

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59TH SESSION

April 30, 1977

The meeting was called to order by Chairman Mello at 8:30 a.m.

PRESENT: Chairman Mello, Mr. Bremner, Mr. Dryer, Mr. Glover, Mr. Hickey, Mr. Kosinski, Mr. Rhoads, Mr. Serpa, and Mr. Vergiels. Mrs. Brookman was excused due to illness.

ALSO PRESENT: Speaker Joe Dini; John Dolan, Assembly Fiscal Analyst; and Bill Bible, Budget Division.

A.B. 748

Mr. Bremner made a motion for indefinite postponement of A.B. 748. The motion was seconded by Mr. Glover and was approved with Mr. Serpa, Mr. Kosinski, and Mr. Rhoads voting NO.

A.B. 646

Mr. Kosinski made a motion to amend this bill to provide that Clark County would get one additional judge whose term would begin in 1979. There would be no additional judges for Washoe County. The motion was seconded by Mr. Glover and was approved. A motion was made by Mr. Kosinski DO PASS A.B. 646 as amended, seconded by Mr. Serpa. Motion approved.

S.B. 314

Mr. Kosinski made a motion to amend \$3,700 for training out of the Parks Division operating budget and allow \$500 for training each year of the biennium. The motion was seconded by Mr. Serpa and was approved. Mr. Mello said this would be handled when they draw up the General Appropriation Act. Mr. Rhoads made a motion DO PASS on S.B. 314. The motion was seconded by Mr. Hickey and was approved.

Mr. Kosinski suggested sending a letter of intent of Mr. Meder indicating that the Committee expects him to come back to the Interim Finance Committee after he has completed his Master Plan and before he embarks on the \$1.4 million development. He added that he understood Senator Lamb is in favor of that.

Mr. Mello told the Committee there would be a Caucus at 10:30 a.m. and the Committee would break until 9:15 a.m.

Resuming at 9:15 a.m.:

A.B. 748

Mr. Vergiels made a motion DO PASS A.B. 748, seconded by Mr. Serpa. Voting YES: Hickey, Kosinski, Rhoads, Serpa, and Vergiels. Voting NO: Bremner, Dryer, Glover, and Mello. A.B. 748 FAILED TO PASS.

S.B. 298

Mr. Bremner made a motion DO PASS S.B. 298, seconded by Mr. Dryer. Voting YES: Bremner, Dryer, Glover, Hickey, Mello, and Vergiels. Voting NO: Kosinski, Rhoads, and Serpa. S.B. 298 PASSED.

(Mr. Kosinski made a motion, seconded by Mr. Serpa, to have a roll call vote on S.B. 298. Roll call vote indicated the above.)

S.B. 173

Mr. Bremner distributed copies of correspondence received from Mr. Campos of the Parole and Probation Department. (Material attached.) Mr. Bremner continued that the subcommittee had met yesterday afternoon and had approved the bill in total except for two areas. The one

proposed amendment: On page 5, between lines 4 and 5, add the following:

"regardless of the provisions of Section 1 and 2, a Parole and Probation Officer of the Department of Parole and Probation shall remain a contributing member of the Police and Firemen Retirement Fund until July 1, 1979." (Note correspondence from Mr. Campos.)

Mr. Bremner said he thought that the feeling of Parole and Probation's role in the Police and Firemen Retirement Fund should be further reviewed by the Board. This would give them time to further review the status of Parole and Probation Officers, and then, the next Session of the Legislature could take appropriate action depending upon what they come up with. This would allow them to stay in until July 1, 1979, unless some other action were taken. The Subcommittee's recommendation is to amend the bill accordingly.

Mr. Glover asked if there were any consideration for the people in the Attorney General's Office and the District Attorney's office, the investigators, and Mr. Bremner said no. Mr. Glover said he kind of bought the argument from Hicks and the AG's office that they may have trouble recruiting people in that area. Mr. Bremner said the Subcommittee did not buy that argument. He said they had several hours of testimony before Ways and Means and didn't feel a need for a lot more in subcommittee hearings. They had considered the arguments.

He said there was one other proposed change. On page 1, lines 11 and 12: at first it was decided they should change this so it would say one member appointed shall be a member of the minority party. Mr. Bremner said he understood that position had since been changed by one member of the subcommittee. He was in favor of deleting lines 11 and 12 in their entirety, and now Mr. Serpa is in favor of that position, so Mr. Kosinski is not in favor of that.

