

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
MARCH 15, 1977

The meeting was called to order at 8:30 A.M.

Senator Floyd R. Lamb was in the chair.

PRESENT: Senator Floyd R. Lamb, Chairman  
Senator James I. Gibson, Vice-Chairman  
Senator Eugene V. Echols  
Senator Norman Ty Hilbrecht  
Senator Thomas R.C. Wilson  
Senator C. Clifton Young

EXCUSED ABSENCE: Senator Norman D. Glaser

OTHERS: Ronald W. Sparks, Chief Deputy, Fiscal Analysis  
Howard Barrett, Budget Director  
Cy Ryan, UPI  
Wilson McGowan, State Controller  
Carol Mengel, C.P.A.  
Dale Stump, Data Processing  
Arthur Crosby, Mgr., Computer Facility  
James Wittenberg, Administrator, Personnel Division  
Frank Daykin, Legal Counsel

Senator Lamb asked Mr. McGowan to speak on his budget.

Mr. McGowan said he would like first, to advise the Committee that Bob Bruce had to have open heart surgery. He is now at home recuperating and expects to return to work in a few weeks. In the interim Mrs. Carol Mengel is filling in for him.

Mr. McGowan read from prepared remarks, copy attached. He also gave to each member of the Committee a copy of the Annual Report from the State Controller's Office.

Senator Wilson asked about the items on contractual services and other contract service. Mrs. Mengel explained that contractual services are mostly microfiche costs and the like; the other contractual services are mainly rental and equipment maintenance costs for data processing equipment. She explained the microfiche operation.

Mr. McGowan explained that it does away with a terrific amount of printing.

Mrs. Mengel explained the new positions and the need for a new key punch operator.

Senator Gibson asked about the increase in data processing charges.

Mrs. Mengel said she understood the original figure was an estimate and now in actuality it is larger.

Mr. Barrett said it was just their share of the budget. He said this would increase because of inflation and also because Employment Security Division will be pulling out and when that share is divided up among the users, this is the Controllers share.

Senator Lamb thanked them for appearing.

Arthur Crosby spoke on the Computer Facility Budget. The Computer Facility's primary goal is to provide economical data processing equipment and support services to user/agencies. The Computer Facility is directed by a Data Processing Commission whose duties are to:

1. Determine the data processing policy of the state as it relates to such items as the location and selection of data processing equipment, utilization of such equipment and service procedures.

2. Prescribe rules and regulations for the effective administration of the Computer Facility.
3. Establish personnel practices and procedures to prescribe employment specifications and standards for all Computer Facility Personnel.

Funding of the facility is from billings rendered to user/agencies for services assessed on a uniform basis depending on the physical resources used. The statutes also designate that certain user/agencies can be billed on a fixed contract basis. Currently the Employment Security Department is utilizing services at the facility on such a fixed contract basis. The contract provides that the facility shall provide dedicated hardware resources for the department's needs. The ESD plans to move out of the Computer Facility in the coming biennium and lease and house their own computer equipment. The budget is predicated on such a move.

In projecting regular users' future plans and estimated workloads, the present facility equipment will begin running out of capacity during the coming biennium. There is, therefore, an additional request for a special appropriation to be used in conjunction with the balance of monies in the computer acquisition sinking fund to purchase an attached processing unit. The attached processor can perform many of the tasks now done by the central processing unit and thereby effectively increase throughput and eliminate degradation of equipment performance caused by excessive workload requirements.

Senator Lamb asked what a reasonable life would be for the equipment.

Mr. Harding said that six or seven years would be considered reasonable.

Senator Lamb asked the Committee to consider S.B. 178.

S.B. 178: Changes method of repaying cost of state computer and makes appropriation for purchase of additional equipment.

Mr. Crosby explained the purpose of the bill.

Senator Lamb said if they were doing away with the sinking fund they had to have the bill.

Mr. Barrett said they would like to amend Section 3 of the bill. On line 23 after "purchasing" and before "an" insert the words "or leasing".

Senator Young moved that the amendment be adopted and the Committee do pass as amended; Senator Gibson seconded and the motion passed.

COMPUTER FACILITY BUDGET: Senator Young moved that the budget be approved; Senator Hilbrecht seconded and the motion passed.

CONTROLLERS OFFICE BUDGET: Senator Young moved the budget be approved; Senator Echols seconded and the motion passed.

