mr. Bremner asked about the comparative cost of this fuel and gasoline per gallon. How much does the 6¢ add to the cost? Mr. May said the addition of the 6¢ per gallon would put natural fuel higher than gasoline and would force them to convert back to gasoline.

Mr. Glover asked how much savings there is per gallon using the natural fuel (without the tax) and Mr. May said about 3/4¢. Mr. Kosinski commented that he thought the goal of this legislation is to help stop the pollution problem in Las Vegas. He said at the end of the 1979 fiscal year, the Highway Fund is going to have an estimate ending balance of \$1.8 million down from \$18 million for 1976. Even though the \$200,000 isn't really going to help that a lot, it still seems like a serious problem. Mr. May said the only testimony in opposition they heard from the Highway Department was not actually against this particular measure, but they heard generalities that the Dept. resented any intrusion into their limited resources and they cannot afford to lose money.

A.B. 406

Larry McCracken, Director of the Employment Security Department said the bill itself is a result of Public Law 94.566 which was passed in October of 1956. It generally includes coverage for state and local workers, agricultural workers with certain limitations. It excludes coverage for certain school employees, and he said it is the type of bill which has to be passed in some form or other. He said there are very few options that the legislature has in regard to this bill. The result of not passing it, he said, is probably where the fiscal impact really hits, and that is it would be the loss of offset credit by employers which now get an offset credit of 2.7% on the federal unemployment tax. So failure to pass this would mean that employers would be taxed the full 3.4%, the federal unemployment tax and not have that 2% offset. It would also mean that the federal government would

no longer fund the employment security system in the state, which amounts to about \$12 million, so there would be no benefits paid in the state unless the state funded it somehow.

Mr. Mello asked if the bill is all right the way it is now, and Mr. McCracken said yes. Mr. Mello said that the bill would cost in the first year \$720,000, and \$1 million in the second. He asked, if the bill were not passed, what would be the dollar impact?

Mr. McCracken said all unemployment insurance operation in the state comes to a stop. There is \$12 million to fund the employment security system out of federal dollars. That will no longer come in. They are now paying benefits of \$43 million, and this would stop.

S.B. 215

Mr. Kosinski commented that the bill lacks definition as to when the secretary can come up to Carson City, and when the per diem would stop. He said he realized the need to be here prior to the start of the Session and after the Session, but he thought they should include some limitation. Mr. Howard agreed, saying he didn't like the fact that this legislation is wide open. Mr. Glover said he thought that Mrs. Armstrong came up about a week before the session to hire the personnel and staff over in the Senate. Mr. Hickey suggested a time limitation of ten days, five before and five after, and added that this could also include the Assembly's Clerk. Mr. Glover said the Chief Clerk had never asked to be included in this, but if the Assembly ever has a Clerk coming from an outside area, they could make special provisions at that time.

Earl Oliver, Legislative Auditor, was asked to comment on S.B. 215. He said as he understood the bill, this was to replace a prior practice whereby a resolution was adopted at the end of the Session that authorized the \$15 a day for the secretary of the Senate. The language between lines 12 and 21 indicates that there should be paid to the secretary of the Senate initial travel from home to Carson City for regular special session, and return travel after adjournment, and a subsistence allowance to the secretary for each day of such travel and each day of duty performed in connection with the regular session and that it should be paid at the regular rate provided by law, which is \$28 a day.

A.B. 334 (made a motion)

Mr. Kosinski said he would like to amend the bill to provide on page 2 that 10% be changed to 5% and that the language be changed in such a manner as to required the division to come to the Interim Finance Committee for approval of their individual programs prior to their being permitted to spend the money, and that they make quarterly reports. The motion was seconded by Mr. Bremner and was approved. A motion was made by Mr. Kosinski DO PASS A.B. 334 as amended, seconded by Mr. Bremner. Motion approved.

A.B. 547

Mr. Mello said he had a meeting with Mr. Dini, Mr. Glover, Mr. Echos, and Senator Gibson yesterday morning to figure out what studies the Commission would be looking at. Senator Gibson had a request in for a bill similar to this. Mr. Mello told him what had happened to the bill and asked him if he had any appetite for it, and he withdrew his request when he saw this bill. When Mr. Mello mentioned some recommendations for amendments, they liked them. He said he would like to amend the bill where it says "ten" members to "eight" members. Also, where it says "six" of whom shall be legislators, there will be "four". The two shall be chosen by the Majority Floor Leader; two shall be chosen by the Speaker of the House. One of those members will be designated the chairman. He said it was not his idea, but it was Senator Gibson's and the others' that the chairman shall be picked by the Chairman of the Commission.

Mr. Mello continued that in the area of per diem: Section 5, Subsection 2, this should be \$40 a day instead of the \$30 per day per diem, which they are trying to make for all boards and studies and commissions. Also, the salary of \$40 a day which will go along with other boards and commissions.

Mr. Vergiels made a motion to accept the amendments outlined by Chairman Mello. The motion was seconded by Mrs. Brookman and was approved by the Committee. Mr. Vergiels made a motion DO PASS as amended, seconded by Mrs. Brookman. The motion was approved with Mr. Serpa voting NO.

A.B. 277

Assemblyman Sue Wagner said this bill was introduced quite early in the Session, and because there were several bills dealing with the same kind of tax allowance in the Taxation Committee, they spent a considerable amount of time deciding which bills to pass out and in what form. The bill deals with the property tax allowance only for residential buildings and not any other kind, equipped with certain heating and cooling systems. Those included are very specific: solar wind; geothermal; conversion of solid wastes; and water power. It had been in the original draft somewhat more extensive, but they found some problems and wanted to limit it to just these. The bill does deal with the residential owner and the manner in which he is to receive an allowance against his property. There is a limit on page 2 on how much a rebate would be allowed and a restriction that cannot be granted in any assessment year in which the system is not used. The entire procedure outlined is basically the same as was adopted for the senior citizens property tax allowance. Only one owner may file a claim, and it must be done under oath. The whole idea was not to allow someone to put some solar collectors on the house and never complete the system to accomplish cooling or heating or both. There is a penalty for falsifying any statement, and the whole concept of introducing the bill is to encourage some creativity in seeking alternative energy sources.

Jim Lien said that the testimony before the Taxation Committee indicated that there were probably going to be a couple of subdivisions started within the next two years which would be utilizing solar energy for heating and cooling. The estimates of the cost of those would be anywhere from \$5,000 to \$10,000 per building for installation. In computing a fiscal impact, they surveyed all county assessors, and they did what they could in their counties to determine whether or not there were moves elsewhere other than Reno and Las Vegas for the development of such subdivisions. The conclusion is that there would probably not be more than 350 units during the next biennium that would have any part of these systems incorporated into existing or new construction. As a result, they determined that probably the average valuation differences between a conventional system and the new qualified system would be approximately \$5,000 assessed value, so they came up with a total of about \$31,000 as a potential cost for the biennium, and suggested a \$32,000 appropriation for the biennium as a lump sum appropriation.

Mr. Dolan asked if they would want that amended into the act since there is no money requested. Mr. Mello commented that this is what is wrong with these committees; they don't put the proper language into the bills. And he added that if Mrs. Wagner didn't mind, if they do decide not to bring this to the committee, he will move the bill to the Chief Clerk's desk until he got the amendment.

Mr. Hickey asked about the price range of the building they are talking about, and Mr. Lien said the homes were ranging from \$32,500 to about \$45,000. In addition to that would be a \$5,000 to \$10,000 system. Mr. Bremner referred to Section 1, Subsection 1 and commented that a lot of these systems aren't installed in the building but are separate. Mr. Lien said this should not be a problem.

A.B. 347

Mr. Bremner made a motion DO PASS on A.B. 327. The motion was seconded by Mr. Kosinski and was approved.

A.B. 277

Mr. Howard made a motion to amend the bill in accordance with the \$32,000. The motion was seconded by Mr. Bremner and was approved. Mr. Mello said he wanted the record to show that the Ways and Means Committee did catch this bill.

S.B. 215

After determining that the Governor has ten days in which to sign a bill, Mr. Kosinski made a motion that the daily subsistence allowance could be paid for one week prior to the Session and two weeks after the end of the Session. The motion failed for lack of a second.

Mrs. Brookman moved DO PASS on S.B. 215, seconded by Mr. Vergiels. The motion was approved with Mr. Bremner, Mr. Howard and Mr. Kosinski voting NO.

A.B. 406

Mr. Mello said he could see no need for amendments to this bill. Mr. Bremner made a motion DO PASS, seconded by Mrs. Brookman. The motion was approved.

A.B. 273

Mr. Glover made a motion DO PASS on A.B. 273, seconded by Mr. Hickey. The motion was approved.

A.B. 661

Mr. Bremner made a motion DO PASS on A.B. 661, seconded by Mrs. Brookman. The motion was approved.

GOVERNOR'S COUNCIL on CHILDREN and YOUTH

Mr. Mello asked Bruce Arkell if this will be part of A.B. 278, and he replied yes. The Council, he said, had originally been proposed for consolidation with two or three other boards. The action of the Government Affairs Committee was to restore the Council, reduce the membership to nine, but that would require reinstatement of their budget, which had been recommended for removal.

Mr. Arkell continued that the action of the Government Affairs Committee this morning on A.B. 278 was an amended DO PASS. As was discussed this morning, there are several boards that are unpaid at the present time, and there is some interest in possibly paying all boards that are not paid today. Mr. Mello said they were trying to take care of those inequities. They did it in one bill last session for 50 boards. Mr. Arkell said there was a list, and there seemed to be no rhyme or reason why some are paid and some are not. They can have a list for the Committee by this afternoon of those who have and those who have not been paid. Mr. Mello asked Mr. Arkell to ask his chairman not to put out his report yet. He also asked if there were any amendments to it, and Mr. Arkell said there were many of them.

Shirlee Wedow distributed the attached memo to the Committee members. She said the memo has to do with the status of the Council on Children and Youth. She pointed out that they were in A.B. 278 and didn't know whether the bill would be approved or not. So the Council is still left without funds. Mr. Mello commented that there are three ways to fund the Council. One is to amend the monies into the bill. The other is to put it in the General Appropriation Act. And the other is to put it in the budget. Mr. Mello asked Bill Bible if the Governor wanted this back, and he said the Governor has reviewed his original recommendation and recommended an appropriation of \$3,000 beginning this year--\$6,000 total for the biennium.

Mr. Bremner made a motion to put it in the General Appropriation Act. The motion was seconded by Mr. Howard and was approved.

The meeting was adjourned at 11:00 a.m.

NEIL D. HUMPHREY
Chancellor

April 6, 1977

MEMORANDUM


To: Howard E. Barrett

Subject: Possible consolidation of accounting processing and reporting functions for UNS.

In response to your telephone request of this morning, the following information is transmitted concerning the unfinished review of the feasibility of consolidating the four UNS controller's offices into two.

1. My transmittal January 20, 1977, to staff of the "exposure draft" prepared by Kafoury, Armstrong, Turner & Co.
2. My transmittal February 7, 1977, to KAT of the staff responses to the exposure draft.
3. My transmittal February 24, 1977, to staff of KAT's further review.
4. Further reaction from CCD, UNLV, and DRI.
5. A memo dated March 22, 1977, from Ms. Stephanie Siri, C.P.A., Director of Internal Audit, which summarizes the reservations held by the various division business officers.

I had concluded that if the CCD central reorganization were acceptable, that would be preferable to the massive reorganization required if the two business centers were established. If the CCD reorganization, as approved by the Board of Regents April 1, is not approved by the Legislature we are left without business and accounting capability in CCD and our only alternative would be to reorganize in some manner similar to that which we have been discussing.



Neil D. Humphrey
Chancellor

NDH/bl

1978

KAFOURY, ARMSTRONG, TURNER & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Chancellor Neil D. Humphrey
University of Nevada System

At your request, we have reviewed the operational structure of the financial administration of the University of Nevada System with the objective of determining whether or not a reorganization of all or part of the accounting function could enhance its effectiveness and contribution to the management of the System.

In making the review, we re-examined our 1976 recommendations that might have a bearing on this matter and we discussed the situation at length with the Kafoury personnel who participated in the 1976 audit of the University of Nevada System, and then developed our thoughts about the matters under review.

Our general comments are as follows:

In analyzing the feasibility of some form of centralization of business activities, we have first attempted to identify the components of the accounting function in the organization.

We believe that these are:

- 1) Financial planning/budgeting
- 2) Administrative processing of data
- 3) Financial reporting
- 4) Financial/budget administration

Elements 1 and 4 are clearly campus oriented and the direct responsibility of the chief executive officer of a campus. In our judgment the centralization of these elements would be undesirable and should remain as defined responsibilities of individual campus administrations.

However, administrative processing and financial reporting inherently become more uniform, and should evidence improved qualities of supervision and control by being administered as a single unit with, if you will, eight "clients". We suggest that these two elements (only) be incorporated into the prospective "business centers".

