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MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

January 25, 1979

Chairman Mello called the meeting to order at 8:00 a.m.

PRESENT: Chairman Mello, Vice-Chairman Bremner, Mr. Barengo, Mrs. Cavnar, Mr. Glover, Mr. Hickey (late), Mr. Mann, Mr. Rhoads, Mr. Vergiels, Mrs. Wagner, and Mr. Webb.

ALSO PRESENT: Bill Bible, Fiscal Analyst; Ms. Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director; Senator Kosinski; John Mowbray, Chief Justice, Nevada Supreme Court; Frank Daykin, Legislative Counsel; Mike Brown; Bob Davenport; John DeGraff; Paul Cohen; and Barbara White. Guest list is attached.

AB 104 ZERO-BASE BUDGETING

Mike Alastuey, Deputy Budget Director, stated that AB 104 would have no fiscal impact.

Chairman Mello said that most states that have implemented zero-base budgeting have only hired temporary staff in the budget department for the first go-around and after that have gone back to regular staff levels.

Senator Kosinski discussed AB 104, a measure which would provide for a pilot project in zero-base budgeting. He explained that the Legislative Commission had adopted a resolution requesting that the 1979 Legislature initiate such a pilot project. In adopting the resolution, however, the Commission was not advocating zero-base budgeting. They simply wanted it as a trial program, so that its results could be ascertained. Senator Kosinski then explained the purpose and procedures of zero-base budgeting to the Committee. His remarks are contained in the December 13, 1978 memorandum to the Legislative Commission (attached Exhibit "A"). He also distributed background paper 79-6 of the Legislative Counsel Bureau's Research Division to the Committee. (This paper is on file with the Research Division.)

Mr. Hickey asked Senator Kosinski how agencies were selected for the zero-base budgeting plan and was referred to Page 4 of Exhibit "A".

SUPREME COURT

Chairman Mello introduced Chief Justice Mowbray; and, Mike Brown and John DeGraff of the Administrative Office of the Courts. Each Committee member was given a copy of a recent Supreme Court Order filed January 25, 1978, (Exhibit "B") which Frank Daykin, Legislative Counsel, was asked to explain for the Committee. Mr. Daykin said that this Supreme Court Order was not part of any legal proceeding or one in which briefs or arguments were submitted to the Court. It states various reasons why the Court believes that the individual items within its budget, specifically the salaries of various professional employees, Chief Legal Advisor, the Court Administrator and his assistants should not be fixed by the Legislature, but instead should be set by the Court within the limits of the Court's appropriations. It also directs the State Treasurer, State Controller, and the Budget Director not to observe any limitations of salary imposed by NRS 284-182 (unclassified salary section).

Chairman Mello asked if the Executive Branch of the government could do the same thing and Mr. Daykin replied that he thought not for two reasons.

First, the Court is relying on that section of the Constitution which confers upon it the administrative direction of the court system, and, secondly, the Executive Department cannot issue orders.

Chief Justice Mowbray said that the Committee should not pay too much concern to this Order, and expressed his pleasure at being able to appear before the Committee. The Chief Justice's formal remarks (Exhibit "C") provided information on the Supreme Court's personnel reforms -- adoption of a classified salary system -- and the budget request. He indicated that seven new attorney positions are being requested as the case load has more than doubled since 1974 and the Court is not able to keep pace with the case filings. He further added that the current case load is not manageable with the present staffing.

Chairman Mello asked what employees were being classified, and Mike Brown, Deputy Director for the Administrative Office of the Courts, said all employees with the following exceptions: Director of the Administrative Office, Deputy Director of the Administrative Office, Legal Advisor to the Supreme Court, Deputy Legal Advisor, a requested new Deputy Legal Advisor, and the Clerk of the Supreme Court.

Chairman Mello asked if State Personnel had conducted the classification reviews. Mike Brown replied that he had done the classification studies and compared the Court's classification to that of the Executive Branch.

Mr. Vergiels asked if he was correct in assuming that the Court had set up their own classification system. Mike Brown answered that they took the Court's positions and related them to similar Executive Branch positions. Mr. Vergiels observed that employees' salaries could be raised because the controls are all internal with no outside checks.