Mr. Mello said he didn't know why it was earmarked in the first place. He hadn't had a chance to talk to the Senators, but he had never seen a case where anyone did not appoint a member of a minority party to subcommittees in the interim. Mr. Kosinski said it seemed to him that it had been traditional when an appointment is made either by rule or by law that some proportion of that body be delegated to be of the minority party. He said he merely felt that this did not seem to be the type of bill where that position should be deviated from. He said he realized that the number of representatives of the minority party is rapidly decreasing, but he thought it appropriate to leave at least one minority member on there.

Mr. Mello asked if he were familiar with the bill passed out of Committee recently--the study for finding out what the problems of the cities and counties are--A.B. 547, and added that it says that the Speaker and the Majority Floor Leader will make the appointments. It does not designate they be of any party. Mr. Kosinski said he was aware of that.

Speaker Dini commented that when they used to have pretty even splits in the House, it was good to designate them, perhaps. But in view of the fact that there was a problem presently with only three Senators and five Assemblymen, and the fact that there are numerous studies going on this Session, what they try to do is distribute people as best they can. It is important, he said, not to overload a few people. Also, people from the majority party have to be given proper consideration for their talents in various areas. He said Senator Gibson and he tried to work together on this distribution.

Mr. Mello commented that one problem in the past has been that people are appointed to subcommittee and don't even show up at meetings. They are not interested, and there is no point in specifying that this or that individual be appointed if they don't want to serve. He added that they were going to have a hard time filling committees.

Every Session a letter is sent out requesting individuals to select a study committee, and often nothing is heard from them as to their preference.

Mr. Kosinski added that in the interim study committees, there is no mandate that there be particular party representation, but the Legislative Commission does contain a careful delineation of minority party representation, as well as the Assembly Rules in relation to the standing committees.

S.B. 173

Mr. Dryer made a motion to accept the Subcommittee's report. The motion was seconded by Mr. Serpa and was approved.

Mr. Bremner made a motion DO PASS S.B. 173 as amended. The motion was seconded by Mr. Serpa and was approved.

Mr. Mello asked if the subcommittee were prepared for a report on S.B. 424, and Mr. Bremner said they were not because they had some proposed amendment that had to be sent back for correction of a technical error.

Mr. Mello left the meeting and appointed Mr. Bremner to chair the remainder.

A.B. 723

This is the bill that places the Lost City Museum in the State Museum budget rather than Buildings and Grounds.

Mr. Bremner said that he and Mr. Kosinski wanted to change the language so it is more clear what the purpose of the bill is. He said the purpose was to move the Lost City Museum as it is, and the budget has already been approved. He said if the Committee will give he and Mr. Kosinski some leeway, they would like to have a motion to amend and DO PASS this. He said this was necessary in order not to conflict with A.B. 278.

Mr. Dryer made a motion to amend A.B. 723 in accordance with amendments not enumerated by Mr. Bremner. Mr. Serpa seconded the motion, and it was approved. Mr. Glover made a motion DO PASS A.B. 723 as amended. The motion was seconded by Mr. Serpa and was approved.

The Ways and Means Committee will not meet until May 2 at 8:30 a.m.

The meeting was adjourned at 10:10 a.m.

A. A. CAMPOS, CHIEF
CAPITOL COMPLEX
308 N. CURRY STREET
CARSON CITY, NEVADA 89710

STATE OF NEVADA

MIKE O'CALLAGHAN
GOVERNOR



BOARD OF PAROLE COMMISSIONERS
DENNIS WRIGHT, CHAIRMAN
GLENN J. LAWLOR, VICE CHAIRMAN
ANTHONY D. CLARK, MEMBER
IDA MAE CROCKETT, MEMBER
JERRY BERRY, MEMBER
CARL G. HOCKER, EXECUTIVE SECRETARY

DISTRICT OFFICES
STATE BUILDING
560 MILL STREET
RENO, NEVADA 89502

STATE BUILDING
215 E. BONANZA STREET
LAS VEGAS, NEVADA 89158

STATE BUILDING
946 IDAHO STREET
ELKO, NEVADA 89801

RASNER BUILDING
1407 RAND AVE.
CARSON CITY, NEVADA 89710

DEPARTMENT OF PAROLE
AND PROBATION

April 13, 1977

Mr. Vernon Bennett, Executive Officer
Public Employee's Retirement System
Post Office Box 1569
Carson City, Nevada 89701

RE: SENATE BILL 173

Dear Mr. Bennett:

Please be advised that, as Chief of the Department of Parole and Probation, I cannot support any Legislation which removes the officers of this Agency from the early retirement system.