There are, we believe, two divergent techniques for the control and management of such a structure.

1. Establish a system-wide financial officer at the Chancellor's office with responsibility to establish uniform accounting policies. Continue budget and management control of business centers 1 and 2 within the structure of the two University campuses. Provide for the University campuses to contract with DRI, the three community college campuses and system for the processing and reporting elements (with or without inter-campus charges for such service).

or

2. Establish a system-wide financial officer at the office of the Chancellor for a) the establishment of accounting policies and procedures (a staff function), b) and management and budgetary authority over the two business centers (a line responsibility). Such services may be provided with or without charge to the several campuses.

We recommend the second.

Conceptually, removal of the processing and reporting function from the line authority of a campus executive could diminish his ability to obtain timely and meaningful reporting. Practically, we would expect the opposite to occur. The development of several improved reporting or processing systems is costly, even allowing for reasonable cooperation among campuses, so it tends not to get done unless a campus executive has a very strong orientation toward financial management. Further, there is a natural tendency for "me" to be reluctant to use "your" system or procedure. Orderly development of procedures and reporting is a system-wide project, and, in our belief, should be administered as such.

Allocation of Responsibilities

We believe:

1. The Community College Division is, in fact, a mini-system and should be accounted for as three campuses and a administration division. This will provide each campus administrator with his own financial report and the President with the parts as well as their sum.

2. Business center 1 should process and report for:

- University of Nevada Reno
- Desert Research Institute
- University of Nevada System Administration
- Western Nevada Community College
- Northern Nevada Community College
- Community College Division Administration

3. Business center 2 should process and report for:

- University of Nevada Las Vegas
- Clark County Community College

Should the System concur with this concept, and in part preceding that decision, additional relative material should be examined and incorporated into a plan for 1977-79 as follows:

1. Analysis of specific job descriptions to determine which accounting oriented positions should remain within campus budgets.

Possibilities include:

- Cashiers
- Student Loan Personnel

2. Determination of which (if any) business center personnel should be permanently or temporarily physically located on particular campuses.

3. Reevaluate personnel assignments, in part resulting from 1 and 2, with consideration being given to physical facilities and the complexity of the accounting and reporting to be performed by the two centers.

We would be pleased to discuss our review with you at your convenience.

Kellogg Armstrong Turner & Co.

GENERAL RECOMMENDATIONS

1. Establish a Position of System-Wide Financial Officer

This recommendation is a continuation of the recommendation originally proposed by the University's prior auditors in a special management study made in June of 1974.

The University should establish an administration level financial position, reporting to the Chancellor. The principal responsibilities of this person would be to coordinate the accounting, financial systems and financial administration for all divisions.

There is a need within the system to share ideas on the improvement of financial systems, and even to adopt systems from one division to another. Problem solving on a system-wide basis using the experience from many divisions would be more effective. Also, the allocation of financial resources, could be more easily accomplished on a centralized basis. The need for this position became more evident during 1976 when many inconsistencies among divisions in financial reporting became apparent.

Finally, where specific divisional weaknesses in financial reporting exist, that individual division could be strengthened by unified effort and assistance from other divisions.

This position should also be vested with the power to implement financial accounting systems from one division to another, in order to increase the overall quality and uniformity of financial reporting.

In this way, the problems associated with exercising effective financial control over widely geographically separate campuses and divisions could be minimized.

BUSINESS CENTER 1

Expenditure Data	1977-78		1978-79	
	FTE	\$	FTE	\$
<u>Existing Faculty</u>				
Controller, H. Hattori (UNR)	1.00	31,071	1.00	32,469
Deputy Controller, D. Pease (UNR)	1.00	24,080	1.00	25,164
Grants/Contr. Admin., J. Murphy (UNR)	1.00	20,096	1.00	21,000
Accountant, B. Myers (UNR)	1.00	16,711	1.00	17,463
Chief Accountant, A. Roberto (DRI)	1.00	17,724	1.00	18,522
Accountant, M. Wycoff (WNCC)	1.00	18,462	1.00	19,293
Sub-Total	6.00	128,144	6.00	133,911
Fringe Penefits		14,096		14,730
Total Comp., Exist. Faculty	6.00	142,240	6.00	148,641
<u>Existing Classified</u>				
Asst. to Controller, A. Anderson (DRI)	1.00	13,120	1.00	13,120
Fis. & Adm. Serv. Officer, Rhinehart (Ag.)	1.00	21,806	1.00	21,806
Sr. Accountant, F. Thomas (Ag.)	1.00	18,097	1.00	18,097
Sr. Accountant, J. Gonzales (UNR)	1.00	18,097	1.00	18,097
Accountant, L. Jones (Ag.)	1.00	13,776	1.00	14,465
Accountant, J. Etcheveria (UNR)	1.00	15,744	1.00	15,744
Accountant, P. Paszek (UNR)	1.00	15,744	1.00	15,744
Student Loan Spec. I, G. Scott (UNR)	1.00	13,120	1.00	13,120
Prin. Account Clerk, M. Waltz (UNR)	1.00	12,540	1.00	12,540
Prin. Account Clerk, J. Jessop (UNR)	1.00	12,540	1.00	12,540
Sr. Account Clerk, J. McCold (UNR)	1.00	9,683	1.00	10,167
Sr. Account Clerk, C. Elbe (UNR)	1.00	10,130	1.00	10,637
Sr. Account Clerk, H. Coty (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, M. Djorkman (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, K. Morrison (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, J. Nelson (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, A. Barnard (Ag.)	1.00	10,961	1.00	10,961
Sr. Account Clerk, J. Baker (Ag.)	1.00	10,961	1.00	10,961
Sr. Account Clerk, L. Miller (DRI)	1.00	20,811	1.00	21,258
Sr. Account Clerk, M. Bearman (DRI)	1.00			
Sr. Account Clerk, A. Wright (WNCC)	1.00	21,000	1.00	22,050
Sr. Account Clerk, J. Belcher (WNCC)	1.00			
Account Clerk, E. Walter (UNR)	1.00	8,162	1.00	8,570
Account Clerk, Langman (UNR)	1.00	9,324	1.00	9,790
Account Clerk, A. Domenici (UNR)	1.00	8,144	1.00	8,552
Account Clerk, J. Williams (UNR)	1.00	10,075	1.00	10,075
Account Clerk, S. Harding (DRI)	1.00	8,801	1.00	9,189

Governor's Recommendation
Business Center 1 (Contd.)

<u>Expenditure Data</u>	<u>1977-78</u> Budget Request		<u>1978-79</u> Budget Request	
	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>
<u>Existing Classified (Contd.)</u>				
Prin. Clerk Typist, J. Morrissey (UNR)	1.00	10,961	1.00	10,961
Sub-Total Existing Classified	28.00	337,441	28.00	342,288
<u>New Classified</u>				
Prin. Account Clerk, E. Petersen (CCD)	1.00	11,500	1.00	12,075
Sub-Total All Classified	29.00	348,941	29.00	354,363
Fringe Benefits		46,060		46,774
Total Comp., All Classified	29.00	395,001	29.00	401,137
<u>Wages Positions</u>				
Wages (UNR)	4.45	22,072	4.45	22,072
Fringe Benefits @ .010		220		220
Total Comp., Wages Positions	4.45	22,292	4.45	22,292
<u>Operating</u> (UNR)		27,627		29,147
Total Business Center 1	39.45	587,160	39.45	601,217

(1) Ron Olgivie, Accountant, UNR was not funded by the Governor's Recommendation.
(1.00 - 21,831 & 1.00 - 24,104)

(2) Operating \$ not funded in Business area for:
DRI
CCD
Ag.

(3) No Wages in:
CCD
Ag.

GOVERNOR'S RECOMMENDATION

BUSINESS CENTER 2

Expenditure Data	1977-78		1978-79	
	Budget Request		Budget Request	
	FTE	\$	FTE	\$
<u>Fac. Salaries, Exist.</u>				
Controller	1.00	28,941	1.00	30,24
Chief Accountant	1.00	20,095	1.00	20,99
Asst. to Controller	1.00	19,815	1.00	20,70
Accountant	1.00	19,254	1.00	20,12
Coord. of Acct. & Fin.	1.00	18,884	1.00	19,73
Dean for Administration	0.50	12,396	0.50	12,95
Sub-Total	5.50	119,385	5.50	124,75
Fringe Benefits		13,133		13,72
Total Comp., Exist. Faculty	5.50	132,518	5.50	138,47
<u>Existing Classified</u>				
Prin. Accountant	1.00	19,860	1.00	19,86
Sr. Accountant	1.00	17,013	1.00	17,82
Accountant	1.00	15,744	1.00	15,74
Sys. Method. Analyst	1.00	10,487	1.00	10,96
Prin. Account Clerk	1.00	12,540	1.00	12,54
Prin. Account Clerk	1.00	12,540	1.00	12,54
Career Aide IV	1.00	9,632	1.00	10,06
Sr. Account Clerk	1.00	10,961	1.00	10,96
Sr. Account Clerk	1.00	10,961	1.00	10,96
*Sr. Account Clerk	1.00	9,532	1.00	9,77
*Sr. Account Clerk	1.00	9,532	1.00	9,77
Account Clerk	1.00	8,709	1.00	9,09
Account Clerk	1.00	9,124	1.00	9,52
*Account Clerk	1.00	9,532	1.00	9,77
*Account Clerk	1.00	9,532	1.00	9,77
Career Aide III	1.00	7,630	1.00	7,96
Intermed. Clerk Typist	1.00	7,034	1.00	7,33
*Sr. Clerk Typist	1.00	9,532	1.00	9,77
Sub-Total	18.00	199,895	18.00	204,23
Fringe Benefits		26,391		26,96
Total Comp., Exist. Classified	18.00	226,286	18.00	231,19

<u>Expenditure Data</u>	<u>1977-78</u> Budget Request		<u>1978-79</u> Budget Request	
	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>
<u>Wages Positions</u>				
Wages	2.07	10,330	2.07	10,330
Fringe Benefits		94		94
Total Comp., Wages Positions	2.07	10,424	2.07	10,424
Total Comp., All Employees	25.57	369,228	25.57	380,092
<u>Operating</u>		52,914		55,820
Total Center	25.57	422,142	25.57	435,912

*Used an average salary based on 1976-77 Work Program.
 Figure includes a 2.5% merit increase over 1976-77.

NEIL D. HUMPHREY
Chancellor

February 7, 1977

Mr. Lee Bergstrom
Mr. Harry Miltenberger
Kafoury, Armstrong, Turner and Co.
100 California Avenue
Reno, Nevada 89502

Gentlemen:

On January 20 I sent your "exposure draft" and the accompanying memo to the people listed and asked the presidents to coordinate the responses from their divisions.

Enclosed are copies of responses from:

1. DRI President Smith
2. UNLV President Baepler
 - A. Herman Westfall, Vice President for Business Affairs, UNLV
 - B. Wayne Williams, Controller, UNLV
3. CCD President Donnelly
 - A. David Wilkins, CCD Business Manager
 - B. W. T. Stefun, CCD Controller
4. UNR President Milam
 - A. E. L. Pine, Vice President-Business, UNR

Your further advice will be appreciated.

Cordially,

Original Signed by
Neil D. Humphrey
Neil D. Humphrey
Chancellor

NDH:jh
Enclosures

cc: Dr. Doug Mathewson
Miss Stephanie Siri

1137



DESERT RESEARCH INSTITUTE

University of Nevada System

Office of the President

Reno, Nevada 89507
(702) 784-6131

February 1, 1977

RECEIVED

FEB 1 1977

MEMORANDUM

TO: Chancellor Neil D. Humphrey Chancellor's Office

FROM: Lloyd P. Smith *L.P. Smith*

The employees of the DRI accounting office are presently employed full time providing the needed accounting functions to the Institute. If the DRI accounting office were consolidated into a System office the same number of employees would have to be assigned to DRI accounting functions resulting in no net savings. The DRI accounting office presently works very closely with individual principal investigators, providing them with needed information, and provides an essential service in the specialized costing of research proposals. Consolidation would require an additional employee in each Center to provide the interface that now exists.

Consolidation of accounting offices would result in the loss of identity with clients and would cause considerable confusion.

The accounting services provided by the DRI accounting office are sufficiently different from those of the Universities and Community College to justify the maintenance of a separate accounting office.

The creation of a System financial officer to provide uniformity in reporting and accounting would in my opinion create a great deal of confusion because uniformity in accounting between the Universities and DRI cannot be achieved with the DRI mode of operation. The internal audit function already provided from your office has assured proper accounting practices in the past and should continue to do so in the future.

For the above reasons I believe it imperative that the DRI must maintain its own accounting office. I therefore do not support either proposal made by the independent auditors, rather I suggest we find the means to continue as at present.