OFFICE OF TRAFFIC SAFETY BUDGET: Senator Gibson moved the budget be approved; Senator Gibson seconded and the motion passed.

TRAFFIC SAFETY FEDERAL GRANTS BUDGET: Senator Gibson moved that the budget be approved; Senator Young seconded and the motion passed.

Senator Lamb told the Committee that they had a request from the State Board of Education to be heard again. A discussion followed as to the advisability of another hearing; Senator Wilson said he felt it would be helpful to have the Board appear. It was agreed the Board would be invited to appear, with the request that the members would speak to separate issues so the most information could be exchanged in clarifying areas of the Department of Education budget that were in question.

Senator Hilbrecht said that Mr. Oliver and the people who did the audit would be present also.

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Senator Lamb asked the Committee to consider BDR 54-1177. Senator Gibson moved that it be introduced as a committee bill; Senator Wilson seconded and the motion passed. This is a mandate that a deputy for the Real Estate Division be stationed in Las Vegas.

Senator Lamb discussed the position of Fire Marshall. He said they had talked with the Director of the Department of Commerce, with his assistant, and as the man presently holding the position of Fire Marshal will retire in October, 1977, it was suggested that upon his retirement the Fire Marshal function would revert back to the Insurance Division where it used to be performed.

In this way the man presently holding the position would not be hurt; but it was the consensus of opinion that there was no longer a need for the Fire Marshal division as it is presently set up. There would be a budget saving by the transfer and the present needs in this area could adequately be handled within the Insurance Division.

Senator Hilbrecht moved that a bill be drafted abolishing the Office of State Fire Marshal, effective in October of this year, thereafter being an office in the Division of Insurance to manage those duties that are statutorily mandated upon the Fire Marshal.

Senator Hilbrecht suggested that perhaps the title of Fire Marshal should be changed so there would be no confusion resulting from the change. It was agreed that Senator Hilbrecht would talk with the Comm. of the Insurance Division relative the content of the bill and bring it back before the Finance Committee for further consideration.

ADMINISTRATION PERSONNEL BUDGET: In accordance with Chapter 284 of the Nevada Revised Statutes, the Personnel Division is charged with the following responsibilities:

1. Provide all persons a fair and equal opportunity for employment and promotion in the state service based upon fitness and merit.
2. Establish conditions of employment which will attract and retain employees of character and ability.
3. Provide equal pay for equal work through a uniform classification and compensation plan.
4. Improve methods of personnel administration in the Executive Department of state government through the elimination of duplication and introduction of methods to improve efficiency and effectiveness of state government.

To achieve its objectives, the Division has four functional areas:

1. Recruitment and Examining
2. Classification and Pay
3. Employee Development and Training
4. Special Services

The overall objectives of the Division in carrying out the statutory responsibilities are to deliver a modern and comprehensive personnel service to the agencies and, at the same time, provide an equal opportunity for all citizens to gain employment in the state service. The development of conditions of employment which will attract and retain the best possible employee in state government is done through the improvement and refinement of personnel practices to meet today's rapidly changing needs.

In 1976 a special appropriation of \$120,000 was provided for the purpose of developing a new automated payroll/personnel system. This system has been developed and the budget recommended here provides for the operation and maintenance of that system. During the current biennium, the Division has been involved in the development of a productivity improvement program. Through funding from the Federal Intergovernmental Personnel Act, a productivity enhancement model has been developed which can be used to examine and improve employee and organizational work procedures to improve agency effectiveness and reduce duplication and wasted effort. 1007

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The budget recommends continuation of the productivity program through a general fund appropriation.

James Wittenberg spoke on the Personnel budget. He gave a memo to each Senator relative to the budget, copy attached. He spoke to this outline.

Senator Wilson asked about Contractual Services and Other Contract Services. Mr. Wittenberg explained that the Contract Services cover the Hearings Officer, court recording and there is some grant money in there for productivity.

Senator Wilson noted the increase in these services over the preceding biennium.

Mr. Wittenberg said they get about one in ten cases that are appealed to the Personnel Advisory Commission. The Hearings Officer reviews the case and may hear it or refuse to hear it; so there were three or four hearings before the P.A.C.