However, realizing that Senate Bill 173 is important Legislation, and further recognizing that adjournment is eminent, I can at this time, support an amendment which would postpone removing our officers, to July 1, 1979.

I do this only with the anticipation that our Agency will be subject to a thorough study by the Police and Firemen's Fund Committee, as well as the Interim Legislative Committee on retirement. Further, I am confident that, following such study, our position will be reviewed in the 1979 session of the Nevada Legislature.

Sincerely,


A. A. CAMPOS, CHIEF

AAC/pm

December 7, 1976

The Honorable Mike O'Callaghan
Governor of the State of Nevada
Carson City, Nevada 89701

Dear Governor O'Callaghan:


Our report containing the conclusions and recommendations regarding salaries of Nevada Elected officials is enclosed.

Duty statements and salary data for Nevada and other Western states' elected and administrative positions were reviewed and analyzed in depth.

In our opinion, the adoption of these recommendations will greatly assist in attracting and retaining the highest caliber individuals possible for these very important public offices.

Respectfully submitted,


James F. Wittenberg,
State Personnel Administrator


Mike Brown,
Assistant Judicial Planner

JFW/MB:akb
Enclosure

A REPORT to the GOVERNOR

Joint Study

Conducted
By

DEPARTMENT OF ADMINISTRATION
Personnel Division

and

SUPREME COURT
Judicial Planning Unit

INDEX

Part I - Review of 1970 Study Committee Report 1

Salary Adjustment History 2

Part II - Inflation Effect Analysis 3

Part III - Projection of 1970 Salary Committee Recommendations 4

Calculated Salary Schedule 7

CPI Table 8

Part IV - Western States Comparison Analysis 9

Composite National Quintile Profile 11

Western States Salary Comparisons 12

Part V - State and Local Government Comparisons 13

Existing Salary Comparisons 14

Non-Cash Benefits Accruing to the Governor 15

Part VI - Conclusions and Recommendations 16

FORWARD

"There are existing incentives to attract able men and women to leadership responsibilities in State government. Among these are prestige, the challenge of public service and the opportunity to help solve the State's complex problems. As attractive as all of these factors may be, they can be completely negated by inadequate salaries of elected officials. Salaries must be set to meet the realities of officials' personal and family obligations and the level of responsibilities involved."

-- Introduction, "Report from the Governor's Study Committee on Elected State Officials' Salaries in the Executive, Legislative and Judicial Branches of Nevada State Government," December, 1970.*

This Committee was established as a result of Senate concurrent Resolution 26 to study salaries of elected State Officers. The Committee consisting of a cross section of business and industry leaders were selected and devoted a great deal of time and effort to the recommendations made in the 1970 report.

It is important that some of the Committee's thinking be carried forward as it is still germane to the issue of elected officials salaries in 1976.

* Committee members: Mr. William Laub, President, Southwest Gas Corporation, Las Vegas, and Mr. Robert T. McAdam, Administrative Assistant, Nevada Bell, Reno, served as co-chairmen of the committee. Other members were: Mr. Max Blackham, Div. Dir. of Industrial Relations, Kennecott Copper Corp., McGill; Mr. William Campbell, Dir. of Labor Relations, Nevada Resort Hotel Association, Las Vegas; Mr. Thomas Cooke, Esq., President of the State Bar of Nevada, Reno; Mr. Melvin E. Lundberg, Vice President, Nevada Power Co., Elko; Mr. Ellery Matthews, Manager Western Group, E.G. & G., Las Vegas; Mr. Lou Paley, Executive Secretary, Nevada State AFL-CIO, Reno; Mr. Alex Sample Jr., Chairman of the Board, Bank of Nevada, Las Vegas.

PART I

Review of the 1970 Report of "The Governor's Study Committee on Elected State Officials' Salaries in the Executive, Legislative and Judicial Branches of Nevada State Government."