LPS/fl

1088



UNIVERSITY OF NEVADA, LAS VEGAS

4505 Maryland Parkway

Las Vegas, Nevada 89154

Office of the President

January 28, 1977

RECEIVED

JAN 31 1977

Chancellor's Office

Dr. Neil D. Humphrey
Chancellor, UN System
405 Marsh Avenue
Reno, Nevada

Dear Chancellor Humphrey:

I am pleased to enclose a memorandum from Vice President Herman Westfall and from Wayne Williams in relationship to the report from the certified public accountants. I very strongly endorse Mr. Westfall's recommendations and believe that they are sound and workable.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald H. Baepler".

Donald H. Baepler
President

DHB/pf

encl.



PRESIDENT'S OFFICE

JAN 28 1977

MEMORANDUM

University of Nevada, Las Vegas

January 27, 1977

TO: Dr. Donald H. Baepler
President

FROM: Herman W. Westfall *HW*
Vice President for Business Affairs

RE: Chancellor Humphrey's memorandum of January 20, 1977 and the
Certified Public Accountants' recommendations.

The undated memorandum from Kafoury, Armstrong, Turner & Co., CPA's, addressed to Chancellor Humphrey emphasized the need of a uniform university system of administrative processing of data and financial reporting. They listed two techniques for this. In Item #1 the CPA firm listed a method, in part, as follows:

"Establish a system-wide financial officer at the Chancellor's office with responsibility to establish uniform accounting policies. Continue budget and management control of business centers 1 and 2 within the structure of the two University campuses."

In my memorandum to you I will not comment on the last part of Item #1 concerning the handling of the accounting function for Clark County Community College. I presume that this would be determined by funds available. However, with proper funding, the Controller's Office at UNLV could handle this function for them efficiently and give them quick turn around on accounts payable checks. The CPA's report has been discussed with Wayne E. Williams, Controller, and I am including by attachment his comments on their report and recommendation.

It would be to the advantage of the University to have uniform accounting and processing and I would strongly recommend that we adopt Item #1 of the CPA report as quoted above. There could be saving in processing of data through the Computing Center with uniform procedures and the financial reports for the system could be produced with considerable savings in employee time.

I would urge that the University system not adopt Item #2 of the CPA's report as recommended by them. I do not believe that we would be made more efficient by a system-wide financial officer who had line authority over the controllers at the campuses. In fact, I believe it would be a less efficient operation. A system-wide financial officer could establish uniform systems and financial reporting if a strong individual with good university accounting background and a knowledge of data processing were placed in this position. This officer could accomplish this without line authority if the University adopted a policy that in these matters his word was considered the final authority. In fact, I believe that this could be accomplished with the present staff with the Internal Auditor handling this function.

Dr. Donald H. Baepler
January 27, 1977
Page Two

If the controllers reported directly to a system-wide financial officer, presidents would have on their campuses a significant number of employees over which they had no control or responsibility for. The controller and his staff do much more than furnish timely and meaningful reports. He, in addition, has the responsibility of controlling the budget and monitoring invoices by types of expenditures and assists in budget preparation. Many times a controller could question an invoice or other expenditure, although it would be a legal expenditure, and alert the president to the fact that it may be an undesirable expenditure and keep the president informed of what is going on in various departments. I think that this part of the controller's work is important and would not be as effective if the controller reported to an individual not responsible to the president. This is especially true when the supervisor would be at a distance of 450 miles from the campus.

On the first page of the CPA's report there are listed four components of the accounting function in the organization. These are:

1. Financial planning/budgeting
2. Administrative processing of data
3. Financial reporting
4. Financial/budget administration

I do not believe that these four components are so compartmentalized that they can be separated. Clearly, the controller has a responsibility in both No. 1 and No. 4. Particularly, Item No. 4 is one in which the controller must be involved. A good part of his responsibility is budget administration which includes budget control. This important function should be a line responsibility to the president.

The CPA's report has two page three's. The second page three, third paragraph, stresses the need within the system to share ideas on the improvement of financial systems and to adopt systems from one division to another. I agree that this should be done but I repeat that I feel that this could be done effectively without giving this position line authority but with the authority to insist on the adoption of uniform accounting and processing systems.

There would be many problems with giving the line authority for responsibilities that I have not mentioned. I think the day-by-day work within the controller's office would be made more difficult with this group not being a part of our own staff. This recommendation seems to be moving back to a more strict centralization of authority which we have been moving away from the last few years. I strongly urge you to recommend to the Chancellor that we adopt Item No. 1 of the CPA's letter but do not accept their recommendation of Item No. 2.

HWW/mm
attachment



UNIVERSITY OF NEVADA, LAS VEGAS

4505 Maryland Parkway

Las Vegas, Nevada 89154

Controller's Office (702) 739-3517

January 25, 1977

TO: Herman Westfall, Vice President for Business Affairs

FROM: Wayne E. Williams, Controller *Wayne E. Williams*

SUBJECT: Establishment of Two Business Service Centers

College and University Business Administration, Administrative Services manual emphasizes the uniqueness of university management. They state, "Society's commitment to higher education is a mandate to the institution to use its resources for purposes of great social importance. The task of college and university management is to insure the wise and most effective use of resources for such purposes." Under the range of management responsibilities for the business officers it states, "The management function is responsive to, and in a sense must tie together, all the interlocking elements of institutional life." It further states, "The distinctions between 'business' management and 'financial' or 'fiscal management' are not altogether clear and are, in fact, largely subject to institutional definition. The characteristic organization is one that combines in a single entity, under a single officer, all or most of the business and financial functions. It is the large or complex educational organizations that separation of responsibilities have become necessary....".

The assumption that the functions of financial planning/budgeting, administrative processing of data, financial reporting and financial/budget administration can be effectively separated is a matter of judgement. As indicated in the College and University Business Administrative Service manual, this separation usually occurs as a university becomes a large complex educational organization. The U.N.S. system supports no single organization that meets this criteria, so it would be a matter of individual judgement that such functions should be separated.

Due to the excellent and effective manner in which the two elements of business management and fiscal management has been combined under a single Business Affairs Officer at UNLV, I would not recommend separation of these two functions or support recommendation two of the CPA report on page two.

Separation of financial planning, budgeting and budget administration from administrative processing of data and financial reporting in my opinion, is the first step to management inefficiencies. The same

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Page 2
Mr. Westfall

persons involved in planning and preparing the budget should be responsible to see that all budget items are spent as planned. If a business affairs officer is to tie together all interlocking elements of institutional life and be responsible for the most effective use of resources, then the line responsibility for management and budgetary authority must remain under the Executive Officer of the respective business service areas.

I would support recommendation number one of the CPA report on page two. I do feel that a system-wide financial officer at the Chancellor's Office to establish uniform accounting policies could improve efficiency, make large-scale savings of resources and bring orderly development of procedures and reporting on a system-wide basis, that is, providing an experienced, qualified, mature and knowledgeable person is hired for this position.

WEW/sr



COMMUNITY COLLEGE DIVISION

Office of the President

RECEIVED

JAN 28 1977

Chancellor's Office

MEMORANDUM

January 28, 1977

TO: Dr. Neil D. Humphrey, Chancellor

Attached are views from Dave Wilkins and Bill Stefun on the exposure draft of the independent auditors on the concept of two accounting offices for the system. My ideas are similar to those Dave has mentioned.

I believe the second of their proposed techniques is the only one we could follow. We would have no money to contract with the universities for those services. I also think inventory and financial functions related to registration should be handled by those centers.

A handwritten signature in cursive script that reads "Charles Donnelly".

Charles Donnelly
President

nh
Attachments

1134



COMMUNITY COLLEGE DIVISION

Office of the President

MEMORANDUM

January 24, 1977

TO: Dr. Charles Donnelly, President, CCD

SUBJECT: Reorganization of Accounting Functions

I have reviewed the Chancellor's memorandum and the recommendations made by the independent auditors. As requested by the Chancellor, my response to the recommendations follows:

1. I agree in concept with the proposal and the rationale supporting the recommendation. I believe certain economies would be realized and that a more uniform system would result.
2. If the proposal is adopted I believe it's imperative that both business centers be under the administrative control of the Chancellor and the systemwide financial officer rather than UNR and UNLV.
3. The proposal makes no mention of the financial functions related to registration of students and how this activity would be conducted. This area needs further review and discussion. As you are well aware, a considerable amount of staff time is devoted to this function. Specifically, at WNCC, one professional accountant and two account clerks are assigned full-time to the registration function.
4. The proposal also makes no mention of the purchasing and inventory control function and the personnel function. If the intent is to exclude these areas from reorganization and leave them as campus-based functions, then WNCC in particular will need to provide staff in these areas. CCCC currently has staff that could continue in this capacity. NNCC would still require support from some area, possibly WNCC.
5. I would suggest further review of the persons to be transferred to accounting center #1. Three persons have been named; i.e., Wycoff, Wright and Belcher. I believe we should carefully analyze the work each position would be expected to perform, the length of service of each of our present staff and select the most senior person capable of performing each task.

1035

MEMO TO: Dr. Charles Donnelly, President, CCD
SUBJECT: Reorganization of Accounting Functions

Page 2.

January 24, 1977

6. If the Legislature were to restore all or part of the funds to support the CCD Business Office I would recommend continuation of the feasibility study with the thought in mind of consolidation of the additional positions. I believe the proposal has merit particularly in terms of uniformity and efficiency.

Thank you for the opportunity to review and respond to the proposal.



David C. Wilkins
Business Manager

nh



COMMUNITY COLLEGE DIVISION

Office of the Controller

January 26, 1977

MEMORANDUM

TO: Dr. Charles Donnelly, President-CCD

SUBJECT: Exposure draft regarding two accounting centers.

I have read and re-read the exposure draft from Kafoury, Armstrong, Turner & Company concerning two accounting offices for the University of Nevada System. It is very difficult to react to a proposal that is so vague and non-descriptive as to be almost meaningless; however I hope the following comments will be helpful.

1. A system-wide financial officer, responsible for accounting policies and procedures, is certainly feasible. Including management and budgetary authority in the financial officer's job makes the position much harder to believe. I do not think one individual, located in the chancellor's office, can effectively manage and be directly responsible for the operation of two separate accounting centers located 450 miles apart.
2. CCD is currently an autonomous division within UNS. The financial responsibility cannot be divided between two portions of the state and expect continuing consistency in financial reporting. Lack of accounting consistency will compound the difficulty in providing meaningful financial reports to a single administrative head. How can a single president fill his financial responsibilities to four separate campuses without consistent and comparative financial data?
3. UNR is currently involved in one area of CCD processing; receipt cards are still prepared by UNR, from our deposit slips, for computer input. Periodically one or more of our deposits wind up in one of UNR's accounts or in the wrong account within CCD. Forming a large accounting center, responsible for multi-campus financial processing, will compound the error factor tremendously.
4. CCD has three classified staff and one professional that handle the majority of the financial processing from all four campuses. These four people are quite

1/27

familiar with each campus's separate idiosyncrasies; subsequently many errors and questions can be easily and quickly resolved. Who will provide this type of quality control and processing in a large multi-campus accounting center?

5. UNR and UNLV pay more per credit for part-time instructors. CCD is able to provide quality instruction, to many more students, because they pay less per credit for part-time instructors. I think CCD would be pressured to pay the same rates as UNR and UNLV if CCD was identified as part of UNR and UNLV. This identification will occur if financial accounting is merged under UNR and UNLV.
6. A rather intense rivalry exists between UNR and UNLV. Splitting CCD between two separate accounting centers will be the first step in splitting CCD into two totally separate North and South campuses. This separation will lose the advantage of co-operation that currently exists between the four campuses.

In summary, I feel strongly that two accounting centers will compound and slow down processing for all campuses. Control over financial processing will be forced onto the separate campuses; however these campuses consistently demonstrate they do not have responsible personnel capable of properly and consistently controlling the financial processing of documents. I also feel that splitting CCD, between two accounting centers, is the first step in absorbing the Community College System into UNR and UNLV.

Sincerely,



William T. Stefun,
Controller - CCD

WTS:jc



UNIVERSITY OF NEVADA · RENO

RENO, NEVADA 89557 · (702) 784-6908

Max Milam, *President*

February 1, 1977

To: Chancellor Humphrey

From: Max Milam *Max Mil*

RECEIVED

FEB 1 1977

Chancellor's Office

Reference: Kafoury, Armstrong, Turner & Co. Proposal

I have discussed these proposals with my staff, and, in general, we find that we do not agree with them. Two different problems apparently are involved: (1) the need to economize, brought about by the University's budget difficulties, particularly those of CCD, and (2) the need for more consistency/uniformity in accounting and reporting among the various divisions of the University. Two proposals are advanced, only the second of which would have any bearing on the first problem.