Chairman Mello said that the unclassified pay bill had included Court and Executive Branch salaries and that the Executive Branch had abided by it. He referred to budget page 145, Legal Advisor set at \$31,266 and now being paid \$32,677; and Deputy Director set at \$25,802 and now being paid \$31,043; and, on page 146, Director set at \$27,049 and now being paid \$32,677. He requested an explanation.

John DeGraff, Court Administrator, said that these salary changes were made to bring Supreme Court personnel into line with equivalent positions in other state agencies. He said that these salaries are in the lower national averages for state court administrators.

Chairman Mello asked what the Court would do if these salaries were cut back to their legal level. John DeGraff replied that if the Court's budget were reduced to a point where the Court could no longer function, then it would be obliged to exercise its inherent powers to remedy the situation.

Mrs. Wagner asked if all these new positions would be necessary if another appellate level was created. Chief Justice Mowbray said that if the appellate court becomes a reality these people would already be established and could be transferred to the appellate court.

Chairman Mello commented that John DeGraff was defending the salary increases when he had been the beneficiary of the highest increase. Mr. DeGraff replied that he was the lowest paid Court Administrator in the U.S. with the exception of Wyoming.

Chairman Mello stated that the Committee, after careful review, had acted on the budget in the past and yet the budget had been changed, and that the salary changes particularly bothered the Committee. Chief Justice Mowbray indicated that the Court will abide by any lawful acts of the legislature.

In response to a question from Mr. Glover, Mike Brown, Deputy Administrator said that the Court had not exceeded its appropriation, but had drawn the money (used to increase the salaries) from other Court accounts such as equipment and operating.

Mr. Mann told Chief Justice Mowbray that the only power the Legislature has over the courts, under the system of checks and balances, is the power of the purse, "yet we have a Court Administrator saying, 'yes, that's fine, unless that check will destroy the Court.'"

Chief Justice Mowbray responded by asking Mr. Mann if he would curtail the budget so that it would deny the people their rights to the Courts. The Chief Justice added "of course you wouldn't -- the people wouldn't like that."

Mrs. Cavnar asked if agencies are bound to spend monies appropriated for such purposes as equipment for that purpose. Chairman Mello said that they are bound to the budget approved by the Legislature, although they can transfer the funds with Budget Division approval. The Supreme Court, though, can transfer without Budget Division approval. He mentioned that, in the future, better control could be obtained by writing the Court's individual positions into the General Appropriations Act.

Mr. DeGraff distributed budget revisions (Exhibit "D") to the Committee.

Mrs. Wagner asked about the requested funds for printing (page 146). Bob Davenport explained that most of this increase is the increased cost of Nevada Reports and the advance sheets. He went on to explain that there were 231 opinions filed in 1977-78 and will probably be at least that number this year.

Mr. Davenport discussed the Court's need for new storage equipment because of space limitations. The greatest need is for a record-retrieval unit, one for each fiscal year (\$10,189 each). Each unit gives the equivalent storage space of thirteen filing cabinets.

LAW LIBRARY

Mrs. Barbara White, Law Librarian, stated that the Law Library's budget was a 5% increase, with the main additional expense being for a new catalog specialist. She indicated that the catalog specialist would reorganize the collection by subject as is the Library of Congress. This specialist is budgeted at a Librarian I level and would be a permanent employee (Grade 28, Step 7). The specialist would be trained in law.

ADMINISTRATIVE OFFICE OF THE COURT

John DeGraff discussed the new positions requested in the budget. Chairman Mello asked how many of these new positions related to full state funding of the Court. John DeGraff indicated that the first six positions related to full state funding. An administrative position is requested to handle judicial education programs for justices of the peace, municipal court judges, Supreme Court judges, district court judges, and circuit court staff.

In response to a question on out-of-state travel, Mike Brown explained that the state Court Administrator has membership on several national committees and attends conferences with state court administrators as an information gathering, learning, and exchange training process.

John DeGraff and Mike Brown told the Committee that the Supreme Court had been sued twice during the last biennium and that \$20,000, each year, is requested for defense costs if the Court is sued in the future.