In October of 1970, "Report from the Governor's Study Committee on Elected Officials' Salaries in the Executive, Legislative and Judicial Branches of Nevada State Government" was presented to then Governor Paul Laxalt.

Using numerous criteria, including population growth, the state's economy, inflation, the salaries of appointed officials in the larger Nevada political subdivisions, major school districts and the University of Nevada system, and the testimony of the various interested parties, the committee recommended pay raises and allowances for inflation for enactment by the 1971 Legislature.

From some of the factors considered by the Laxalt Committee it reasonably may be inferred that the rationale behind the recommended adjustments in salaries of elected officials was two fold:

- 1) To raise the salary status of elected officials in relation to other government and private industry salaries where some degree of comparability existed, and
- 2) To provide an adjustment for anticipated inflation.

Although there might be some question as to the precise dimensions of the adjustments for inflation planned by the Committee and implemented by the legislature, it is important to point out that the resultant salary is the same.

The probable intent of the Committee is set forth in the salary computations on page 2.

PROBABLE SALARY ADJUSTMENT HISTORY

<u>OFFICE</u>	<u>1969</u> <u>Salary</u>		<u>1971*</u> <u>Salary</u> =	<u>Increase</u>	<u>Passed</u> <u>by 1971</u> <u>Legislature</u> <u>Effective-1-1-71</u>	+	<u>**</u> <u>Inflation</u> +	<u>Allocation</u>	+	<u>1975*</u> <u>Salary</u> =	<u>Increase</u>	=	<u>Passed</u> <u>by 1971</u> <u>Legislature</u> <u>Effective-1-1-75</u>
Governor	25,000	+	5,000	=	30,000	+	4,500	+	5,500	=	40,000	1/	
Supreme Court Justice	24,000	+	4,000	=	28,000	+	4,200	+	2,800	=	35,000		
District Court Judges	19,500	+	4,500	=	24,000	+	3,600	+	2,400	=	30,000	2/	
Attorney General	18,000	+	4,500	=	22,500	+	3,375	+	4,125	=	30,000		
Secretary of State	15,000	+	3,000	=	18,000	+	2,700	+	4,300	=	25,000		
Controller	15,000	+	3,000	=	18,000	+	2,700	+	1,800	=	22,500	3/	
Treasurer	15,000	+	3,000	=	18,000	+	2,700	+	1,800	=	22,500	3/	
Lt. Governor	4,500	+	1,500	=	6,000	+	0	+	0	=	6,000		

*These salary increases were to bring the salaries in line with current conditions.

**This adjustment provided for 5% inflation for each of the 3 years (72,73,74) between pay raises.

1/The committee recommended a pay raise of \$10,500 to raise the salary to \$45,000. The Legislature did not concur in this recommendation and took action as shown.

2/The District Judges were not included in the committee report, but by analyzing the legislative action, it would appear that the Legislature may have used the same general procedures as the committee did in determining new salary levels.

3/The committee recommended combining these and paying \$25,000. The Legislature did not concur and took the action shown.

PART II

Analysis of the Effect of Unanticipated Inflation Upon
the Levels of Purchasing Power for Elected Officials
Which the Governor's Study Committee Had Recommended.

Inflation losses subsequent to salary adjustments authorized by the legislature have absorbed the salary increases recommended by the Laxalt Salary Committee.

While the committee did not specifically address the salary question in terms of purchasing power, the obvious intent of the committee was to grant "real pay increases" rather than just inflation adjustments, but this amounts to the same thing--intent to improve the relative purchasing power of elected officials.

For illustrative purposes the table below reflects the equivalent purchasing power of the several salaries being discussed. Using the standard base year of 1967 as 100, the annual average Consumer Price Index for 1976 is estimated to be 170.5. This has reduced the purchasing power of 1976 dollars by nearly a half when measured in terms of 1967 dollars.

<u>Position</u>	<u>1976 Actual Salary</u>	<u>1976 "Real" Purchasing Power</u>	<u>1967 Actual Salary</u>
Governor	\$40,000	\$23,502	\$25,000
Lt. Governor	6,000	3,519	4,500
Supreme Ct. Justices	35,000	20,528	22,000
District Ct. Judges	30,000	17,595	19,500
Attorney General	30,000	17,595	18,000
Secretary of State	25,000	14,662	15,000
Controller	22,500	13,196	15,000
Treasurer	22,500	13,196	15,000

As shown above, each elective state officer today is earning less, in terms of purchasing power, than the office holder actually earned in 1967.