As the requests for hearings increased, they were getting a tremendous backlog and it became a tremendous burden on a five-person commission. The hearings were running two and three days and they were having two or three a month. It is presently up to five hearings a month; that is why they went to the Hearings officers. The Commission contracts directly with the Hearings Officer, so he is not answering to the Department of Administration. The Hearings Officer is an attorney and they have one under contract to hear all the cases.

Senator Wilson asked how much of the line item in the budget was for the Hearings Officer and how much for court recording.

Mr. Wittenberg said about 75% went to the Hearings Officer. He said they did not have a court reporter, as the cost of that for every hearing would be astronomical. Until it is appealed, it is not transcribed. Every hearing is recorded and transcribed only when it is appealed.

Senator Wilson asked if a general staff Hearing Officer from some other department who would conduct hearings not only for his department, but for others as well, would be compatible to Personnel's needs. He was wondering about putting them on staff at a salary instead of having them on contract.

Mr. Wittenberg said the only concern he would have or that he had heard from other agencies, is they do not like to have different hearings officers. He felt that if you had a regular hearings officer there would be the advantage that the more he handles hearings the better understanding he has of state government, also you get some continuity. He did not think the idea was unworkable at all.

He explained that the Other Contract Services category included office equipment.

Senator Young indicated his interest in the productivity studies that had been made. He wanted to know how long they had been doing it, how they determined which department would be studied.

Mr. Wittenberg said in selecting the first agencies, they were still developing the methodology and they went into agencies where they felt as a result of prior classification work, budget work, etc., that there would be some productivity gains and they tried to get into agencies that they could adapt a little to the productivity measures, such as Buildings and Grounds and the Department of Taxation. Another criteria had to be the willingness of the agency administrator to become involved because it is necessary to have good support on the process.

He explained the process of getting a grant in order to do the study, bringing in productivity consultants on a contract basis to assist in training the staff. He said they are now at a point where they feel they have the system fairly well refined. He said the most recent study was in Buildings and Grounds. They were in there for six weeks. The total cost of the productivity study was \$4100. and they figure there was a gain, or an elimination from a cost standpoint of about \$45,000.

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Senator Wilson asked if they had money to continue the study.

Mr. Wittenberg said the grant would run out as of June 30th. He said that in the budget, under new positions, the Governor has recommended three productivity analysts and one clerical position to support that function from the general fund. That means they will focus on general fund agencies during the next two years. He said they were convinced, based upon the studies made so far, that there can be a payoff. In the Tax Commission and Buildings & Grounds there was an elimination of about 16% of the staff.

Senator Young asked, with the projected budget, how long it would take to get around to all the budgets.

Mr. Wittenberg said that with the level of funding that is recommended in this budget, they would be able to cover 1200 employees in the biennium. One productivity analyst can cover 200 to 300 employees a year on an average.

Senator Young wondered if the state would save money if they stepped the program up, instead of taking five or six years at the present funding level.

Mr. Wittenberg said he felt it would be a good idea to accelerate the program. He said they had requested more than the Governor recommended and the budget had been trimmed back. The cuts were made in keeping with the cuts throughout state government.

Senator Wilson said it appeared there would be a saving of \$40,000 to \$50,000 in Buildings & Grounds.

Mr. Wittenberg said that was a definite saving; in addition to that there is a potential savings beyond that because there is a recommendation that janitorial services be contracted. He said there was a potential saving there, annually, of \$131,000, if that was done. The director is considering that possibility.

The minimum that most productivity experts claim is 3 to 1; but they found in their original studies it was much higher.

Senator Gibson asked how many employees would get a merit increase each year.

Mr. Wittenberg said of 4200 employees eligible about 95% would get them. He said that other studies showed that generally there was a cost of living increase as well as the merit increase: he cited articles in the Wall Street Journal on this subject.

A general discussion followed on the benefits of the productivity study and the advisability of accelerating the program.

Senator Wilson asked what the priorities would be to make a judgement on how much the productivity studies should be increased.

Mr. Barrett cautioned about going too fast on this program and getting expectations built up too high and then be disappointed by the results.

Mr. Wittenberg said if the present request was doubled they could cover 2400 employees during the biennium which would be half of the general fund. He felt this would be workable, beyond that there might be a problem; but he felt this study was a top priority item.

Senator Hilbrecht said he would be impressed with an historical track record that could be used as a criteria. He asked if Mr. Wittenberg could provide him with some information along these lines.

Senator Gibson asked what kind of resistance they were having to these studies.