JUDICIAL EDUCATION

John DeGraff said that currently the cities and counties are assessed on a pro rata basis for judicial education of justices of the peace and municipal court judges. The Court is requesting state funding of this program to offer some financial relief to the cities and counties.

PLANNING

Mike Brown said that LEAA funds this budget with a \$50,000 annual grant with no matching requirement. This budget provides authorization to accept this grant.

Mrs. Wagner asked about the council's membership. Mr. DeGraff explained that council members are elected by the judiciary based on five geographic regions, three people from each region.

DISTRICT JUDGES SALARIES, DISTRICT JUDGES AND WIDOWS PENSIONS, AND JUSTICES AND WIDOWS PENSIONS

These accounts are budgeted at salary and benefit levels provided in existing legislation. The Court anticipated legislation to increase the pension levels.

DISTRICT JUDGES TRAVEL

Mike Brown explained that the amount shown as requested for out-of-state travel is incorrectly identified, and that it actually is for out-of-district travel for judges who are serving outside their district in the event of disqualifications.

RETIRED JUDGE JUSTICE DUTY FUND

Mike Brown explained that this program was created at the last session of the legislature to provide funding for retired judges who are assigned a recall status by the Supreme Court. He said there currently are three retired judges available: Marshall, Zenoff, and Gregory.

JUDICIAL COMMISSIONS

John DeGraff said that the amount requested for 79-80 could be reduced if the Commission's jurisdiction over Justices of the Peace is ruled unconstitutional. This matter is now before the Supreme Court, and may be resolved by legislative adjournment.

BOARD OF PARDONS

Mr. DeGraff explained that this account is used to bring salary parity with one another.

UNIFIED COURT SYSTEM

Mike Brown indicated that judicial education does not belong with this budget, and it is requested in another budget, but judicial information should be included in this account. The Committee was given a hand-out (Exhibit "E") containing information about the unified court system and budget revisions.

Mr. Mann asked Mike Brown what disposition was recommended to be made of the funds last generated by local judicial activities.

Mr. Brown replied that this is a more proper decision for the Legislature and that it would be inappropriate for the Judicial Branch to make a recommendation. He further indicated that they did not know the total amount of revenues involved.

The meeting adjourned at 10:15 a.m.

DATE: January 25, 1979

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

BOB GAGNIER
Paul Cohen
Frank Holzhauer
John Brown
MIKE BROWN
John DeGraff
John Mowbray
Ernest L. James
MATEK AMODEI
Ernest A. White
C. R. Kavanagh

SNEA
HEALTH DIVISION
Dept of Human Resources
Las Vegas, NV
Administrative office of the courts
Administrative office of the courts
SUPREME COURT
Visitor
ALAN GLOVER
Supreme Court
Clerk Nev. Sup Court

Nevada Legislature

FIFTY-NINTH SESSION

December 13, 1978

MEMORANDUM

TO: Members of the Legislative Commission

FROM: Senator Jim Kosinski

SUBJECT: Study and Pilot Project Review of ZERO-BASE BUDGETING
During the 1979 Legislative Session

I am requesting the Legislative Commission to consider a resolution to the 1979 Legislature requesting legislation to implement a study of zero-base budgeting (ZBB). This study would include the selection of a limited number of state government agencies to prepare their budgets in the established form, and in an alternate form employing ZBB techniques. The Fiscal Analysis Division, Legislative Counsel Bureau, would be responsible for establishing the methodology for implementing the ZBB procedures for the selected budgets and for monitoring the progress of the agencies' efforts.

I.

Zero-base budgeting (ZBB) is a system by which programs and activities are organized and budgeted in a detailed plan which focuses on review, evaluation and analysis on all proposed expenditures rather than on increases above current expenditure levels. The purpose is to determine if each activity warrants continuation at its present level, a different level, or should be terminated. This focus requires a priority ranking of all programs and activities in successively increasing levels of performance and funding, starting from zero. This approach facilitates an analysis of budget requests and proposals from the "bottom up," rather than the usual incremental approach which focuses on increases over previous budgets. ZBB would require every agency in state government (or at least all included agencies) to identify each function it performs, and the personnel and other costs to the taxpayer for performing that function. The essence of ZBB is that an agency provides a defense of its budget request that makes no reference to the level of previous appropriations. The administrator must be able to justify each activity's projected level of expenditure in toto, with no level taken for granted.