As regards this proposal, and its relation to the need to economize, we doubt that economy would be the result. The UNR Controller's staff is involved in many campus activities in addition to its accounting duties -- e.g., registration, cashiering, student loans, and grant and contract administration. We would have to find ways to accommodate these functions, and these accommodations necessarily would involve additional expenses -- at least to UNR. Other divisions have similar problems. We have been informed by CCD that three of the four persons in that division listed as accounting personnel available for transfer actually are involved primarily in registration, and at least one of the DRI personnel apparently is not involved in accounting/reporting.

Numerous other efficiencies are realized by having the accounting/reporting functions located close to those who make or authorize expenditures -- or, stated more precisely, significant additional costs would result from the removal of these functions. These costs presumably would have to be borne by UNR, and we are not able to do so at this time.

As far as our Controller can determine on available information, no significant "economies of scale" would be realized to offset these increased costs and losses in efficiency. We base this on estimates of what would be required for the UNR office to take

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over the physical processing of CCD work on a service basis, which is another alternative for dealing with the first problem.

As concerns the need for consistency among the various divisions of the University, it would seem that internal audit would be the logical instrument through which this should be accomplished. If there are reasons why this is not happening, we should have the officers and chief financial administrators discuss the problems involved and the means of their resolution. But we cannot envision that the magnitude of these problems or the difficulty in resolving them would warrant such a major reorganization of the University.

Since we are in fact trying to deal with two different problems which have no intrinsic relation to one another, I suggest a series of discussions among the personnel who would be involved to see if we cannot find some less drastic and more effective manner of dealing with each of them.

Enclosure: Memo from Ed Pine



UNIVERSITY OF NEVADA · RENO

RENO, NEVADA 89507 · (702) 781-6516

JAN 27 1977

President's Office

January 26, 1977

VICE PRESIDENT
BUSINESS

MEMORANDUM

TO: Max Milam, President

FROM: Edward L. Pine, Vice President, Business

SUBJECT: Two Accounting Offices

I have reviewed the memorandum of January 20, 1977, from Chancellor Humphrey, which included other documents.

In reading the letter to Chancellor Humphrey from Kafoury, Armstrong, Turner & Co., I am confused as to their ultimate recommendation based upon their comments as to what should be and is definitely campus oriented.

Of the two divergent techniques, they have, in my opinion, disregarded much of their earlier statements and evaluation and selected a technique that would be difficult to administer and more difficult to control. I would select their first alternative.

My reason for such selection is that the management of finances should be as close to those who are responsible for the expenditures as possible. The System should have a qualified financial officer to establish policies and procedures and to require that the individual campuses meet the requirements established.

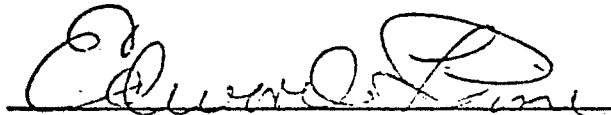
The person selected to set forth the policies and procedures should be one who has a great deal of background in the field of management of financial affairs and one who will be qualified in all respects to make the decisions and issue the directives to see that the processing and reporting functions are adhered to by all campuses.

The processing and reporting function requires a considerable amount of personnel when a budget which reaches the proportions collected and expended by the University. These people need to be at the source and not removed. Therefore, in my opinion, the personnel required to administer the financial affairs of the respective units will compare closely to the present members employed. If they are centered in one area, it will require space.

In reviewing the personnel listed for possible inclusion in Business Center 1, it is noted that several persons are not involved in finance but actually in registration which makes them of little value in the financial area.

Max Milam
January 26, 1977
Page 2

I urge that Alternative I be the technique followed, that a Systemwide financial officer be recruited and that at least a year be allocated to the program for coordination of all functions. I also recommend that some flexibility be built into the procedures, particularly in the processing and reporting procedures concerning the College of Agriculture and the Medical School.



Edward L. Pine

ELP:ed

CC: K. D. Jessop
H. Hattori

February 24, 1977

MEMORANDUM

To: President Donald H. Baepler
President Charles R. Donnelly
President Max Milan
President Lloyd P. Smith
Vice President Herman Westfall
Vice President Edward L. Pine
Mr. Mark Dawson
Mr. David Wilkins
Mr. Henry Hattori
Mr. Wayne Williams
Mr. Bill Stefun

Please see my memorandum of January 20 concerning the "exposure draft" prepared by Kafoury, Armstrong, Turner & Co. Your responses to that memorandum were reviewed by KAT & Co. and their further comments are enclosed.

May I please have the benefit of your further advice before I develop a recommendation? Please coordinate through the Presidents. I would appreciate having this at your earliest convenience.

Neil D. Humphrey
Chancellor

NDH:jh
Enclosure

cc: Miss Stephanie Siri
Dr. Douglas Mathewson
Kafoury, Armstrong, Turner & Co.

KAFOURY, ARMSTRONG, TURNER & Co.

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

100 CALIFORNIA AVENUE
RENO, NEVADA 89502
TELEPHONE (702) 322-9471

February 19, 1977

Neil D. Humphrey
Chancellor
University of Nevada System
405 Marsh Avenue
Reno, Nevada 89509

Dear Chancellor Humphrey:

We have reviewed the responses to our recent "exposure draft" recommending a consolidation of accounting processing and reporting functions of the various divisions of the University of Nevada System. The exposure draft offered two alternatives to accomplish the consolidation. The first placed line authority over two business centers within UNR and UNLV. The second placed line authority within the chancellor's office.

From the responses, we interpret the preferred alternative of the divisions to be:

DRI	Neither
UNR	Alternative 1
UNLV	Alternative 1
CCD	Alternative 2

From the divisions' responses we offer the following summations:

- DRI does not recognize that one division of the System (CCD) has lost its funding to provide accounting processing and reporting. The reality is that the other three divisions must be flexible in accomodating CCD unless the legislature restores CCD's administrative funding.
- UNLV's response indicates they presently have the capability to provide processing and reporting services for Clark County Community College.

They do not believe that these functions would be made more efficient with line authority directly to the chancellor's office over the various campus controllers. They have indicated that a system wide financial officer would be of benefit to the University in a policy development role.

- 4-
- UNR's response like DRI's, does not present an alternative to provide accounting, processing and reporting services for CCD.

The vice president of business and finance at UNR favors employment of a system wide financial officer.

UNR has indicated that it presently does not have the capability to service WNCC, NNCC and CCD administration.

The second step to alleviate the problems of 1) Community College administrative funding and 2) accounting policy development for the System should contemplate a) employment of a system wide financial office, b) creation of two business centers for accounting, processing and reporting, and c) determination of where line authority over the two business centers should be vested.

We recommend, based upon the responses reviewed,

- a. That the System proceed to employ a vice chancellor, business and finance, to develop accounting and reporting policy and supervise the policies on a system wide basis.
- b. That the System proceed with the business center concept.
- c. That line authority over campus controllers and business centers remain with the divisions.

It is our opinion that this realignment of functions would not have a material effect on the present staffing and physical location of personnel at DRI, UNLV and CCCC. The major effort would entail re-allocation to UNR's controller's office (business center north), many of CCD's accounting and processing activities currently performed by CCD administration.

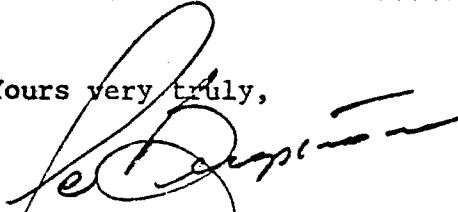
If the above recommendations are accepted we recommend that the third step be:

- 1. Analysis of specific accounting and reporting functions of CCD, WNCC and NNCC to determine which accounting oriented positions should remain on the campuses.
- 2. Analyze the personnel and space requirements of the UNR controller's office to determine their needs, and their capacities for accepting the additional responsibilities.

1005

We believe the above two processes can be accomplished on a timely basis under our general co-direction with the internal audit group of the System. We would be pleased to discuss this further at your convenience.

Yours very truly,



Leroy R. Bergstrom

LRB:jv

1996



COMMUNITY COLLEGE DIVISION

Office of the President

RECEIVED

MAR 15 1977

Chancellor's Office

MEMORANDUM

March 15, 1977

TO: Dr. Neil D. Humphrey, Chancellor

I believe that the proposed reorganization for the Community College Division would negate the necessity of having the proposal of Kafoury, Armstrong, Turner and Company adopted.

Their proposal would still place community colleges under the universities and this would mean an end to our autonomy.

The employment of a system financial officer does have merit.

Charles Donnelly

Charles Donnelly
President

nh

1977



UNIVERSITY OF NEVADA, LAS VEGAS

4505 Maryland Parkway

Las Vegas, Nevada 89154

Office of the President

March 7, 1977

RECEIVED

MAR 11 1977

Chancellor's Office

Dr. Neil D. Humphrey
Chancellor, UN System
405 Marsh Avenue
Reno, Nevada 89507

Dear Chancellor Humphrey:

I am pleased to provide memoranda from Mr. Herman Westfall and Mr. Wayne Williams concerning the comments of the accountants which you requested in your recent memorandum to me. I agree with the comments provided by both of these gentlemen and particularly agree with the need for expeditious action should we implement the concept of a business center located at the UNLV campus.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald H. Baepler".

Donald H. Baepler
President

DHB/pf

encls.

1:03

MEMORANDUM

March 2, 1977

TO: Dr. Donald H. Baepler
President

FROM: Herman W. Westfall *[Signature]*
Vice President for Business Affairs

RE: Chancellor Humphrey's memo of February 24, 1977
CPA Recommendations

In his memo of February 24, 1977, Chancellor Humphrey requested that we answer the CPA's recommendations through your office. The letter from Kafoury, Armstrong, Turner & Co. dated February 19, 1977 made three recommendations on page two of the letter. These recommendations are as follows:

- a. That the System proceed to employ a vice chancellor, business and finance, to develop accounting and reporting policy and supervise the policies on a system wide basis.
- b. That the System proceed with the business center concept.
- c. That line authority over campus controllers and business centers remain with the divisions.

I agree with recommendations a. and c. and, as I stated in my memo to you of January 21, 1977, that the Controller's Office with proper funding could act as a business office center to include Clark County Community College. I do not feel that I should recommend that we assume this function but would presume that this would be determined by funds made available by the legislature.

The CPA firm indicated in their letter that UNLV presently has the capability to provide processing and services for Clark County Community College. We assumed that the budget for business office center 2 that was attached to Chancellor Humphrey's January 27, 1977 memo would be the budget we would have if business office center 2 at UNLV was established. That included 2½ additional professional positions and 5 classified positions. Perhaps we would not need all of these positions but would suggest that we be included in the study as recommended by the CPAs at the bottom of page two of their letter of February 19th to determine what the staffing and funding of UNLV's Controller's Office should be if a business office center is established on our campus.

Attached is a memo from Wayne Williams, Controller at UNLV, in which he has made essentially the same comments on the CPA's recommendations as I have. I concur with Mr. Williams' last paragraph in which he states that if we are to assume a business office center concept by July 1, 1977, we should know very shortly so that plans can be made and space found for this function.

HWW/mm
attachment

PRESIDENT'S OFFICE

MAR 2 1977

1-109



February 28, 1977

TO: Herman Westfall, Vice President for Business Affairs
FROM: Wayne E. Williams, Controller *Wayne E. Williams*
RE: Chancellor Humphrey's Letter Dated February 24, 1977,
Comments Kafoury, Armstrong, Turner & Co.

Page 2, Recommendation a, b, and c.

I concur with all three recommendations. Their follow-up paragraph indicated that their recommendation would have no material effect on present staffing and physical location of personnel at DRI, UNLV, and CCCC.

My original comments as well as the Vice President for Business Affairs were made fully considering that the budget for the Business Center 2 attached to Kafoury, Armstrong, Turner & Company's report was part of their recommendations. In this original recommendation, 2 1/2 professional positions and 5 classified staff positions were added to the UNLV Controller's Budget. If the recommendations a, b, and c above are implemented, it would be absolutely necessary to include UNLV and CCCC in the study recommended on the bottom of page 2, ie.:

1. Analysis of specific accounting and reporting functions of CCCC to determine which accounting oriented positions should remain on campus.
2. Analyze the personnel and space requirements of the UNLV Controller's office to determine their needs and their capacities for accepting the additional responsibilities.

With the inclusion of UNLV and CCCC in the above study, then I could recommend acceptance of Kafoury, Armstrong, Turner & Company's report and would recommend some timely immediate action if this is to be implemented by July 1, 1977.

WEW/sr

100



DESERT RESEARCH INSTITUTE

University of Nevada System

Office of the President

Reno, Nevada 89507
(702) 784-6131

March 21, 1977

MEMORANDUM

TO: Chancellor Neil D. Humphrey

FROM: Lloyd P. Smith *L. P. Smith*

This is in response to your memo of February 24, 1977 requesting additional recommendations concerning the latest proposal by Kafoury, Armstrong, Turner & Co.