Mr. Wittenberg said there is always resistance at any time that classification is denied. He had met little resistance from a standpoint of productivity. There are agencies who are interested in having the study made. He said they had a good relationship with SNEA.

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Senator Gibson asked if they had had any grievances out of the studies so far and he said they had not. He said the Governor indicated at the outset that they did not want to lay people off as a result of a productivity; they wanted to achieve those savings through attrition. Mr. Wittenberg said he felt in most cases this could be done in a short period of time, or they could make transfers.

Senator Young asked him to prepare an analysis on the advantages of implementing the productivity program and give it to the Committee.

Senator Hilbrecht asked if there was an overlap in the work the Personnel Division might be doing in these productivity reports and work done by the Legislative Audit Division.

Mr. Wittenberg said if there had been a fiscal audit of an agency recently, that would be something that would be checked. He said the results of the studies they had made were given to Legislative Audit for their review.

He said one of the agencies they would like to do before their grant money runs out is Motor Vehicle and Drivers License Registration. There has been something done in productivity in the States of California and Washington, that appears to be a problem nationally with that function, so the first thing they would do would be to pull in information on that.

Senator Gibson asked about the data processing system, what was the cost of this system compared to what they had previously.

Mr. Barrett said that the data processing does cost substantially more, but it does provide information which the old system did not.

Senator Gibson said he felt they were going to be able to lay off people because they were doing away with manual transactions, but he didn't see where it had happened.

Mr. Barrett said they thought when they started building the budget with the various agencies that they could lay off or discontinue some payroll kinds of positions. It appears that it takes an agency of at least 500 to have one position that could be closed out. There will be some savings in all the agencies, but it is not sufficient in any area to close out a position. Maybe after they are into it deeper they will find out they can.

Mr. Wittenberg said he would hope there would be some manpower savings; initially it was estimated it would be twelve positions. He explained the communication costs in the budget, telephone between Las Vegas and the Carson City office and \$13,000 just for postage.

Senator Gibson thanked him for appearing.

Mr. Frank W. Daykin, Legislative Counsel, came to speak of the problems with regard to S.B. 314.

Senator Lamb asked him about the legality of using the bonding monies.

Mr. Daykin gave each member a copy of an opinion he had given Senator Dodge in December, 1976, copy attached.

Senator Lamb asked him to explain to them whether they were right or wrong, in his opinion.

Mr. Daykin said in his opinion they were right because the park bond issue legislation uses the word "acquisition" and it refers in turn to the state securities law for the mechanics of issuing a bond. In the state securities law it refers to it also for "applied to the issuance of bonds and the acquisition of property under this act". The state securities law provides that acquisition includes the purchase, construction, reconstruction or any combination thereof of any property. Therefore it seems that park bonds may be used for the purchase of something brand new or the improvement, for park purposes, of something you already have.

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He said in this instance they would be receiving Tulle Springs as a gift from the city and then they would be using the park bonds proceeds to improve it once they had it, which in his opinion was within the purview of the park bond act. Whether they chose to do so is a question of legislative policy, but as far as the constitution is concerned, he believed they had the full power to do so.

Senator Young asked what weight he put on the actual bond act itself, which is broken into a number of sub-divisions, and talks about acquisition for park purposes; then in connection with \$500,000 for bicycles, it talks about acquisition and development. He said he felt it was at least arguable. He said he had talked with people who were interested in filing a law suit to have this determined that where the bond act itself is specific and actually refers in certain portions to acquisition and development, that the specific would control the general application or general reference to the state securities act in the lower part of the bond statute.

Senator Wilson said there was no doubt in his mind what the intent was because he was the one who had the bill drafted and it was to be for acquisition because he would be afraid if the money was made available for development, particularly as far as the cities and counties were concerned, that it was not going to accomplish the job. There would be a lessening of the appropriations at the local level and they will merely apply to the state to get their share, whatever that share may be, for development, and the purpose of the act was frustrated. The first bond issue for \$5 million was passed in '67 or '69, he couldn't remember, one bond issue went strictly for acquisition, as he recalled.

Mr. Daykin said the question was not raised at that time as to whether new purchase was the only permissible application. Certainly it is permissible, and no doubt the primary permissible purpose.