PART III

Projection of the Recommendations of "The Governor's Study Committee on Elected State Officials' Salaries in the Executive, Legislative and Judicial Branches of Nevada State Government."

The salaries shown on page 7, which were computed using the same methods as shown on page 2 using actual inflation rather than estimated through 1975, should compare very favorably with figures the Committee might have recommended had it completed its study during 1976.

The CPI Table on page 8 shows that when the Nevada Legislature convenes in 1977, the state's elective officials will have suffered substantial losses in purchasing power because of inflation, even though they received a salary adjustment effective January 1975.

The salaries suggested on page 7 are not a cure-all; merely a basis for further considerations. These calculated figures do not provide compensation for losses in purchasing power prior to January 1, 1979, nor for years beyond 1979. They merely represent a starting point for the future.

- - -

Any long term projection of salaries must take into account the fact that any increase authorized in salaries by Legislature during the 1977 session will not take effect until January 1979. This is because the Nevada Constitution prohibits increasing the compensation of elected officials during their term of office.

In non-inflationary times this provision is not a handicap to elected officials. The only real problem has been with the Supreme Court Justices, who serve staggered terms. One justice would begin a six-year term, at a higher salary, while the incumbent justices would continue to do the same work at lower salaries. The Legislature has seen fit to avoid this anomaly and equalize salaries by authorizing pay to the lower-paid justices for their service on the Pardons Board.

Although this stratagem has worked satisfactorily in the limited case of the Supreme Court Justices, a much more severe problem involving the Judicial Branch now exists.

The next full terms for Nevada's District Court Judges will begin in January 1979. By reason of the recent constitutional amendment increasing the terms of District Court Judges to six years, District Judge salaries set at that time will remain in effect until January 1985 and the other elected officials' salaries will remain fixed until January 1983.

The effect of excess inflation upon a salary which remains fixed for a six-year term of office is extensive.

This problem of inflation is not limited to the Judicial Branch. It also effects other elective officials; longer elective terms serve to make the problem more severe.

The 1977 Legislature will have the responsibility for setting these salaries, and the Legislature should take into account the probable effect of inflation during the following six years.

The following approaches among numerous alternatives appear to be the soundest:

- 1) The salary schedule could contain adjustments in fixed dollar amounts set to go into effect each biennium, or

- 2) The salary schedule be automatically adjusted by cost of living increases, or
- 3) A realistic salary level could be set for January 1, 1979, and the salary schedule could be automatically adjusted by cost-of-living increases within specific limits, similar to the mechanism used in determining salaries in the non-legislative year for state classified employees and unclassified employees.

Alternative One (a salary schedule containing biennial adjustments) can provide elected officials partial protection against inflation during their terms, while retaining for the legislature specific knowledge of the dollar expenditures to be budgeted.

Alternative Two (automatic cost-of-living increases) presents the problem that the legislature loses precise budgetary control when salaries are tied to a fluctuating index.

Alternative Three (a realistic new base salary plus controlled cost-of-living increases) can provide elected officials with reasonable protection against the effects of inflation during their terms and still allow the legislature to retain salary control within specific parameters.

CALCULATED SALARY SCHEDULE

Jan. 1, 1971 - Jan. 1, 1985

YEAR	1971	1972	1973	1974	1975*	1976	1977	1978	1979
INFLATION	+4.3%	+3.3%	+6.2%	+11.0%	+9.1%	+5.8%	+5.7%	+5.6%	
Governor	30,000	31,290	32,323	34,327	43,602	47,570	50,329	53,197	56,176
Non-Cash Benefits**	--	--	--	--	--	--	--	--	5,251
Cash (Salary)	--	--	--	--	--	--	--	--	50,925
Supreme Court Justices	28,000	29,204	30,167	32,038	38,362	41,853	44,280	46,803	49,425
Dist. Ct. Judges	24,000	25,032	25,858	27,461	32,882	35,874	37,955	40,118	42,365
Attorney General	22,500	23,467	24,242	25,745	32,882	35,874	37,955	40,118	42,365
Sec. of State	18,000	18,774	19,394	20,596	27,161	29,633	31,351	33,138	34,994
Controller	18,000	18,774	19,394	20,596	24,661	26,095	28,466	30,088	31,773
Treasurer	18,000	18,774	19,394	20,596	24,661	26,095	28,466	30,088	31,773
Lt. Governor	6,000	6,258	6,465	6,865	7,620	8,314	8,796	9,298	9,818

This schedule is founded on the presumption that the rate of increase of the Consumer Price Index will decline slowly in coming years. (see page 8.)