I do not see enough difference in their second recommendation to change my response to you of February 1, 1977. Therefore, I have no further recommendations.

LPS/ea

RECEIVED
MAR 22 1977
Chancellor's Office

1977

NEIL D. HUMPHREY
Chancellor

March 22, 1977

MEMORANDUM

To: Chancellor Humphrey

Subject: Consolidation of Accounting Processing
and Reporting Functions

Your memorandum dated February 24, 1977 transmitted the further comments of Kafoury, Armstrong, Turner & Company on the subject matter to the Presidents and division business officers. The division business officers met on March 9, 1977 and the KAT comments were discussed. The following persons were in attendance at this meeting:

Henry Hattori, UNR
Dan Pease, UNR
Wayne Williams, UNLV
Mark Dawson, DRI
Art Roberto, DRI
Dave Wilkins, CCD
Bill Stefun, CCD

It was the decision of those present that one response to your memo be submitted. I was designated to draft this response.

The business officers noted that the Board of Regents, at their meeting February 18, 1977, reaffirmed its intention that CCD remain an autonomous division of the UNS. The business officers interpret this stand to mean that a source of funding positions for the continued operation of the CCD business office would be developed from the funds appropriated by the Legislature to CCD. For example, if funds are appropriated for an accountant at WNCC, that accountant will be transferred to the CCD business office. This same principle would apply with other positions within the CCD centers to provide staffing of the CCD business office. Of course, it is also possible that the Legislature may restore funding to the CCD business office which would eliminate the need to consider consolidation of accounting operations into a north and south center.

1012

If circumstances develop which result in the concept of two business centers being implemented, it is the consensus of the business officers that further study would be necessary at that point to determine efficiency of the operations, cost, and staffing requirements. They recommend that an Ad Hoc Committee be appointed at that time, which would consider the details of consolidating business services. They feel the Committee should consist of the business officers themselves, as they have direct knowledge of the services required, costs, space considerations, and staffing needs. They point out that no one from the firm of Kafoury, Armstrong, Turner & Company has contacted any of the business officers for input in preparing phases I and II of their "exposure draft."

In summary, the business officers have chosen to adopt a "wait and see" approach to the matter of business center consolidation pending disclosure of President Donnelly's plan for reorganization of CCD to be discussed at the April 1, 1977 Board of Regents meeting, and final action of the Legislature regarding general fund appropriation to CCD.

The business officers point out the following potential problems in a consolidation of business centers:

- 1) It is questionable whether efficiency would result in realignment of functions from CCD, WNCC and NNCC to the UNR Controller's Office. Mr. Hattori feels he would need the same number of additional positions as are now employed at CCD to perform functions transferred.

- 2) Mr. Hattori feels he is only capable of operating a service center for CCD and would not desire to assume responsibility for making decisions on CCD's expenditures and other accounting functions. Therefore, someone within CCD would have to be designated to serve as Controller for that division.

- 3) It is unclear whether it is intended for CCCC operations to be absorbed by UNLV. If this is the intent, it would create problems with comparability for the various CCD campuses to be split between business centers.

- 4) While the KAT report states that a realignment would not have a material effect on CCCC, it was noted that CCCC is by no means autonomous. Currently, payroll and accounts payable are processed through the CCD business office in Reno. If these two functions were delegated to business center 2 (UNLV),

Chancellor Humphrey
March 22, 1977
Page 3

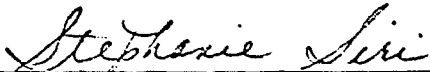
Wayne Williams would insist on having authority and control over CCCC since it would be using his office for processing. This is the opposite attitude of Mr. Hattori who does not desire to assume authority over CCD operations which may be realigned to his office. Mr. Williams feels that assumption of CCD functions may require additional positions at UNLV, but he would be unable to determine the number until a study is performed.

5) It will be necessary to provide staff for the CCD registration process which takes place continuously throughout the year. Someone would have to be responsible for supervising this effort.

6) The cashier function would be necessary at each CCD center and again, supervision will have to be arranged.

These are just some of the problems which would have to be considered should the business office consolidation become a reality.

The KAT recommendation for employment of a system financial officer within the Chancellor's Office was also discussed. It was agreed that such a position would be desirable to the UNS in developing accounting and reporting policies and supervising implementation of such policies, as practical, on a systemwide basis. The business officers recognize that each division of the UNS is currently utilizing different programs in such areas as registration, accounts receivable, accounts payable, and reporting. The advantage of developing standard systems where possible is generally accepted. Each business officer present at the meeting pledged his willingness to cooperate with a system financial officer. The business officers expressed their agreement with the KAT recommendation that, while such a position would be located in the Chancellor's Office, it would not have line authority over division controllers.


Stephanie Siri
Director of Internal Audit

cc: Mr. Henry Hattori
Mr. Dan Pease
Mr. Wayne Williams
Mr. Mark Dawson

Mr. Art Roberto
Mr. Dave Wilkins
Mr. Bill Stefun

NEIL D. HUMPHREY
Chancellor

April 4, 1977

MEMORANDUM

To: The Honorable Floyd Lamb
Chairman, Senate Finance


The Honorable Don Mello
Chairman, Assembly Ways and Means

At its meeting on April 1, 1977, the Board of Regents approved a proposed reorganization of the Community College Division designed to accommodate to a substantial reduction in staff available for the CCD central administration. President Donnelly's proposal, as approved by the Board of Regents, is enclosed.

As you will note from the comparative data included in the proposal, the revised budget request made possible by this proposed reorganization represents a reduction from the current work program of \$609,792 to \$479,538 requested for 1977-78 (see page 6 of enclosure).

This proposed reorganization was developed following action by the Board of Regents in February to reaffirm its policy that the Community College Division continue to be an autonomous division of the University of Nevada System. We believe that the compromise reflected in this proposal will allow the Central Administration of CCD to continue to perform its two main functions: i.e., (1) the planning, organizing and supervising of the three community colleges in the state; and (2) the providing of services to the campuses of the Community College Division in the most efficient and economical manner possible.

We respectfully request your consideration of this compromise proposal and its accompanying revised budget request.



Neil D. Humphrey
Chancellor

NDH/bl

cc: Charles R. Donnelly
Ron Sparks
John Dolan
Howard Barrett

1915

The Community College Division Office currently performs two main functions:

1. Planning, organizing and supervising the three community colleges in the state.
2. Providing services to the four campuses.

The first of these functions is primarily the duty of the President and can continue to be handled the same way under this recommendation.

Following are the current services provided to the four campuses.

1. Accounting

Payroll of 1,250 paychecks each pay period; 30,000 accounts payable each year including invoices; purchase orders; travel claims; transfers and varied transactions; processing and maintenance of equipment and space inventories.

2. Funds and Grants

Processing of all federal and private grants and contracts including Basic Educational Opportunity Grants (BEOG); Supplemental Educational Opportunity Grants (SEOG); the Veterans Cost of Instruction Program (VCIP) and the Comprehensive Employment Training Act (CETA); Work grants for students and cooperative education grants; handling of library grants, vocational education grants, instructional equipment grants, emergency medical training, crime prevention and Adult Basic Education grants; management of National Defense Student Loan Funds; scholarship funds and private loan funds.

3. Instructional

The establishment and maintenance of a master file of courses, a control of utmost importance to quality education; the processing of all matters relating to credit transfers to other colleges and the editing of catalogs and brochures.

4. Registration Finance

The control and distribution of student fees.

5. Purchasing

Control of the purchasing process and the preparation of reports relating to purchases.

6. Personnel

All the processing for both professional and classified personnel, including compliance with Affirmative Action and Title IX guidelines; advising and informing personnel on insurance and retirement matters as information is requested.

7. Budgeting

Continuous preparation of reports and control of cash flow; constant checking of expenditures to stay within appropriations and cash balances; gathering and organizing of information from all areas of operation to prepare annual budgets, a process that takes several months.

1016

I recommend that the following titles within the President's Office be changed to more appropriately designate the functions of the positions:

1. Business Manager to Director of Business Services.
2. Administrative Assistant to the President to Director of Instructional Services.
3. Public Information Officer to Director of Publication and Student Services.

The services provided by the President's Office to the campuses would be supervised in the following manner:

1. Accounting. The accounting functions would come under the general supervision of the Director of Business Services, assisted by the Controller, with one Accountant being charged with the specific supervision for WNCC and NNCC and the other Accountant for CCCC.
2. Fund and Grants. The Director of Instructional Services would supervise and coordinate all of these programs for each campus and the Director of Business Affairs would be charged with the fiscal responsibility for all these programs.
3. Instructional. These duties would be handled jointly by the Director of Publication and Student Services and the Director of Instructional Services.
4. Registration Finance. The Controller would have the supervisory responsibility for these services with the two previously mentioned accountants having direct responsibility for their campuses. Each campus would have a cashier to work directly with the personnel mentioned above.
5. Purchasing. The Purchasing Agent under the direct supervision of the Director of Business Services would handle these duties for WNCC and NNCC. The Director of Purchasing at CCCC under the supervision of the Director of Business Services would handle these duties for CCCC.
6. Personnel. The President would be responsible for all full-time professional contracts and personnel. The Executive Vice-President of each campus would be responsible for all part-time professional contracts and personnel as well as all classified personnel. Compliance with Affirmative Action and Title IX guidelines would be the responsibility of each Executive Vice-President.
7. Budgeting. These duties would be handled by the Director of Business Services under the direct supervision of the President.

1017

This revised budget necessitates the elimination of the following professional positions:

1. Assistant to the President (CCD)
2. Personnel Director (CCD)
3. Executive Dean of Administrative Services (CCCC)
4. Associate Dean of Administrative Services (CCCC)
5. Coordinator of Finance (CCCC)
6. Assistant to the Purchasing Agent (CCCC)

It also necessitates the elimination of the following classified positions:

1. Principal Clerk typist (CCD)
2. Four (4) account clerks (CCCC)

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COMMUNITY COLLEGE DIVISION
REVISED BUDGET REQUEST

<u>Area/Dept./Position</u>	1976-77 Work <u>Program</u>	1977-78 Governor <u>Recommends</u>	1977-78 Revised <u>Request</u>	1978-79 Governor <u>Recommends</u>	1978-79 Revised <u>Request</u>	1977-79 Revised <u>Request</u>
COMMUNITY COLLEGE DIVISION						
Prof. - Existing						
President	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	
Asst. to the President	30,100		-0-		-0-	
Adm. Asst. to President	26,000		27,430		28,939	
Business Manager	26,600		28,063		29,606	
Personnel Director	24,500		-0-		-0-	
Controller	18,900		19,940		21,037	
Public Info. Officer	19,400		20,467		21,593	
SUB-TOTAL	<u>171,250</u>	<u>38,000</u>	<u>133,900</u>	<u>38,000</u>	<u>139,175</u>	\$273,075
Fringe	19,865	4,408	15,532	4,408	16,144	31,676
TOTAL EXISTING	<u>191,115</u>	<u>42,408</u>	<u>149,432</u>	<u>42,408</u>	<u>155,319</u>	<u>304,751</u>
Prof. - New						
Accountant 1		\$18,462	\$18,463	\$19,293	\$19,478	
Accountant			18,000		18,990	
SUB-TOTAL		18,462	36,463	19,293	38,468	74,931
Fringe		2,142	4,230	2,238	4,462	8,692
TOTAL NEW		<u>20,604</u>	<u>40,693</u>	<u>21,531</u>	<u>42,930</u>	<u>83,623</u>
Classified - Existing						
Admin. Secr. II	\$14,603	\$15,333	\$15,333	\$16,099	\$16,099	
Prin. Acct. Clerk (2)	26,156		27,463		28,836	
Sr. Acct. Clerk	10,680		11,214		11,755	
Prin. Clerk Typist	10,918		-0-		-0-	
Account Clerk	9,387		9,856		10,349	
Sr. Clerk Typist (2)	16,898		17,742		18,629	
SUB-TOTAL	<u>88,642</u>	<u>15,333</u>	<u>81,608</u>	<u>16,099</u>	<u>85,668</u>	167,276
Fringe	11,258	1,947	10,364	2,045	10,880	21,244
TOTAL EXISTING	<u>99,900</u>	<u>17,280</u>	<u>91,972</u>	<u>18,144</u>	<u>96,548</u>	<u>188,520</u>