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EXHIBIT "A"
(page 1 of 8 pages)

ZBB is implemented by first identifying decision units. These are program or organizational entities for which budgets are prepared and for which a manager makes significant decisions on the amount of spending and the scope or quality of work to be performed. It may be any distinct part of an agency. Since significant decisions are usually made at many levels within agencies, ZBB requires greater managerial involvement than do most other budget systems. This requires a long and short term identification of objectives of the decision unit. These objectives provide a benchmark against which the projected accomplishments of existing and proposed budget alternatives are measured. This also requires an analysis of alternative methods of accomplishing these objectives. Levels of performance are also established by management to reflect their priorities. These are usually set at: minimum level; intermediate level; current level; and enhancement over current level.

Each level of performance that is developed for a decision unit is described in a decision package. This package is the action document that is used to justify each level of performance for a decision unit.

After decision packages are developed for each unit, they are evaluated and ranked in order of importance by each higher level of management. This provides management with a method of determining the specific content of their budget request at varying agency-wide funding levels. Ranking also permits management to determine which programs fall within or outside of a specific budget total. In this way, it is easier to determine the program effects of various budget totals and alternatives at any review level. Based on the final ranking, agency budget staff prepare detailed budget schedules and other information summarizing and explaining the agency's budget request. This includes special analyses that are required to convey more fully the required justifications to decision-makers within and outside the agency.

Zero-base budgeting has met with mixed reviews from those agencies and organizations which have attempted to implement its techniques to their own budgetary process. Characteristics which have been described or ascribed for zero-base budgeting are:

ADVANTAGES

1. Addresses benefits and cost/effectiveness relationships.
2. Provides a review of an entire budget.
3. Identifies redundancies in a budget.

4. Provides an adequate data base for decision making.
5. Promotes quality management.
6. Expands participation in the budget process by top agency officials. They thereby become more heavily involved in the budget process and, consequently, make decisions based on a greater understanding of their programs than had been the case in previous years.
7. Provides an excellent tool for new policy officials to learn more about their agency's programs.
8. Results in better communication among top, middle and lower levels of management.
9. Provides a performance review of the programs within an agency.

DISADVANTAGES

1. Implementation is complex.
2. It is difficult to rank dissimilar activities.
3. Implementation consumes a significant amount of time, though subsequent utilization is often less time consuming.
4. The staff of our state agencies lack experience in implementing these techniques.
5. Procedure is threatening to many agency administrators.
6. "Budget gaming" is still possible, particularly without adequate safeguards by higher level administrative and legislative officials.

II.

Incremental budgeting--essentially the system presently used in Nevada--is based on numerous assumptions. These include:

1. The original "base" established 5, 10, 50 or 100 years ago is currently valid.
2. Every incremental change in prior years was identified and properly funded.

EXHIBIT "A"
(page 3 of 8 pages)

3. Every invalid change was rejected in the past.
4. The program or activity's validity continues unabated since inception.
5. The program or activity is being managed in the most effective manner.
6. The program or activity is more important than every other one for which funds are not available.

Some of these assumptions are questionable, others blatantly inaccurate.

Arguments might be made that the Budget Division in the Executive Branch does review budget requests from the "ground up." To some extent this may be true. However, I am unaware of the existence of adequate program evaluation procedures in our executive agencies which would permit a determination of the effectiveness of existing programs. To the proposition that zero-base budgeting is not needed in Nevada, I offer two arguments:

1. Whether the Budget Division is developing budgets from the "ground up," the existing form of budget presentations to the legislature, and the short length of the legislative sessions, do not permit "ground up" review or prioritization by the legislature.
2. The rapid population growth of our state and the even greater escalation in the cost and number of state programs will soon prohibit a detailed analysis of each budget by the Budget Division or by the legislature under our existing procedures.

III.

With the assistance of our Fiscal Analysis staff, I am suggesting four budgets for your consideration. In selecting agencies to be used as trial agencies for a zero-base budgeting experiment, I conclude that we should be looking at a number of considerations.