* Includes pay raises effective Jan. 1, 1975 as follows:

Governor +\$5,500	District Court Judges +\$2,400	Controller +\$1,800
Lt. Governor +0	Attorney General +\$4,125(+180.00 correction)	Treasurer +\$1,800
Supreme Ct. Just. +\$2,800	Secretary of State +\$4,300	

** Value of mansion maintenance. (see page 15)

CPI TABLE

<u>YEAR</u>	<u>ANNUAL AVE. CPI</u>	<u>PERCENT CHANGE FROM PREVIOUS YEAR</u>	<u>VALUE OF ONE DOLLAR</u>
1965	94.5	+ 1.7	\$ 1.058
1966	97.2	+ 2.9	1.029
1967	100.0	+ 2.9	1.000
1968	104.2	+ 4.2	.959
1969	109.8	+ 5.4	.916
1970	116.3	+ 5.9	.859
1971	121.3	+ 4.3	.824
1972	125.3	+ 3.3	.798
1973	133.1	+ 6.2	.751
1974	147.7	+11.0	.677
1975	161.2	+ 9.1	.620
1976 (est)	170.5	+ 5.8	.586
1977 (est)	180.2	+ 5.7	.555
1978 (est)	190.4	+ 5.6	.525
1979 (est)	200.8	+ 5.5	.498

PART IV

Comparison of Salaries of Nevada's Elected Officials
with Officials of Other Western States.

Comparisons of salaries among the states are often used as one of the criteria in determining any salary increase. It is difficult and improper to use such comparisons alone. There are many variables involved and absent thorough knowledge of the statutes of each of the states involved one cannot be sure of the exact level of comparability.

In general terms, however, a reasonable level of comparability can be assured and hopefully will offer some suggestions as to an equitable course to follow.

COMPARATIVE ECONOMIES

Before addressing the issue of actual salaries, it is important to analyze the several states to determine which can be used in making reasonably valid comparisons. The Western states are generally accepted as the region in which a more reasonable and valid comparison can be made. Even within the Western states, however, there is disparity.

Studying per capita personal disposable income, a widely accepted index of living conditions, it is clearly evident that Nevada falls into a small grouping with California and Washington. These three states are in the top 20% nationwide in terms of personal disposable income. Should a wider range be sought, Colorado and Oregon can be considered, despite the fact that they are both in the 3rd quintile. Based upon per capita income it is difficult to justify comparing the other Western states.

Analysis of another widely used index, the average earnings of state government employees, shows that Nevada is again in the top 20% nationwide, along with California and Colorado. If one wishes to expand the field to the 2nd quintile, the states that could be considered are Washington, Montana and Oregon.

*Because of the increasing magnitude of their responsibilities, it is suggested that a real salary increase of \$1,500 should be allowed the Attorney General and the District Court judges as of January 1979, in addition to the sum of \$42,500 that increase in the cost of living alone requires.

**Because of the increasing magnitude of their responsibilities, it is suggested that real salary increases should be allowed to the Controller, the Treasurer and the Lt. Governor, in addition to the sums that increase in the cost of living alone requires. At a minimum, an actual increase of some \$700 per year must be allowed to the Controller and the Treasurer, if the present \$2,500 disparity between their salaries and that of the Secretary of State is not to be increased. As to each of these officers, a range of actual salary increase has been suggested rather than a precise amount, it being believed that the value to be placed upon their increasing responsibilities may involve political judgments best assessed by the Legislature.

Another index, similar to those cited on the preceding page, measures the average earnings of local government employees. This index shows Nevada in the top 20% along with California, Washington and Oregon. By considerable stretching of the field, Arizona and Colorado could be included.