¹ Transfer from WNCC budget

COMMUNITY COLLEGE DIVISION
REVISED BUDGET REQUEST

<u>Area/Dept./Position</u>	1976-77 Work Program	1977-78 Governor Recommends	1977-78 Revised Request	1978-79 Governor Recommends	1978-79 Revised Request	1977-79 Revised Request
COMMUNITY COLLEGE DIVISION (Cont.)						
Classified - New						
¹ Property Mgmt. Spec.			\$15,000		\$15,825	
Sr. Acct. Clerk (2)			19,600		20,678	
Acct. Clerk (3)		\$32,500	27,000	\$34,125	28,485	
Purchasing Agent			17,500		18,463	
Cashier			16,500		17,408	
SUB-TOTAL		32,500	95,600	34,125	100,859	196,459
Fringe		4,026	12,141	4,240	12,809	24,950
TOTAL NEW		36,526	107,741	38,365	113,668	221,409
Wages	\$ 4,905	-0-	-0-	-0-	-0-	-0-
Fringe	40	-0-	-0-	-0-	-0-	-0-
TOTAL WAGES	4,945	-0-	-0-	-0-	-0-	-0-
TOTAL COMPENSATION						
All Employees	295,960	116,818	389,838	120,448	408,465	798,303
Operating						
In-State Travel	6,000		6,000		7,000	
Supplies & Misc.	40,419		41,300		44,000	
Equipment			21,800		10,200	
Office Space Rental			18,000		21,600	
TOTAL OPERATING	46,419	4,000	87,100	4,000	82,800	169,900
Out-of-State Travel	2,000	1,500	2,600	1,500	2,800	5,400
TOTAL CCD ADMINISTRATION	\$344,379	\$122,318	\$479,538	\$125,948	\$494,065	\$973,603

¹ Transfer from WNCC budget

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COMMUNITY COLLEGE DIVISION
REVISED BUDGET REQUEST

Area/Dept./Position	1976-77 Work Program	1977-78 Governor Recommends	1977-78 Revised Request	1978-79 Governor Recommends	1978-79 Revised Request	1977-79 Revised Request
Deletions from W.P. & Gov. Rec.						
WESTERN NEV. COMM. COLLEGE						
Divisional Services	\$61,300	-0-	-0-	-0-	-0-	-0-
NORTHERN NEV. COMM. COLLEGE						
Divisional Services	5,000	-0-	-0-	-0-	-0-	-0-
CLARK CO. COMM. COLLEGE						
Exec. Vice-Pres. Office						
Dean of Administration	23,500	24,793	-0-	25,909	-0-	-0-
Fringe	2,726	2,876	-0-	3,005	-0-	-0-
Total Exec. Vice-Pres.	26,226	27,669	-0-	28,914	-0-	-0-
Divisional Services	80,000	-0-	-0-	-0-	-0-	-0-
Business & Personnel						
Prof. - Existing						
Coord, Acct. & Fin.	17,900		-0-		-0-	-0-
Asst. to Pur. Agent	12,144		-0-		-0-	-0-
SUB-TOTAL	30,044	31,696	-0-	33,122	-0-	-0-
Fringe	3,485	3,677	-0-	3,842	-0-	-0-
TOTAL	33,529	35,373	-0-	36,964	-0-	-0-
Classified - Existing						
4 Positions	37,200	38,124	-0-	40,221	-0-	-0-
Fringe	4,724	4,842	-0-	5,108	-0-	-0-
TOTAL	41,924	42,966	-0-	45,329	-0-	-0-
Associate Dean	15,590	-0-	-0-	-0-	-0-	-0-
Fringe	1,844	-0-	-0-	-0-	-0-	-0-
SUB-TOTAL	17,434	-0-	-0-	-0-	-0-	-0-
TOTAL CCCC	199,113	106,008	-0-	111,207	-0-	-0-
TOTAL - NET	\$609,792	\$228,326	\$479,538	\$237,155	\$494,065	\$973,603

(B/R 4/1/77) - Ref. 16 Pg. 6 of 8

COMMUNITY COLLEGE DIVISION
REVISED BUDGET REQUEST

SUMMARY

1. The 1976-77 Work Program for CCD Administration plus divisional services at the three colleges plus the positions to be deleted at CCCC totaled \$609,792. By comparison the 1977-78 request including the same services totals \$479,538 or \$130,254 less.
2. In the 1977-78 budget the Governor recommended \$228,326 for the business services included above. An additional \$251,212 will need to be appropriated to CCD.
3. The items listed under Clark County Community College represent reductions of \$106,008 to be made to that budget. The revised request for CCCC in these areas then becomes:

	<u>1977-78 Revised Request</u> ¹	<u>1978-79 Revised Request</u> ¹
<u>Executive Vice-President's Office</u>		
Total	Reduced from \$176,159 to \$148,490	Reduced from \$191,549 to \$153,831
<u>Business and Personnel</u>		
Total	Reduced from \$209,198 to \$130,859	Reduced from \$273,969 to \$134,448
Total CCCC	Reduced from \$4,744,786 to \$4,638,778	Reduced from \$5,377,527 to \$5,266,320

4. The Business and Personnel Office at CCCC as revised would consist of 2 FTE professionals, one accountant and one purchasing agent plus 5 classified positions to assist in purchasing, registration, cashiering, loans and accounts payable processing.

¹/Using the Governor's Recommended Figures

1022

REDUCTION IN FORCE

The drastic reduction in monies for the Community College Division Office and Clark County Community College has necessitated a reorganization in order to carry out the functions necessary to serve students in the Nevada Community Colleges.

This reorganization will eliminate six professional positions and five classified positions. The duties of the Assistant to the President can be absorbed by the President and Director of Business Services. The duties of the Personnel Director can be absorbed at the various campuses. The Executive Vice-Presidents at NNCC and WNCC-S, the Associate Dean of Personnel at CCCC, and the Administrative Assistant at WNCC-N will handle these duties. The Principal Clerk Typist worked with the Personnel Director and that position would not be needed if there were no Personnel Director.

The Administrative Services at CCCC would be absorbed by the Division Office so there would not be a need for the two Deans. The Coordinator of Finance and the Assistant to the Purchasing Agent positions would be absorbed by the Division Office as well as the four account clerks.

1033

MEMORANDUM

TO: Assembly Ways and Means Committee
 FROM: Howard E. Barrett

The recommendation for Community College Administration as contained in the Executive Budget is still supported. If for identity purposes the Legislature wished to retain a separate budget, we would not object. However, that separate office should not, in our opinion, provide the central business services to the local Community Colleges. If University of Nevada Reno, University of Nevada Las Vegas and Desert Research Institute are not centralized, why should Northern Nevada Community College, Western Nevada Community College and Clark County Community College be centralized?

An approach that we would recommend is centralization of all units of the University of Nevada System. Below is a computation of administrative functions as shown in the Executive Budget.

Combined Administrative Function

University of Nevada System

	<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>
Professional Positions	20.00	18.00	18.00
Classified Positions	71.00	67.00	67.00
Wage Positions	<u>5.80</u>	<u>8.46</u>	<u>8.46</u>
Total Positions	96.80	93.46	93.46
Total Cost		\$1,521,540	\$1,558,462

The list is not complete and may contain positions that should not be centralized. From the information in the Budget Office we can ascertain the exact duties of all positions.

Kafoury, Armstrong, Turner and Company have done a study (Attachment 2) which identifies 65 positions in the Governor's recommended budget for 1977-79 that are involved in accounting alone. That study recommends establishing two business centers.

If this concept is supported we would recommend the Appropriations Act contain language similar to the following:

The Board of Regents are hereby directed to establish one or two business centers for the purpose of providing accounting services, including payroll, classified personnel services and purchasing services.

To accomplish this the regents are authorized to transfer positions and money from the appropriations made for University of Nevada Reno, University of Nevada Las Vegas, Desert Research Institute, Western Nevada Community College, Clark County Community College and Northern Nevada Community College to a new budget account to be used for providing business functions.

1975-76

1976-77

1977-78

1978-79

DNR

Vice President Business

	Actual		Work Program		Agency Request		Governor Recommends		Agency Request		Governor Recommends	
	FTE Pos.	Dollars	FTE Pos.	Dollars	FTE Pos.	Dollars	FTE Pos.	Dollars	FTE Pos.	Dollars	FTE Pos.	Dollars
Professional Positions	2.00	\$	2.00	\$ 57,096	1.00	\$ 38,000	1.00	\$ 37,500	1.00	\$ 38,000	1.00	\$ 37,500
Classified Positions	1.00		1.00	12,540	1.00	12,540	1.00	12,540	1.00	12,540	1.00	12,540
Wage Positions	.08		.08	397	.08	397	.08	397	.08	397	.08	397
Fringe Benefits				7,762		5,700		5,784		5,799		5,784
Total Positions	3.08	\$ 72,784	3.08	\$ 77,795	2.08	\$ 56,637	2.08	\$ 56,221	2.08	\$ 56,637	2.08	\$ 56,221
In-State Travel				300		500		500		500		500
Supplies and Miscellaneous				1,700		1,150		1,100		1,100		1,100
Equipment				0		350		600		600		600
Total Operating		\$ 1,117		\$ 2,000		\$ 2,000		\$ 1,240		\$ 2,200		\$ 1,358
Total Vice President Business	3.08	\$ 73,901	3.08	\$ 79,795	2.08	\$ 58,637	2.08	\$ 57,461	2.08	\$ 58,837	2.08	\$ 57,579

Personnel Office

Professional Positions	1.00	\$	1.00	\$ 23,394	1.00	\$ 25,733	1.00	\$ 24,680	1.00	\$ 28,207	1.00	\$ 25,791
Classified Positions	3.00		3.00	33,401	3.00	34,621	3.00	34,621	3.00	35,750	3.00	35,750
Wage Positions	.20		.19	925	.19	942	.19	942	.19	942	.19	942
Fringe Benefits				6,778		7,184		7,292		7,605		7,565
Total Positions	4.20	\$ 58,537	4.19	\$ 64,498	4.19	\$ 68,480	4.19	\$ 67,535	4.19	\$ 72,604	4.19	\$ 70,048
In-State Travel				375		430		470		470		470
Supplies and Miscellaneous				3,080		3,348		3,710		3,710		3,710
Equipment				45		480		0		0		0
Total Operating		\$ 3,634		\$ 3,500		\$ 4,258		\$ 4,033		\$ 4,180		\$ 4,255
Out-of-State Travel				332								
Total Personnel Office	4.20	\$ 62,503	4.19	\$ 67,998	4.19	\$ 72,738	4.19	\$ 71,563	4.19	\$ 76,784	4.19	\$ 74,303

Purchasing Office

Classified Positions	8.00	\$	8.00	\$ 114,823	9.00	\$ 128,197	8.00	\$ 116,733	9.00	\$ 129,961	8.00	\$ 117,974
Wage Positions	.20		.19	925	.19	943	.19	943	.19	943	.19	943
Fringe Benefits				14,591		16,288		15,417		16,512		15,581
Total Positions	8.20	\$ 120,685	8.19	\$ 130,339	9.19	\$ 145,428	8.19	\$ 133,093	9.19	\$ 147,416	8.19	\$ 134,498
Total Operating		2,638		2,500		5,700		2,928		6,150		3,059
Total Purchasing Office	8.20	\$ 123,323	8.19	\$ 132,839	9.19	\$ 151,128	8.19	\$ 136,021	9.19	\$ 153,566	8.19	\$ 137,557

Controller's Office

Professional Positions	4.00	\$	4.00	\$ 87,164	5.00	\$ 117,712	5.00	\$ 112,896	5.00	\$ 129,422	5.00	\$ 117,977
Classified Positions	17.00		17.00	195,945	19.00	216,117	17.00	198,103	19.00	219,184	17.00	200,351
Wage Positions	1.54		1.45	7,126	4.45	22,072	4.45	22,072	4.45	22,072	4.45	22,072
Fringe Benefits				34,358		40,338		38,788		41,997		39,647
Total Positions	22.54	\$ 320,091	22.45	\$ 324,593	28.45	\$ 396,239	26.45	\$ 371,864	28.45	\$ 412,735	26.45	\$ 380,077
In-State Travel				300		600		600		600		600
Supplies and Miscellaneous				23,700		26,500		30,000		30,000		30,000
Equipment				11,000		13,800		17,600		17,600		17,600
Total Operating		\$ 24,890		\$ 35,000		\$ 40,900		\$ 27,627		\$ 42,200		\$ 29,147
Total Controller's Office	22.54	\$ 344,981	22.45	\$ 359,593	28.45	\$ 437,139	26.45	\$ 399,491	28.45	\$ 460,935	26.45	\$ 409,224

Business Manager's Office

Professional Positions	3.17	\$	3.00	\$ 66,718	2.00	\$ 53,900	2.00	\$ 51,695	2.00	\$ 58,328	2.00	\$ 53,522
Classified Positions	6.28		6.00	63,000	8.00	81,283	6.00	64,250	8.00	82,927	6.00	65,150
Wage Positions	.01		1.17	5,754	1.15	5,754	1.00	5,000	1.15	5,754	1.00	5,000
Fringe Benefits				15,939		16,190		14,217		16,878		14,566
Total Business Manager's Office	9.46	\$ 143,777	10.17	\$ 151,411	11.15	\$ 157,127	9.00	\$ 135,162	11.15	\$ 163,887	9.00	\$ 128,218