Senator Young agreed; he said the intent at that time was acquisition. That has been the history, it has all been for acquisition. Then the new request was made, and his recollection was that it was to be the same as the prior act, with these other little goodies added on, for matching, for bicycle paths, and rehab for the primary interest of trying to stimulate the cities and counties into getting into the park program, because there is where the great use is, in the urban type area, and that is where there has been a lag. He didn't feel it was entirely clear based on a, history; b, on the intent, and c, on the language of the bond act itself which particularly with regard to bicycles, uses the words acquisition and development. He felt it was very arguable that that language would indicate that if the Legislature had intended development, in connection for park purposes it would have used that language.

Mr. Daykin said that this was, of course, an entirely plausible argument. However, he felt that at best it raised a possible contradiction within the act. That is to say that the reference to acquisition, which is quite specific. The provisions of the state securities law shall apply to the acquisition of property under this act. So acquisition must be taken as having the meaning given to it in the state securities law. Then you say, but if that is so why would the legislature use the word acquisition or improvement or acquisition and development. Therefore at most it raises a potential conflict within the act. That would be a question for court construction, but if the legislature passes the bill which you have before you in committee, that would be in turn a legislative construction of the intent of the act, to which he thought the courts would, under existing case law, give great weight to. He also commented on the history of the law, Senator Young, the legislative history that you have traced, it is still the case law of this state that a statute will be construed from its four corners and no way given to discussion, debate, things in the journal preceding its passage. If there is ambiguous then, of course, they will look and give some weight.

Senator Young said that the fact that people have voted on a bond issue like this, which has that ambiguity, can that cause the court to give greater weight to that. He said he knew the Park Department believed it was all for acquisition, the publicity was all for acquisition, the intent of the individual who had the bill drafted was all for acquisition.

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Mr. Daykin said he fully appreciated his concern but he did not think that if the statute means what it says with respect to acquisition by invoking the state securities law, that what was subjectively present in the minds of the people who voted on it, would control the application of the proceeds so as to put it beyond the power of the legislature to apply those proceeds according to this construction of its own language.

Senator Young asked if he meant at this time and also by subsequent act.

Mr. Daykin said that was what he meant.

Senator Young asked if the fact that the statute itself refers to the state securities act added anything; wouldn't it still be subject to a state securities act whether it be included within the act or not.

Mr. Daykin said that was interesting because that slightly tears down your own argument. The issuance of the bonds would have been subject to the state securities law without the need for an express reference. But the acquisition of property would only to a limited degree, probably, have been governed by the state securities law because the primary purpose of that law is to provide the mechanism of issuing the bonds, their terms, interest rates, limitations, maturities etc. Mr. Daykin said there were several arguments in the act which can be raised upon one side or the other. He said he would not say that the case is beyond argument, but he believed that the weight of the argument - this opinion was rendered to Senator Dodge without reference to a specific act of the legislature - was that of the reference to the Securities Act bringing in acquisition which makes improvement permissible here if the legislature specifically wishes. You have a stronger case because of your legislative interpretation. This opinion to Senator Dodge was rendered with respect to certain properties in Churchill county, which already belonged to the County and which it was proposed to improve in part with park bond proceeds and in part with the proceeds of other funds.

Senator Wilson stated that the information placed on the ballot for the bond issue itself talked about acquisition and not development.

Senator Young: That is my understanding. I was flabbergasted when I heard Frank had rendered a decision saying it could be used for development because the entire thrust of all the publicity was for acquisition.

Senator Lamb asked if there were any more questions. There being none he thanked Mr. Daykin for appearing.


Senator Lamb said the Committee would meet again at 5:00 P.M.

The meeting adjourned at 10:25 A.M.

RESPECTFULLY SUBMITTED:

  
MURIEL P. MOONEY, SECRETARY

APPROVED:

  
FLOYD R. LAMB, CHAIRMAN



STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

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December 13, 1976

Senator Carl F. Dodge  
P. O. Drawer 31  
Fallon, Nevada 89406

LCO 37

Meaning of "acquisition"  
in ch. 660, Statutes of  
Nevada 1975

Dear Carl:

You have asked whether the word "acquisition" as used in chapter 660, Statutes of Nevada 1975, includes the improvement of land already owned. The statute provides, upon approval by the voters, for the issuance of bonds "for real or personal property acquisition \* \* \* under the statewide outdoor recreation plan \* \* \*." In subsection 4 of section 3 it further provides: "The provisions of the State Securities Law, contained in chapter 349 of NRS, apply to the issuance of bonds and the acquisition of property under this act."