1. Agencies that typify the functions performed by government--administration, regulation and control, and service delivery.
2. Agencies that operate more than one program or provide more than one service to clients.

3. Agencies that have budget skills available to assist them in the understanding and preparation of a zero-base budget presentation.

With these criteria in mind, I am suggesting the following four agencies as possible candidates for a pilot project review:

- A. Bureau of Community Health Services.
- B. Personnel Division.
- C. University of Nevada System, Chancellor's Office.
- D. Legislative Counsel Bureau.

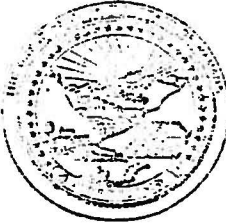
Please refer to the attached memo from Bill Bible, Fiscal Analyst, concerning a description of the first three of the included four agencies. I've also included the Legislative Counsel Bureau for your consideration. Selecting the Bureau as one of the pilot projects will illustrate to the Executive Branch the legislature's commitment to a candid and detailed review of the zero-base budgeting process. It will also give our own staff the opportunity to use these techniques with programs with which they are intimately familiar to assist them in developing an understanding of the decision making process involved under the zero-base budgeting procedure.

I have not come before you today as an advocate for the zero-base budget process. Neither I, nor anyone else to my knowledge in the legislature, can represent to you that these techniques are either "good" or "bad" for Nevada. However, I do believe that the evidence available from other states, the Federal Government, and private industry suggests that these techniques may be a valuable tool to the legislature and the Governor in our budgeting process which will enable us to more carefully and exhaustively examine the myriad of expenditures of taxpayers' dollars. I do not believe that zero-base budgeting can replace sound planning, effective performance monitoring and auditing, and thorough program evaluation. In fact, zero-base budgeting, if it works at all, probably operates best in conjunction with these other management techniques. All of them probably can and should be employed in a sound management and policy making process. I believe it is incumbent upon us to review this budgeting technique and evaluate for ourselves its value, if any, to us as representatives of the people of our state.

EXHIBIT "A"
(page 5 of 8 pages)

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



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December 8, 1978

MEMORANDUM

TO: Senator James N. Kosinski

FROM: William A. Bible, Fiscal Analyst *WB*
Fiscal Analysis Division

SUBJECT: Agencies Selected for Zero-Base Budgeting Experiment

Jim, as we discussed, in selecting agencies to be used as trial agencies for a zero-base budgeting experiment, we should be looking for a number of things:

1. Agencies that typify the functions performed by government--administration, regulation and control, and service delivery;
2. Agencies that operate more than one program or provide more than one service to clients;
3. Agencies that have budget skills available to assist them in the understanding and preparation of a zero-base budget presentation.

With these criteria in mind, a brief description of the three agencies which we discussed as possible candidates for the ZBB experiment is detailed below:

A. Bureau of Community Health Services:

This bureau provides for the delivery of health and preventive medical services through immunization of children; TB and venereal screening and control; family planning; certification of supplemental food for women, infants and children; physical therapy and nutrition consulting; cervical cancer screening; and health education. Additionally, the bureau is involved in the training of emergency medical personnel and the acquisition of equipment for onsite care and transportation of the sick and injured. These various programs are implemented primarily through the bureau's public health nursing unit which is distributed throughout Nevada's rural counties.

MEMORANDUM

Senator James N. Kosinski

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B. Personnel Division:

The Personnel Division was established to provide all persons a fair and equal opportunity for employment and promotion in the state service based on fitness and merit, to establish conditions of employment which will attract and retain employees of character and ability, to provide equal pay for equal work through a uniform classification and compensation plan, and to improve methods of personnel administration in the executive department of state government through the elimination of duplication and the introduction of methods to improve the efficiency and effectiveness of state government. To carry out these responsibilities, the division is organized into five functional areas: (1) special personnel services, (2) recruitment and examining, (3) classification and pay, (4) resource development-training and productivity, and (5) employee/employer relations.