In summary, analysis of these three major nationwide indices indicates that Nevada is comparable first to California, then Washington and lastly Oregon and Colorado.

A review of salaries of elected officials in states reasonably similar to Nevada shows California is in the top 20% nationwide. The second state, Washington, is on the border between the top of the 2nd quintile and the bottom of the 3rd quintile. Colorado and Oregon, the other two states reasonably comparable to Nevada, are both in the middle to high middle of the 3rd quintile. In sharp contrast to these rankings is Nevada which falls into the middle of the 4th quintile with several positions falling into the 5th quintile.

Nevada District Judges rank 34th and Supreme Court Justices rank 35th in salary levels while per capita income in Nevada ranks 6th.

It is apparent that Nevada's salary structure for elected officials is out of line with the other three indices included in this analysis. All of the other states show some consistency in their respective rankings.

A more graphic illustration of these findings is provided on page 11.

COMPOSITE
SELECTED
QUINTILE
PROFILE

	Local Employees	State Employees	Per Capita Income	Elected Officials	Local Employees	State Employees	Per Capita Income	Elected Officials	Local Employees	State Employees	Per Capita Income	Elected Officials	Local Employees	State Employees	Per Capita Income	Elected Officials				
First Quintile																				
Second Quintile																				
Third Quintile																				
Fourth Quintile																				
Fifth Quintile																				
	NEVADA				CALIF.				WASH.				COLORADO				OREGON			

Source: Per Capita Income: U.S. Statistics - Dept. of Commerce Bureau of the Census.

State and Local Government Employees Average Hourly Earnings: Division of Research and Statistics Ohio Bureau of Employment Service-7/21/76.

Elected Officials' Salaries: 1976 Book of States.

1031

SALARY COMPARISONS
ELECTED OFFICIALS IN WESTERN STATES*

State	Governor	Lt. Governor	Supreme Ct. Justices	District Ct. Judges	Attorney General	Secretary of State	Controller	Treasurer
Arizona	\$40,000	---	\$37,000	\$33,000	\$35,000	\$24,000	\$32,915	\$22,500
California	49,100	35,000	62,935	49,166	42,500	35,000	29,688	35,000
Colorado	40,000	25,000	40,000	33,000	32,500	25,000	31,860	25,000
Idaho	33,000	8,000	31,500	28,500	25,000	21,500	21,500	40,000
Montana	30,000	24,000	27,000	25,000	25,000	18,000	30,723	18,000
Nevada	40,000	6,000	35,000	30,000	30,000	25,000	22,500	22,500
New Mexico	35,000	15,000	33,500	31,000	30,000	24,000	26,088	24,000
Oregon	38,500	---	38,720	35,090	31,900	31,900	26,784	31,900
Utah	35,000	---	30,000	27,500	24,996	21,996	33,288	21,000
Washington	42,150	17,800	39,412	34,250	31,500	21,400	42,836	24,150
Wyoming	37,500	---	32,500	30,000	26,500	23,000	27,948	23,000
Western States (less Nevada) Average	38,025	20,800	37,233	32,410	30,490	24,580	30,363	26,400
National Ave.	40,963	22,708	39,467	33,823	32,640	26,514	30,177	26,788

*Taken from the 1976 Book of the States and National Center for State Courts Quarterly Survey of Judicial Salaries, October 1976 issue. Because many States Legislatures may have met since the time referred to in the 1976 Book of States, it is probable that the salaries of non-judicial offices in some states is higher than indicated above.

PART V

Comparison of Salaries of Elected and Appointed
Officials in Nevada.

Any salary comparison should consider the salaries of appointed state and local government officials.

The existing salary comparisons on page 14 highlights the salary level of the eight elected positions under review, in comparison with salaries of appointed officials in the University of Nevada system, county and city governments, and the county school districts. These positions, all appointive, represent functions for which the chief responsibility in most cases is top level administration.

The Governor ranks eighth in salary level among the official salaries compiled when cash receipts are compared. Even when a reasonable share of the Governor's Mansion Maintenance expense is allocated to gubernatorial compensation, the Governor's total compensation still ranks third (see discussion on Page 15).

A Supreme Court Justice ranks 26th. The Attorney General and District Court Judges rank 31st.

In the instance of the five top university officials, the salary shown includes salary and housing.