The State Securities Law in turn provides, in NRS 349.156: "Acquisition \* \* \* includes the \* \* \* purchase, construction, \* \* \* reconstruction, \* \* \* or any combination thereof, of any properties \* \* \*." Thus it seems clear that the word "acquisition" in chapter 660 has the meaning provided in NRS 349.156, and therefore includes the construction (or reconstruction, if appropriate) of improvements upon land already owned, as well as the purchase of land or other real or personal property.

Very truly yours,

*Frank W. Daykin*  
Frank W. Daykin  
Legislative Counsel

FWD:jll

STATE CONTROLLER'S OFFICE  
REPORT TO NEVADA LEGISLATURE

THE STATE CONTROLLER'S OFFICE IS RESPONSIBLE FOR PROVIDING ACCOUNTING SERVICES, CONTROLLING THE PAYMENT OF CLAIMS, AND REPORTING ON THE COMPLETE FINANCIAL CONDITION OF THE STATE OF NEVADA. WE HAVE A STAFF OF THIRTY WHICH HANDLE INPUT DATA AND REQUESTS FROM SOME 150 AGENCIES. THE STATE ACCOUNTING SYSTEM HAS ABOUT 525 BUDGET ACCOUNTS AND 220 FUNDS.

1976-1977 BIENNIUM ACCOMPLISHMENTS

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

1. BECAUSE YOU PROVIDED US WITH THE CAPABILITY OF DOING OUR OWN DIRECT DATA ENTRY WE HAVE BEEN ABLE TO REDUCE THE TIME IT TAKES US TO PROCESS THE STATE'S ACCOUNTING SYSTEM.
2. THE TIME FRAME OF RESPONDING TO VENDOR CLAIMS HAS BEEN DECREASED BECAUSE WE HAVE THE ABILITY TO PRE-EDIT TRANSACTIONS DAILY BEFORE THEY ENTER THE STATE ACCOUNTING SYSTEM. THIS MEANS THAT THE TRANSACTION CAN BE CORRECTED AND RE-SUBMITTED WITHIN THE SAME WEEK.
3. WE HAVE DEVELOPED A VENDOR DATA SYSTEM WHICH ALLOWS INDIVIDUAL USER AGENCIES TO CONTROL PAYMENTS MADE FROM THEIR ACCOUNTS. THIS PERMITS FASTER PROCESSING AND PRE-EDITING OF DOCUMENTS THROUGH OUR OFFICE THUS SPEEDING THE PAYMENT OF VENDOR CLAIMS.

4. WE HAVE AUTOMATED SEVERAL TIME-CONSUMING CLERICAL FUNCTIONS. THIS ENABLES THE STAFF TO WORK ON SOME OF THE MORE IMPORTANT ASPECTS OF FINANCIAL CONTROL.
5. THE STATE'S BONDED INDEBTEDNESS INFORMATION HAS BEEN CONSOLIDATED AND IS NOW BEING REPORTED IN LINE WITH GENERALLY ACCEPTED REPORTING STANDARDS. THIS HAS PROVIDED BOND RATING INSTITUTIONS AND BOND PURCHASERS WITH A FULLER DISCLOSURE OF ACCURATE INFORMATION.
6. THREE FISCAL YEARS HAVE BEEN CLOSED DURING THE CURRENT BIENNIUM. TWO ANNUAL REPORTS HAVE BEEN PRODUCED AND THE THIRD ONE IS BEING PRINTED NOW. THE TIME BETWEEN THE CLOSE OF A FISCAL YEAR AND PUBLICATION OF THE ANNUAL REPORT HAS BEEN REDUCED FROM 21 MONTHS TO 9 MONTHS. NOT ONLY IS THE REPORT MORE TIMELY, BUT THE REPORTING STANDARD HAS BEEN GREATLY IMPROVED. WE ANTICIPATE CLOSING THE FISCAL YEAR 1977 BOOKS BY AUGUST 31 AND PRODUCING THE ANNUAL REPORT BY DECEMBER 1, 1977.

THE CONTROLLER'S OFFICE WILL CONTINUE MOVING IN THE DIRECTION OF BETTER ACCOUNTABILITY FOR AND CONTROLLING OF THE FINANCIAL TRANSACTIONS OF THE STATE OF NEVADA, AND CONTINUE TO UPGRADE THE ACCOUNTING, REPORTING, AND CONTROLLING STANDARDS OF THE OFFICE.