C. University of Nevada System, Chancellor's Office:

The Chancellor's Office serves as the central administration agency for the University of Nevada System and is responsible for the implementation of the policies of the Board of Regents. The office is responsible for the coordination and preparation of all operating budgets of the University of Nevada System; the conduct of internal audits to assure the adequacy of financial records and internal accounting controls; the coordination of capital improvement planning, programming and budgeting; the coordination of equal opportunity and affirmative action programs; the maintenance of UNS press relations; the provision of legal advice and representation to the Board of Regents, the divisions and the Chancellor's Office; and the preparation of the agenda for all meetings of the Board of Regents. Additionally, the Chancellor's Office is responsible for the activities of the University Press and the university's central computing system.

These three agencies adequately meet the criteria for selection which were outlined above. Both the Personnel Division and the Chancellor's Office are centralized administrative agencies which have strong control functions. Additionally, the Personnel Division is in frequent contact with the taxpaying public

MEMO DUM
Senator James N. Kosinski
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through the recruitment and examination function. The Bureau of Community Health Services is a large, complex agency involved in the direct delivery of human services through a wide variety of programs. The funding for the agencies ranges from a fairly straightforward General Fund budget for the Chancellor's Office to a complex system of funding for the Bureau of Community Health Services. In short, the three agencies cover the gamut of activities conducted by state government and vary considerably in the complexity of program and funding.

WAB/ym

RECEIVED

JAN 26 1978

IN THE SUPREME COURT OF THE STATE OF NEVADA

PT. OF ADMINISTRATION
DIRECTOR'S OFFICE

IN THE MATTER OF THE)
INTERPRETATION OF NRS)
284.013(1)(a) and NRS)
284.182(27).)
)
)
)
)
)

FILED
: JAN 25 1978
- C. R. DAVENPORT
CLERK OF THE SUPREME COURT
BY *[Signature]*
DEPUTY CLERK

ORDER

WHEREAS, the Nevada Legislature, at its 59th Session, included this Court's professional employees in the provisions of the unclassified pay bill, chapter 536, 1977 Statutes of Nevada (NRS 284.182(27)), rather than by appropriating an equivalent amount to this Court in its general budget, all notwithstanding the fact that NRS 284.013(1)(a) provides that NRS chapter 284 does not apply to the Judicial Department;¹ and

WHEREAS, thereby, if given effect as to a part of this Court's budget the Legislature's action would impose upon this Court, a coordinate and co-equal branch of government, line item budgeting practices, which the American Bar Association's Standards for Court Organization establish are inimical to this Court's discharge of its function;² and

WHEREAS, by the Constitution of the State of Nevada, expressly and inherently, this Court is vested with administrative

¹
NRS 284.013(1)(a) provides in pertinent part:

"1. The provisions of this chapter [284] do not apply to:
"(a) . . . the judicial department of state government;
". . ."

²
ABA Standards Relating to Court Organization § 1.51(c) (1974) provides:

"(c) Approval. Approval of the court budget should constitute authorization for the courts to spend the amount approved without limitation by 'line item' or similar categorical restrictions. Within the funds thus provided them the courts should allocate expenditures according to needs and priorities established by the court system itself."

control over its own affairs, to the exclusion of the Legislature;
and

WHEREAS, the Legislative Auditor has recommended that
this Court adopt a personnel plan for its employees; and

WHEREAS, therefore, the Court deems it necessary to
clarify its rights, in order to perform its constitutional func-
tions;

IT IS BY THE COURT ORDERED, that insofar as NRS chapter
536, 1977 Statutes of Nevada (NRS 284.182(27)), may be read to
impose line item budgeting upon this Court, as to its professional
employees, it is declared that the same does not do so; and that
the monies appropriated to this Court by such chapter are declared
to be part of the general budgetary appropriation to this Court,
and shall be deemed by Honorable Mike Mirabelli, State Treasurer,
Honorable Wilson McGowan, State Controller, and Howard E. Barrett,
Budget Director, to be incorporated in the general budget of this
Court, subject to disposition of this Court in the usual course,
in the usual manner.