DPI

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UNLV

<u>Vice President Business Affairs</u>												
Professional Positions	1.00 \$		1.00 \$	36,500	1.00 \$	38,000	1.00 \$	36,500	1.00 \$	38,000	1.00 \$	36,500
Classified Positions	1.00		1.00	11,986	1.00	11,987	1.00	11,987	1.00	11,987	1.00	11,987
Fringe Benefits				5,614		5,626		5,597		5,626		5,597
Total Positions	2.00 \$	50,767	2.00 \$	54,100	2.00 \$	55,613	2.00 \$	54,084	2.00 \$	55,613	2.00 \$	54,084
In-State Travel				700		875		949		949		949
Supplies and Miscellaneous				1,100		2,875		2,990		2,990		2,990
Total Operating	\$	1,295	\$	1,800	\$	3,750	\$	1,437	\$	3,939	\$	1,516
Total Vice President Business Affairs	2.00 \$	52,062	2.00 \$	55,900	2.00 \$	59,363	2.00 \$	55,521	2.00 \$	59,552	2.00 \$	55,600

Controller's Office

Professional Positions	4.00 \$		3.00 \$	65,262	4.00 \$	86,788	3.00 \$	68,851	4.00 \$	95,467	3.00 \$	71,949
Classified Positions	12.00		13.00	151,133	15.00	167,727	13.00	152,235	15.00	171,550	13.00	155,380
Wage Positions	1.80		.95	4,452	1.41	7,030	1.41	7,030	1.41	7,030	1.41	7,030
Fringe Benefits				26,208		30,730		27,738		32,152		28,494
Total Positions	17.60 \$	235,699	16.95 \$	247,055	20.41 \$	292,275	17.41 \$	255,854	20.41 \$	306,199	17.41 \$	262,853
In-State Travel				900		500		500		500		500
Supplies and Miscellaneous				18,400		23,900		25,700		25,700		25,700
Equipment				11,300		14,200		15,200		15,200		15,200
Total Operating	\$	29,833	\$	30,600	\$	38,600	\$	33,114	\$	42,000	\$	34,935
Total Controller's Office	17.80 \$	265,532	16.95 \$	277,655	20.41 \$	330,875	17.41 \$	288,968	20.41 \$	348,199	17.41 \$	297,788

Personnel Office

Professional Positions	1.00 \$		1.00 \$	22,229	1.00 \$	24,452	1.00 \$	23,451	1.00 \$	26,897	1.00 \$	24,506
Classified Positions	3.00		3.00	31,334	4.00	40,789	3.00	31,988	4.00	41,525	3.00	32,326
Wage Positions	.13		.14	700	.14	715	.14	715	.16	787	.14	715
Fringe Benefits				6,386		7,827		6,808		8,185		6,970
Total Positions	4.13 \$	53,225	4.14 \$	60,649	5.14 \$	73,783	4.14 \$	62,962	5.16 \$	77,394	4.14 \$	64,527

Personnel Office - Continued

In-State Travel	\$		\$	1,209	\$	1,660	\$		\$	1,826	\$	
Supplies and Miscellaneous				1,440		3,543				3,797		
Equipment				1,060		789				442		
Total Operating	\$	3,622	\$	3,709	\$	5,992	\$	4,020	\$	6,065	\$	4,241
Total Personnel Office	4.13 \$	56,847	4.14 \$	64,358	5.14 \$	79,775	4.14 \$	66,982	5.16 \$	83,459	4.14 \$	68,768

Purchasing Office

Classified Positions	6.00 \$		6.00 \$	83,128	8.00 \$	102,264	6.00 \$	84,196	8.00 \$	103,628	6.00 \$	85,250
Wage Positions	.50		.63	3,083		0		0		0		0
Fringe Benefits				10,757		12,988		11,113		13,161		11,253
Total Positions	6.50 \$	89,836	6.63 \$	96,968	8.00 \$	115,252	6.00 \$	95,309	8.00 \$	116,789	6.00 \$	96,503
In-State Travel				125		125		125		125		125
Supplies and Miscellaneous				5,155		6,865		10,356		10,356		10,356
Equipment				140		140		35		35		35
Total Operating	\$	5,279	\$	5,280	\$	7,130	\$	5,859	\$	10,516	\$	6,181
Total Purchasing Office	6.50 \$	95,115	6.63 \$	102,248	8.00 \$	122,382	6.00 \$	101,168	8.00 \$	127,305	6.00 \$	102,684

CCCC

Business and Personnel

Professional Positions	5.00 \$		5.00 \$	81,384	4.00 \$	72,373	4.00 \$	69,412	4.00 \$	79,611	4.00 \$	72,535
Classified Positions	12.00		13.00	120,896	13.00	122,052	9.00	85,779	13.00	126,970	9.00	87,923
Wage Positions	1.00		1.00	4,905	1.00	5,000	1.00	5,000	1.00	5,000	1.00	5,000
Fringe Benefits				24,824		23,935		19,007		25,328		19,633
Total Positions	18.00 \$	178,119	19.00 \$	232,019	18.00 \$	223,360	14.00 \$	179,198	18.00 \$	236,859	14.00 \$	185,091
In-State Travel				3,300		3,300				3,600		
Supplies and Miscellaneous				30,200		30,000				33,500		
Total Operating	\$	32,895	\$	33,500	\$	33,300	\$	30,000	\$	37,100	\$	31,650
Total-off-State Travel		175		250		0		0		0		0
Total Business and Personnel	18.00 \$	211,189	19.00 \$	265,769	18.00 \$	256,660	14.00 \$	209,198	18.00 \$	273,959	14.00 \$	216,741

KAFOURY, ARMSTRONG, TURNER & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Chancellor Neil D. Humphrey
University of Nevada System

At your request, we have reviewed the operational structure of the financial administration of the University of Nevada System with the objective of determining whether or not a reorganization of all or part of the accounting function could enhance its effectiveness and contribution to the management of the System.

In making the review, we re-examined our 1976 recommendations that might have a bearing on this matter and we discussed the situation at length with the Kafoury personnel who participated in the 1976 audit of the University of Nevada System, and then developed our thoughts about the matters under review.

Our general comments are as follows:

In analyzing the feasibility of some form of centralization of business activities, we have first attempted to identify the components of the accounting function in the organization.

We believe that these are:

- 1) Financial planning/budgeting
- 2) Administrative processing of data
- 3) Financial reporting
- 4) Financial/budget administration

Elements 1 and 4 are clearly campus oriented and the direct responsibility of the chief executive officer of a campus. In our judgment the centralization of these elements would be undesirable and should remain as defined responsibilities of individual campus administrations.

However, administrative processing and financial reporting inherently become more uniform, and should evidence improved qualities of supervision and control by being administered as a single unit with, if you will, eight "clients". We suggest that these two elements (only) be incorporated into the prospective "business centers".

There are, we believe, two divergent techniques for the control and management of such a structure.

1. Establish a system-wide financial officer at the Chancellor's office with responsibility to establish uniform accounting policies. Continue budget and management control of business centers 1 and 2 within the structure of the two University campuses. Provide for the University campuses to contract with DRI, the three community college campuses and system for the processing and reporting elements (with or without inter-campus charges for such service).

or

2. Establish a system-wide financial officer at the office of the Chancellor for a) the establishment of accounting policies and procedures (a staff function), b) and management and budgetary authority over the two business centers (a line responsibility). Such services may be provided with or without charge to the several campuses.

We recommend the second.

Conceptually, removal of the processing and reporting function from the line authority of a campus executive could diminish his ability to obtain timely and meaningful reporting. Practically, we would expect the opposite to occur. The development of several improved reporting or processing systems is costly, even allowing for reasonable cooperation among campuses, so it tends not to get done unless a campus executive has a very strong orientation toward financial management. Further, there is a natural tendency for "me" to be reluctant to use "your" system or procedure. Orderly development of procedures and reporting is a system-wide project, and, in our belief, should be administered as such.

3-

Allocation of Responsibilities

We believe:

1. The Community College Division is, in fact, a mini-system and should be accounted for as three campuses and a administration division. This will provide each campus administrator with his own financial report and the President with the parts as well as their sum.

2. Business center 1 should process and report for:

University of Nevada Reno
Desert Research Institute
University of Nevada System Administration
Western Nevada Community College
Northern Nevada Community College
Community College Division Administration

3. Business center 2 should process and report for:

University of Nevada Las Vegas
Clark County Community College

Should the System concur with this concept, and in part preceding that decision, additional relative material should be examined and incorporated into a plan for 1977-79 as follows:

1. Analysis of specific job descriptions to determine which accounting oriented positions should remain within campus budgets.

Possibilities include:

Cashiers
Student Loan Personnel

2. Determination of which (if any) business center personnel should be permanently or temporarily physically located on particular campuses.
3. Reevaluate personnel assignments, in part resulting from 1 and 2, with consideration being given to physical facilities and the complexity of the accounting and reporting to be performed by the two centers.

We would be pleased to discuss our review with you at your convenience.

Kellogg Construction, Turner & Co.

GENERAL RECOMMENDATIONS

1. Establish a Position of System-Wide Financial Officer

This recommendation is a continuation of the recommendation originally proposed by the University's prior auditors in a special management study made in June of 1974.

The University should establish an administration level financial position, reporting to the Chancellor. The principal responsibilities of this person would be to coordinate the accounting, financial systems and financial administration for all divisions.

There is a need within the system to share ideas on the improvement of financial systems, and even to adopt systems from one division to another. Problem solving on a system-wide basis using the experience from many divisions would be more effective. Also, the allocation of financial resources, could be more easily accomplished on a centralized basis. The need for this position became more evident during 1976 when many inconsistencies among divisions in financial reporting became apparent.

Finally, where specific divisional weaknesses in financial reporting exist, that individual division could be strengthened by unified effort and assistance from other divisions.

This position should also be vested with the power to implement financial accounting systems from one division to another, in order to increase the overall quality and uniformity of financial reporting.

In this way, the problems associated with exercising effective financial control over widely geographically separate campuses and divisions could be minimized.

BUSINESS CENTER 1

Expenditure Data	1977-78		1978-79	
	Budget Request		Budget Request	
	FTE	\$	FTE	\$
<u>Existing Faculty</u>				
Controller, H. Hattori (UNR)	1.00	31,071	1.00	32,469
Deputy Controller, D. Pease (UNR)	1.00	24,080	1.00	25,164
Grants/Contr. Admin., J. Murphy (UNR)	1.00	20,096	1.00	21,000
Accountant, B. Myers (UNR)	1.00	16,711	1.00	17,463
Chief Accountant, A. Roberto (DRI)	1.00	17,724	1.00	18,522
Accountant, M. Wycoff (WNCC)	1.00	18,462	1.00	19,293
Sub-Total	6.00	128,144	6.00	133,911
Fringe Benefits		14,096		14,730
Total Comp., Exist. Faculty	6.00	142,240	6.00	148,641
<u>Existing Classified</u>				
Asst. to Controller, A. Anderson (DRI)	1.00	13,120	1.00	13,120
Fis. & Adm. Serv. Officer, Rhinehart (Ag.)	1.00	21,806	1.00	21,806
Sr. Accountant, F. Thomas (Ag.)	1.00	18,097	1.00	18,097
Sr. Accountant, J. Gonzales (UNR)	1.00	18,097	1.00	18,097
Accountant, L. Jones (Ag.)	1.00	13,776	1.00	14,465
Accountant, J. Etcheveria (UNR)	1.00	15,744	1.00	15,744
Accountant, P. Paszek (UNR)	1.00	15,744	1.00	15,744
Student Loan Spec. I, G. Scott (UNR)	1.00	13,120	1.00	13,120
Prin. Account Clerk, M. Waltz (UNR)	1.00	12,540	1.00	12,540
Prin. Account Clerk, J. Jessop (UNR)	1.00	12,540	1.00	12,540
Sr. Account Clerk, J. McCold (UNR)	1.00	9,683	1.00	10,167
Sr. Account Clerk, C. Elbe (UNR)	1.00	10,130	1.00	10,637
Sr. Account Clerk, H. Coty (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, M. Djorkman (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, K. Morrison (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, J. Nelson (UNR)	1.00	10,961	1.00	10,961
Sr. Account Clerk, A. Barnard (Ag.)	1.00	10,961	1.00	10,961
Sr. Account Clerk, J. Baker (Ag.)	1.00	10,961	1.00	10,961
Sr. Account Clerk, L. Miller (DRI)	1.00	20,811	1.00	21,258
Sr. Account Clerk, M. Bearman (DRI)	1.00			
Sr. Account Clerk, A. Wright (WNCC)	1.00	21,000	1.00	22,050
Sr. Account Clerk, J. Belcher (WNCC)	1.00			
Account Clerk, E. Walter (UNR)	1.00	8,162	1.00	8,570
Account Clerk, Langman (UNR)	1.00	9,324	1.00	9,790
Account Clerk, A. Domenici (UNR)	1.00	8,144	1.00	8,552
Account Clerk, J. Williams (UNR)	1.00	10,075	1.00	10,075
Account Clerk, S. Harding (DRI)	1.00	8,801	1.00	9,189

Governor's Recommendation
Business Center 1 (Contd.)