March 15, 1977  
 OUTLINE  
 LEGISLATIVE PRESENTATION  
 PERSONNEL DIVISION BUDGET

I. NRS 284 - PROGRAM STATEMENT

A. ALL EXISTING POSITIONS FILLED - UNDERFILLS/TURNOVER

B. SEVERAL BASIC RESPONSIBILITIES INVOLVED

1. FOUR MAJOR AREAS (BUDGET DOCUMENT)
2. ORGANIZATIONAL STRUCTURE (BUDGET DOCUMENT)

C. OVERALL OBJECTIVES

1. MODERN SYSTEM OF PERSONNEL MANAGEMENT WHICH IS IN STEP WITH THE TIMES.
  - a. HAS BEEN A DRAMATIC CHANGE IN EMPHASES DURING THE PAST TEN YEARS.
2. REFINE SELECTION PROCEDURES/CLASSIFICATION PROCEDURES, COST/BENEFIT EMPHASIS/EMPHASIS ON LABOR RELATIONS / TRAINING / GRIEVANCE PROCEDURE REFINEMENT/ PROPER DISCIPLINARY PROCEDURES / WPS PERFORMANCE EVAL. / REFINEMENT AFFIRMATIVE ACTION/PRODUCTIVITY EMPHASIS.

II. FUNDING

A. BASED UPON .9 OF 1% OF THE GROSS PAYROLL FROM STATE AGENCIES.

III. PRIMARY AREAS OF ACTIVITY: (EXISTING POSITIONS)

A. RECRUITMENT AND EXAMINING:

1. 93,000 APPLICATIONS (ANNUAL ANALYSIS)
  - a. 38,000 APPLICATIONS EVALUATED, 10,570 PLACED ON THE ELIGIBLE LISTS, 2,879 APPOINTMENTS.

B. CLASSIFICATION AND PAY:

1. 1,200 REQUESTS - 50% up/25% N.C./25% REDUCE
  - a. HIGHEST PERCENT OF DENIALS 1976.
  - b. EMPHASIS ON COST BENEFIT
  - c. NEW METHODOLOGY - FACTOR RANKING BENCHMARK SYSTEM WITHIN NEXT YEAR.

C. TRAINING:

1. 134 COURSE OFFERINGS

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2. 1,984 EMPLOYEES RECEIVED PERSONNEL DIVISION SPONSORED TRAINING.

3. 21,170 STUDENT HOURS (2.5 S.H. PER EMPLOYEE AVERAGE)

- a. TRAINING TO MEET GENERAL NEEDS THROUGHOUT STATE GOVERNMENT, i.e. GENERAL AND ADVANCED SUPERVISION. MANAGEMENT DEVELOPMENT / CULTURAL AWARENESS/OFFICE PROCEDURES, ETC.

D. AFFIRMATIVE ACTION - LABOR RELATIONS

1. WORKFORCE COMPOSITION / ETHNIC MINORITIES AND FEMALE REPRESENTATION.

2. GRIEVANCE ARBITRATION

- a. 341 GRIEVANCES 1/3 FORMAL 2/3 INFORMAL
- b. 13 TO EMPLOYEE MANAGEMENT COMMITTEE FOR FINAL DECISION.

E. PRODUCTIVITY:

1. METHODS AND PROCEDURES IMPROVEMENT, MANPOWER UTILIZATION IMPROVEMENT, WORK SIMPLIFICATION.

a. OUTSIDE STAFF - INDEPENDENT ANALYSIS - MANAGERS ARE DEALING WITH DAY TO DAY PROBLEMS AND CAN NOT FOCUS ON PRODUCTIVITY IN THIS SENSE.

b. RESULTS ARE; REDUCTION IN ADMINISTRATION OVERHEAD, DOLLAR SAVINGS, IMPROVED SERVICE AND COST AVOIDANCE.

2. IPA GRANT, MAY 1975

a. STARTED WITH IPA GRANT 1975 AFTER WORK PERFORMANCE STANDARDS WERE DEVELOPED.