Batjer , C. J.
Batjer
Mowbray , J.
Mowbray
Thompson , J.
Thompson
Gunderson , J.
Gunderson
Manoukian , J.
Manoukian

3
See Nev. Const. art. 3, § 1; Nev. Const. art. 6, § 19; Goldberg
v. District Court, 93 Nev. _____, _____ P.2d _____ (1977 Adv. Opn. No.
204); City of No. Las Vegas v. Daines, 92 Nev. 292, 550 P.2d 399
(1976); Dunphy v. Sheehan, 92 Nev. 259, 549 P.2d 332 (1976); Young
v. Board of County Comm'rs, 91 Nev. 52, 530 P.2d 1203 (1975).

cc: Hon. Mike Mirabelli, State Treasurer
Hon. Wilson McGowan, State Controller
Howard E. Barrett, Budget Director
Frank W. Daykin, Legislative Counsel

Remarks By Chief Justice Mowbray
Assembly Ways and Means Committee
January 25, 1979

Mr. Chairman, and members of the Assembly Ways and Means Committee, Before we get to a detailed analysis of the budget documents, I would like to take a few minutes this morning to speak with you about the major areas in our budget presentation concerning the courts.

First, however, I would like to discuss a subject about which the Legislature has expressed some concerns in prior sessions. We have adopted personnel reforms within the Supreme Court and the Administrative Office of the Courts that we believe will resolve the concerns that you have expressed in past sessions. The personnel procedures we have adopted are:

1. All employees of the Supreme Court and the Administrative Office of the Courts, except top professional staff members, have been placed into a classified salary structure that is identical to the classified salary structure system in the Executive Branch of government.
2. Additionally, the top professional staff members are treated the same as unclassified personnel in the Executive Branch, and we request that the Legislature grant salary increases to these few employees in the same manner in which it grants salary increases to Executive Branch unclassified employees.

3. Finally, the Supreme Court will shortly adopt comprehensive personnel rules for all state funded, nonjudicial positions in the Nevada Court System. This matter is on the Administrative Docket, the report of the study committee is due January 31st, and I expect that the Court will adopt the rules in February.

There are five major areas of the budget which I would like to briefly discuss.

1. The Supreme Court is requesting 7 new lawyer positions. The Court caseload has more than doubled since 1974. The filings last year were nearly 1100. We are no longer able to keep pace with the filings, and the inventory of cases pending at the end of 1978 was 667 cases. Our current caseload is not manageable with current processing methods and staffing--we are changing our methods and requesting additional staff. This additional legal staff will be used in an aggressive program of case screening.
2. The Supreme Court Law Library is requesting the new position of cataloger in order to bring its methods of cataloging books into line with the modern Library of Congress method.
3. The last session of the Legislature, in Senate Concurrent Resolution 3, requested that the Supreme Court undertake a study of the feasibility of state funding of the court system. In conducting that study, the Administrative Office of the Courts discovered that it would be ill-advised, if not impossible, to

request full state funding of the courts at this session for two reasons: first, necessary information was either absolutely unavailable, or was available only through the expenditure of exorbitant amounts of time and effort; second, if we were to have received full state funding at this session, we would not have the staff to implement a program of this magnitude. We, therefore, have come to this Legislature with a request for state funding of only certain portions of the court system. We expect to return to future legislative sessions with proposals to fund additional portions of the court system.

The portions we are requesting funding for are manageable, necessary to further improvements in the court system, and will provide some financial relief to cities and counties. We are requesting funding for an information system that will give us the information about the courts which we need in order to plan for the future and to make administrative decisions today. This information system, according to a cost benefits analysis, will slow the growth of court personnel costs which have increased dramatically during the past five years. We are requesting state funding of jury and witness fees in criminal cases, to be reimbursed to the cities and counties on a cost reimbursement basis. This plan not only provides financial relief to the local entities, but gives us a method of obtaining information on jury management. We are requesting that the state fund the salaries of justices of the peace and municipal court judges, based upon caseload and population. So that we may continue with the state funding of the

courts in a coherent, well-considered, incremental basis, we have requested the formation of a select committee that will review staff studies on juvenile services, court facilities, court personnel, revenue dispositions, court operating costs, law libraries, and other state funding issues. The committee would assist in the preparation of recommendations for the 1981 Legislature. We are also requesting a small amount to support the travel requirements of the committee.