EXISTING SALARY COMPARISONS

<u>Position</u>	<u>Cash Receipts for Housing</u>	<u>Salary</u>	<u>Total Salary & Allowances</u>
Health Officer, Clark County		\$50,604	
Superintendent, Clark Co. School Dist.		\$47,569	
GOVERNOR		\$40,000	(*45,251)
Superintendent, Washoe Co. School Dist.		39,000	
Chancellor, Univ. of Nevada	5,000	38,000	**43,000
President, Reno Campus	4,000	38,000	**42,000
President, Las Vegas Campus	4,000	38,000	**42,000
President, Community College Div.	4,000	38,000	**42,000
Director, Desert Research Inst.	4,000	38,000	**42,000
Deputy Director, Desert Research Inst.		38,000	
Deputy Director, Desert Research Inst.		38,000	
Dean, Medical School		38,000	
Vice-President, Academic, Univ. of Nevada		38,000	
Health Officer, Washoe County		37,980	
City Manager, Reno		37,934	
Vice-President, Admin., Univ. of Nevada, Reno		37,250	
Dean, College of Agriculture		37,000	
Vice-President, Admin., Univ. of Nevada, Las Vegas		36,500	
Business Manager, Univ. of Nevada, Las Vegas		36,500	
Associate Superintendent, Washoe Co. School Dist.		36,112	
Executive Vice-President, WNCC		36,100	
County Administrator, Clark County		36,000	
Executive Vice-President, CCCC		35,000	
County Manager, Washoe County		35,000	
City Manager, Las Vegas		35,000	
SUPREME COURT JUSTICE		35,000	
Deputy Superintendent, Clark Co. School Dist.		33,996	
Comptroller, Clark County		33,732	
Deputy District Attorney, Clark County		33,084	
Deputy Director, Desert Research Inst.		31,300	
ATTORNEY GENERAL		30,000	
DISTRICT COURT JUDGE		30,000	
Controller, Univ. of Nevada, Reno		29,451	
City Manager, North Las Vegas		28,000	
Deputy District Attorney, Washoe County		27,549	
City Manager, Carson City		25,260	
SECRETARY OF STATE		25,000	
Controller, Washoe County		23,790	
Treasurer, Clark County		23,000	
STATE CONTROLLER		22,500	
STATE TREASURER		22,500	
Treasurer, Washoe County		22,000	
LI. GOVERNOR		6,000	

*Includes mansion maintenance allocated to Governor's compensation package.

**Including housing allowance, which is a cash payment.

NON-CASH BENEFITS ACCRUING TO THE GOVERNOR

The Governor of Nevada resides in the Governor's Mansion as a perquisite of the office. The Mansion, however, remains as a state building and landmark and as such is subject to public use and inspection. As a public facility, the Mansion is maintained under a separate budget in a manner which will permit its use for the public. In addition, the Mansion is used heavily as an official site for greeting visiting dignitaries and conducting affairs related to state government. Despite these distinct disadvantages, residence in the Mansion does afford economic benefits to the Governor.

The Handbook of Labor Statistics 1975-Reference Edition contains tables of household expenses for 4-person families living at higher levels of income. The tables do not conform to the conditions surrounding the present Governor of Nevada, but by expanding the data in the tables, reasonable elements contained therein can be extracted and applied fairly to any governor. The data in the handbook is expressed in relation to national averages, and reduced by 25% in consideration for the use of the mansion by the public, for a value of \$5,251 which seems equitable, although admittedly any method of devaluation under the circumstances can be argued.

PART VI

CONCLUSIONS

RECOMMENDATIONS

It is recommended that the 1977 Legislature provide adequate compensation to elected officials which minimizes the effects of inflation during the term of such officials, effective January 1979.

It is further recommended that the legislature provide for annual or biennial cost of living adjustments similar to that provided for the classified and unclassified state employees.

SUMMARY

It is recommended that the following cash salary level (round figures) be adopted by the 1977 Legislature, and used as the new base salary amounts for implementation of the cost of living mechanism referred to above.

<u>Official Position</u>	<u>January 1979</u>
Governor	\$51,000
Supreme Court Justices	49,500
Attorney General	44,000*
District Judges	44,000*
Secretary of State	35,000
Controller	32,500-35,000**
Treasurer	32,500-35,000**
Lt. Governor	11,000-15,000**