1. TRAINED STAFF-USED PRODUCTIVITY CONSULTANT FIRST 12 MONTHS TO DEVELOP STAFF PRODUCTIVITY ANALYSIS CAPABILITY.

b. FIRST AGENCIES:

1. DEPARTMENT OF TAXATION

2. NIC

3. PERSONNEL DIVISION

4. GENERAL SERVICES ADMINISTRATION - B & G

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- a. RESULTS-NIC AND PERSONNEL DIVISION'S REORGANIZATION RESULTING IN COST AVOIDANCE AND PROCEDURES IMPROVEMENT.
- b. DEPARTMENT OF TAXATION AND BUILDING AND GROUNDS/REDUCED STAFF IN REVENUE DIVISION AND BUILDING AND GROUNDS (JANITORIAL) BY 16% OR 9 POSITIONS TOTALING \$125,000 SAVINGS.
- c. BUILDING AND GROUNDS' STUDY COST \$4,100 TO SAVE \$45,000 - SIX WEEKS. POTENTIAL OF \$131,000 SAVINGS.

c. FUTURE STUDIES

- 1. PARKS DIVISION
- 2. FORESTRY
- 3. MENTAL HEALTH
- 4. DEPARTMENT OF MOTOR VEHICLES

F. STATEWIDE WORKFORCE ANALYSIS - IMPROVED

- 1. IMPROVED WORKFORCE AS A RESULT OF WORK PERFORMANCE STANDARDS, PRODUCTIVITY EFFORTS AND TRAINING.
- 2. INDICATORS:
  - a. 225 DISMISSALS-MAJORITY PERFORMANCE RELATED.
  - b. IMPROVED RATINGS - MORE SPECIFIC RE: DEFICIENCIES AND SUPERIOR PERFORMANCE.
- 3. HEARING OFFICER AND PERSONNEL ADVISORY COMMISSION - 75% AGENCY SUSTAINED / MANAGERS DOING A BETTER JOB.
- 4. EMPLOYEE MANAGEMENT COMMITTEE-95% AGENCY SUSTAINED.

IV. NEW POSITIONS (9)

- A. FOUR REQUESTED FOR PRODUCTIVITY EFFORT.
  - 1. NEW PROGRAM
- B. THREE FOR PAYROLL/PERSONNEL INFORMATION SYSTEM.
  - 1. NEW PROGRAM - TURNAROUND DOCUMENT - LEAVE ACCOUNTING ETC. - POSITION REDUCTION - ACCURATE DATA.

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- C. ONE CLERICAL SUPPORT - LAS VEGAS OFFICE TO REPLACE CETA POSITION.
- D. 12 OF 24 POSITIONS IN AGENCY REQUESTS WERE FOUND UNNECESSARY AFTER PRODUCTIVITY STUDY WAS FULLY IMPLEMENTED.
- V. OPERATING INCREASES REQUIRING COMMENT:
  - A. COMMUNICATION EXPENSES: TELEPHONE, POSTAGE (\$13,000) PRINTING DUPLICATING (FORMS, ANNOUNCEMENTS, ETC.)
  - B. CONTRACT SERVICES - H.O., C.R., PRODUCTIVITY 5,000-6,000.
  - C. OTHER CONTRACT SERVICES - OFFICE EQUIPMENT.
  - D. LEGAL AND COURT EXPENSES / ½ ATTORNEY GENERAL AND OTHER LEGAL EXPENSES.
  - E. CENTRAL ACCOUNTING - AGENCY ACCOUNTING COST.
  - F. E.D.P. SYSTEM - BEST ESTIMATE
- VI. PAYROLL AND PERSONNEL INFORMATION SYSTEM REQUEST:
  - A. SYSTEM COMPLETED-NEED OPERATIONAL AND REFINEMENT FUNDING.
    - 1. WORK EXPERIENCE - PAYOFF STILL EXISTS.
    - 2. POSITIONS WILL BE CUT DURING NEXT YEAR.
    - 3. STATE OF WASHINGTON EXPERIENCE CAUSED COST OVERRUN.
- VII. IPA - CPS BUDGET
  - A. PRODUCTIVITY FUNDING THROUGH JUNE 30, 1977.
  - B. LOCAL GOVERNMENT ASSISTANCE i.e. CLARK COUNTY/CITY CLASSIFICATION CONSOLIDATION.
  - C. TWO REMAINING POSITIONS WILL BE IN THE LOCAL GOVERNMENT SERVICES AREA.

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