4. In order for the Administrative Office of the Courts to properly manage these programs, and to prepare for additional incremental state funding of the court system, we are requesting certain additional staff positions at the Administrative Office of the Courts.

5. We are requesting that the state fund judicial education for judges in all levels of the court system and for some judicial staff. As you know, education for justices of the peace and municipal court judges is presently paid for by the counties and cities through an assessment administered by the Administrative Office of the Courts. We feel that state funding would provide a two-fold benefit. First, it would provide some financial relief to the cities and counties, and second, it would maintain our high quality judicial education program which is one of the finest in the nation.

Revisions To Supreme Court
Budget Request, Page 145

1. Position #5, Management Assistant IV, did not project the same as the other positions. The court request is for \$15,948 in FY 79-80, and \$16,745 in FY 80-81.
2. Please note that Position #16, Legal Advisor, is projected at no increase. This position is equivalent to an unclassified position in the executive branch. The court requests a pay increase equivalent to that given similar positions in the executive branch.
3. Position #17, Deputy Legal Advisor, was erroneously projected for classified merit increases. The court has established this position as equivalent to an unclassified position in the executive branch. The court requests a pay raise similar to that for unclassified (see 2 above). Pay is \$26,674.
4. Position #22, Management Assistant III, did not project correctly for the biennium. The court requests this position be corrected as in paragraph 1 as both positions currently receive the same pay.
5. Position #25, Clerk, is also an equivalent to an unclassified position and the court requests a pay raise (see 2 above).
6. Position #28, Administrative Aide II, failed to be projected properly. The court requests correction of this so that Position #28 and Position #29 are identical with \$10,490 in FY 79-80 and \$11,013 in FY 80-81.
7. Position #29, Administrative Aide II, did not project properly for FY 80-81. The court requests correction to \$11,013.

EXHIBIT D

REVISION

Unified Court System - Page 795

Jury and Witness Fees - BDR 1120

The projected costs for fiscal year 1979-1980 and 1980-1981 are \$870,500 and \$974,400.

Because of the continuing growth in litigation, the request provides for contingency funds available through Interim Finance.

JURIS - BDR 1118

At the time of submission, funds were budgeted in each year of the biennium, with additional funding requested at the 1981 Legislature.

Staff met with the fiscal analysts at the suggestion of Mr. Mello subsequent to a meeting of the task force on full state funding. The fiscal analysts suggested that a one-shot appropriation for a specific time period be requested. Accordingly we made the request to the budget office, but the change is not reflected in the executive budget.

The \$3,550,000 in fiscal year 1979-1980 and the \$3,669,000 in fiscal year 1980-1981 should be changed as indicated on the attached budget sheet.

Judicial Education - BDR 1121

The narrative, while pertinent to state funding of the courts, should be deleted as the budget and narrative is provided for budget account 1487 (page 153).

Select Committee on State Funding of the Courts - BDR 1122

Funds have been requested to provide for a continuing study group on the issue of state funding of the courts. We have requested \$3,500.00 each year of the biennium for travel costs for this committee.

Salaries for Justices of the Peace and Municipal Court Judges - BDR 119

The funds are requested to support the state assumption of salary costs in accordance with the study done by our office. The salary total is \$1,380,520 each year, with estimate employer costs increasing this to \$1,634,696 in fiscal year 1979-1980 and \$1,639,196 in fiscal year 1980-1981.

REVISION

Budget Amount for Unified Court System - Page 795

| | 1979-1980 | 1980-1981 |
|----------------------------------|----------------------|-------------------------|
| Jury and witness fees - BDR 1120 | \$ 870,500 | \$ 974,400 ¹ |
| JURIS - BDR 1118 | \$1,139,059 | 0 ² |
| Select Committee - BDR 1122 | \$ 3,500 | \$ 3,500 |
| Salaries - BDR 1119 | 1,634,696 | 1,639,196 |
| Judicial Education | <u>0³</u> | <u>0³</u> |
| | \$3,647,755 | \$2,617,096 |

¹Additional reserve requested in BDR - Total \$1,500,000 set aside each year.

²Appropriation for fixed period through 1980-1981 fiscal year.

³See page 153 (B.A. 1487).

REVISION

Unified Court System - Page 795

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