<u>Expenditure Data</u>	<u>1977-78</u> Budget Request		<u>1978-79</u> Budget Request	
	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>
<u>Existing Classified (Contd.)</u>				
Prin. Clerk Typist, J. Morrissey (UNR)	1.00	10,961	1.00	10,961
Sub-Total Existing Classified	28.00	337,441	28.00	342,288
<u>New Classified</u>				
Prin. Account Clerk, E. Petersen (CCD)	1.00	11,500	1.00	12,075
Sub-Total All Classified	29.00	348,941	29.00	354,363
Fringe Benefits		46,060		46,774
Total Comp., All Classified	29.00	395,001	29.00	401,137
<u>Wages Positions</u>				
Wages (UNR)	4.45	22,072	4.45	22,072
Fringe Benefits @ .010		220		220
Total Comp., Wages Positions	4.45	22,292	4.45	22,292
<u>Operating</u> (UNR)		27,627		29,147
Total Business Center 1	39.45	587,160	39.45	601,217

(1) Ron Olgvie, Accountant, UNR was not funded by the Governor's Recommendation.
(1.00 - 21,831 & 1.00 - 24,104)

(2) Operating \$ not funded in Business area for:
DRI
CCD
Ag.

(3) No Wages in:
CCD
Ag.

GOVERNOR'S RECOMMENDATION

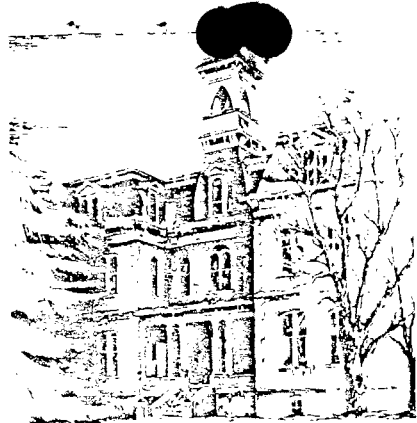
BUSINESS CENTER 2

Expenditure Data	1977-78		1978-79	
	Budget Request		Budget Request	
	FTE	\$	FTE	\$
<u>Fac. Salaries, Exist.</u>				
Controller	1.00	28,941	1.00	30,243
Chief Accountant	1.00	20,095	1.00	20,999
Asst. to Controller	1.00	19,815	1.00	20,707
Accountant	1.00	19,254	1.00	20,120
Coord. of Acct. & Fin.	1.00	18,884	1.00	19,734
Dean for Administration	0.50	12,396	0.50	12,953
Sub-Total	5.50	119,385	5.50	124,756
Fringe Benefits		13,133		13,723
Total Comp., Exist. Faculty	5.50	132,518	5.50	138,479
<u>Existing Classified</u>				
Prin. Accountant	1.00	19,860	1.00	19,860
Sr. Accountant	1.00	17,013	1.00	17,823
Accountant	1.00	15,744	1.00	15,744
Sys. Method. Analyst	1.00	10,487	1.00	10,961
Prin. Account Clerk	1.00	12,540	1.00	12,540
Prin. Account Clerk	1.00	12,540	1.00	12,540
Carcer Aide IV	1.00	9,632	1.00	10,069
Sr. Account Clerk	1.00	10,961	1.00	10,961
Sr. Account Clerk	1.00	10,961	1.00	10,961
*Sr. Account Clerk	1.00	9,532	1.00	9,770
*Sr. Account Clerk	1.00	9,532	1.00	9,770
Account Clerk	1.00	8,709	1.00	9,092
Account Clerk	1.00	9,124	1.00	9,528
*Account Clerk	1.00	9,532	1.00	9,770
*Account Clerk	1.00	9,532	1.00	9,770
Carcer Aide III	1.00	7,630	1.00	7,962
Intermed. Clerk Typist	1.00	7,034	1.00	7,339
*Sr. Clerk Typist	1.00	9,532	1.00	9,770
Sub-Total	18.00	199,895	18.00	204,230
Fringe Benefits		26,391		26,964
Total Comp., Exist. Classified	18.00	226,286	18.00	231,194

Governor's Recommendation
 Business Center 2 (Contd.)

<u>Expenditure Data</u>	<u>1977-78</u> Budget Request		<u>1978-79</u> Budget Request	
	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>
<u>Wages Positions</u>				
Wages	2.07	10,330	2.07	10,330
Fringe Benefits		94		94
Total Comp., Wages Positions	2.07	10,424	2.07	10,424
Total Comp., All Employees	25.57	369,228	25.57	380,097
<u>Operating</u>		52,914		55,824
Total Center	25.57	422,142	25.57	435,921

*Used an average salary based on 1976-77 Work Program.
 Figure includes a 2.5% merit increase over 1976-77.



alumni relations • university development
university of nevada reno, nevada 89557 (702) 784-6629

April 13, 1977

Nevada Assembly
Ways and Means Committee
Assemblyman Don Mello, Chairman

Subject: Request for \$100,000 for the Restoration of Morrill Hall,
University of Nevada, Reno

On behalf of the University of Nevada, Reno, we would like to request your financial assistance in restoring Morrill Hall, located on our campus. This three story, 14,000 square foot building, the oldest structure in the University of Nevada System, was constructed in 1886 and is now a registered National Historical Landmark.

Originally Morrill Hall housed all university classes as well as all faculty and administrative offices. As the university expanded, the building had many uses, however, in recent years Morrill Hall was utilized less and less and today she is the home for only a few university offices including Alumni Relations, University Press, Affirmative Action and Purchasing. Most of this lack of use, of course, has been due to the fact that the building is no longer structurally adequate. Like many buildings of its era, Morrill Hall has experienced the wear of time and seasons.

Because of this situation, the University's Alumni Association decided to embark in 1971 upon an energetic campaign to restore this traditional landmark. Our goal, however, was not only to preserve a historical piece of the university and community, but more importantly to reinstate the building as a functional and active part of the university-community. To achieve this goal we set down a number of purposes to be accomplished through the restoration process.

First, when restored, Morrill Hall will house a complete visitors center for the university as well as the Alumni and Development Offices. Second, Morrill Hall will house the University Press and all associated offices and equipment. Third, a section of the building will be renovated to be used for conferences, seminars and continuing education facilities. Fourth, the building will be the home for the University Museum and will also be the delegated area for art displays, historical displays, etc.

Thus, because of these ambitious goals the restoration project is more than just an historical preservation. It is a project to restore an antiquated building into a "living" landmark for both the university and community. To accomplish this final objective the estimated construction cost is approximately \$740,000. This total would include stablization of the building, all exterior restoration, all interior restoration, as well as complete renovation of the electrical, heating

Ways and Means Committee
Assemblyman Don Mello, Chairman
April 13, 1977
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and plumbing facilities. In addition, this cost would include provisions for exterior ramps and an interior elevator for the use of the handicapped. The cost of each area is broken down in Appendix A.

It should be noted, however, that we will not need the total commitment of \$740,000 before our restoration begins. On the contrary, we have broken down the total project into phases so that we can accomplish the restoration project as money permits. Therefore, with the money we already have on hand and with your grant of \$100,000 we can immediately begin Phase I - Stabilization and New Roof; Phase II - Exterior Restoration; and a sizable portion of Phase III - Interior Restoration. In effect this would provide us with a restored and functional building until such time that additional funding could provide us with the opportunity to add the elevator and to undertake some interior refurbishing including painting, carpeting, etc.

Certainly, we are optimistic that, with your assistance, we will have the finances necessary to accomplish the total project by the end of this year 1977. We do want you to know, however, that your grant will guarantee that the major elements of the restoration can be accomplished and that the building will be utilizable until additional funds are obtained to complete the project. Our project schedule, based upon your grant and the money we already have committed, is as follows:

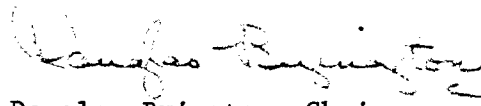
	<u>START</u>	<u>FINISH</u>
Design of entire project	June 1976	February 1977
Phase I of construction	April 1977	August 1977
Phase II of construction	September 1977	March 1978
Phase III of construction with some deletions	March 1978	June 1978

(Note: Phase IV, the north porch, is optional.)

Once Morrill Hall is restored, it will again take its place as the center of campus and community activity. Because the maintenance and operational costs of the building will be borne by the University, its continued existence will thus be insured for future generations. We are sincerely hopeful that the State of Nevada will give our project consideration. Thank you.

Ways and Means Committee
Assemblyman Don Mello, Chairman
April 13, 1977
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Respectfully submitted,



Douglas Byington, Chairman
Morrill Hall Restoration Committee



Harry R. Gianneschi, Director
Alumni Relations & University Development

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Encls.

APPENDIX A

COST ESTIMATE FOR THE PROJECT - FEBRUARY 15, 1977

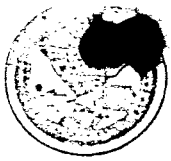
PHASE I:	Stabilization and new roof:	\$ 82,493
	1. Excavation and preparation	
	2. Raising first and second floor; install pipe columns and steel beams; tie first, second and third floor joists to exterior masonry walls	
	3. Scaffolding, stabilize roof structure, tower, etc.	
	4. Repair metal roof deck, reshingle mansard roofs, replace flashing, gutters and downspouts, insulate mansard	
PHASE II:	Exterior restoration:	65,589
	5. Point and cleaning of brick; repair or remove and replace exterior wood moldings, porch floor railings, balusters, and other wood trim; concrete porch; ramp to basement; paint new wood shingles	
PHASE III:	Interior restoration:	481,256
	6. Remove interior partitions	
	7. Insulation interior, rough and finished carpentry, weatherstripping, caulking	
	8. Lath and plaster, sheet rock, acoustical tile	
	9. Floor covering, glass, hardware and toilet partitions	
	10. Elevator	
	11. Painting	
	12. Electrical	
	13. Plumbing	
	14. Heating and air-conditioning	
PHASE IV:	North Porch:	46,000
	15. Foundation, concrete floors, railings, disappearing fire ladder, stairs, etc.	
	Project Design and administration:	70,000
	<u>TOTAL RESTORATION PROJECT COST</u>	<u>\$745,338</u>

APPENDIX B

FUNDS RECEIVED FOR MORRILL HALL

April 13, 1977

1.	Contributions from alumni and other individuals	\$237,818.00
2.	Contribution from City of Reno through third year block funds established by Community Development Act of 1974	100,000.00
3.	Matching funds available through National Parks and Recreation Board	53,000.00
	TOTAL FUNDS TO DATE	\$390,818.00



GOVERNOR'S ADVISORY COUNCIL ON CHILDREN AND YOUTH

MIKE O'CALLAGHAN, GOVERNOR
Honorary Chairman

MRS. SHIRLEE WEDOW
Chairman

April 11, 1977

4-13

The Honorable Donald Mello, Chairman
Assembly Ways and Means Committee
Nevada State Legislature
Carson City, Nevada 89710

Dear Don:

Knowing how very busy you are, I am taking this opportunity to call your attention to the following points in regards to the GOVERNOR'S ADVISORY COUNCIL ON CHILDREN AND YOUTH.

- 1.0 The Council--NRS 233D.010--is still on the legislative books as originally mandated, but since it is not in another bill and was not in the budget, it does need funds.
- 2.0 It is our understanding that the Governor has recommended that our budget be reinstated in his budget.
- 3.0 Please consider this is the only Council of its kind in the State. We do have a good activity record (enclosed is the Report to the Governor). Youth in Nevada need and want this Council. It is our hope that you will bring this matter to the attention of the Ways and Means Committee and reinstate our budget at \$3000 per year.
- 4.0 The Council was originally mandated the 1971 session of the Legislature. The Ways and Means Committee under your leadership was primarily responsible for its existence.
 - 4.1 Our budget in 1971 was set at \$3000 for the biennium, in 1973, \$3000 for the biennium, and in 1975, \$6000 for the biennium. In 1977 the budget was omitted due to the fact that the Arkell Report recommended the repeal of the Council.
 - 4.2 A. B. 278 (Arkell Report, after testimony from the Council, its members and its supporters (including the PTA which originally had the legislation introduced), was amended and the Council retained.
 - 4.3 A. B. 278 is apparently not going to pass or if it does, the Council still is not funded.

Sincerely,

Shirlee Wedow

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