

Committee in Session at 8:05 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 Thomas R. C. Wilson
Senator Lawrence E. Jacobsen
Senator Norman D. Glaser
Senator Clifford E. McCorkle

OTHERS

PRESENT: Mr. Ronald W. Sparks, Chief Fiscal Analyst
Mr. Eugene Pieretti, Deputy Fiscal Analyst
Mr. Howard Barrett, Budget Director
Mr. Wilson McGowan, State Controller
Mr. Don McGee, State Controller's Assistant
Mr. R. P. King, Deputy Controller
Mr. Richard H. Bryan, Attorney General
Mr. Larry Struve, Chief Deputy Attorney General
Ms. Marlene Lockard, Supervisor Office Services,
Attorney General's Office
Ms. Joyce Woodhouse, N.S.E.A.
Mr. Stan Colton, State Treasurer
Mr. William Swackhamer, Secretary of State
Mr. Myron Leavitt, Lieutenant Governor
Mr. Cy Ryan, Associated Press
Mr. John Rice, Associated Press
Mr. Ed Vogel, Review Journal

A.J.R. 5 - Opposes mandatory social security. (See Attachment A)
Senator Lamb announced a meeting on February 8, in San Francisco, regarding this matter.

Senator Glaser moved "Do Pass" on A.J.R. 5.

Seconded by Senator Wilson.

Motion carried unanimously.

OFFICE OF THE CONTROLLER - Page 46

Mr. Wilson McGowan, State Controller, introduced his assistant, Mr. Don McGee.

Senator Lamb asked why the Actual 1977-78 salaries by position are not in the Budget. Mr. Barrett said the omission is in all budgets. The salaries are rolled up in the Actual year in the total figure. Mr. Barrett said 2 or 3 people sometimes held one position during this time and it was too difficult to sort out.

Mr. McGowan said these figures could be picked up from the old budget.

Office Supplies and Expenses

Senator Lamb asked why this expense increased from approximately \$24,000 to \$39,000. Mr. McGowan replied that there was one item in this figure that changes next year. The bank which holds their new checking account has been furnishing free checks the first two years. Beginning next year, the Controller's Office must furnish their own checks which cost about \$30,000 to \$40,000. Mr. McGowan said that before they got the new account, they had always bought checks. When the Treasurer changed accounts two years ago, the free checks were a fringe benefit offered by the bank.

Contractual Services

Senator Lamb asked why this expense jumps from approximately \$2,000 to \$10,000 when comparing the actual amount of money spent in 1977-1978 to the Governor's recommendation. Mr. Barrett answered that the \$10,000 is for Contract Services for CPA firms to assist with accounting.

State Owned Building Rent

Senator Wilson asked why the rent figure fluctuates. Mr. McGowan answered that while the Capitol was being refurbished, they lease buildings from a private contractor. Mr. Barrett said Mr. McGowan's budget was built on the offices the agency requested with Mr. McGowan moving back into the Capitol. He said Mr. McGowan now wants to stay in the leased quarters; the leased quarters cost is in Other Building Rent. The increase in Other Building Rent is based on the rent going up in the middle of the next fiscal year.

Senator Wilson asked what was the advantage of staying in the non-governmental leased building compared to moving back to the Capitol. Mr. McGowan said there was not enough space for his whole staff, who require about 6000 square feet; and he preferred to be close to those under his responsibility.

Senator Lamb remarked that all the elected offices -- Controller, Treasurer, Secretary of State, Governor-- should be in the Capitol. Mr. McGowan said he agreed.

Senator Gibson, referring to the cost of rent, said it was an 80 percent increase. Mr. Barrett said part of Mr. McGowan's rent is now being paid from the \$6,000,000 for renovation, because some of this money was used for people who had to be moved out. Mr. Barrett said he was sure that it was not that great an increase.

Senator Gibson asked how much rent cost per square foot. Mr. McGowan said this year he pays 65 cents per square foot. The lease is up in December and it will undoubtedly go up.

Senator Gibson said when building rent is added to utilities, it is \$60,000 for 6,000 square feet; which is 90 cents a square foot. Mr. Barrett said the cost is built on 75 cents per square foot and for 5,615 square feet. Mr. Barrett said the \$4800 for power is not the normal power cost. It is additional power for the computer equipment.

Senator McCorkle asked Senator Lamb where a schedule could be obtained of rents and utilities for all state agencies. Mr. Barrett said he would get it.

Mr. McGowan stated there was a way for him and his staff to be housed in the Capitol. He said the old library building behind the main building could hold his entire staff, while he would be housed in the main building.

Salary for General Manager

Mr. McGee said a request was made for \$32,245 and the Governor recommends \$28,000. He said they surveyed local municipal governments in Reno and Las Vegas, and the top financial people's salaries range from \$32,000 to about \$40,000. He said he has interviewed one person so far, whose present salary is about \$35,000. He was not interested when he saw the salary offered. Mr. McGee said this position, which handles the unappropriated surplus, will be more important in the future. He described the complexities involved in developing the unappropriated surplus figure. He said it takes the State approximately 5 months of activity to come up with this figure. He suggested that the salary for this position be raised to about \$32,000.

EDP System Program Facility Charge

Senator Gibson asked why this figure jumps from about \$148,000 to \$192,000. Mr. McGowan said these figures are both actual figures for the cost of equipment they have and the estimated amount to be paid to the computer facility. Senator Gibson asked if this amount was for the same workload as before. Mr. McGowan said yes; there has been no expansion in his agency.

Mr. McGowan stated his original request was for another top accountant and a student; but these positions were not granted. Mr. McGowan said they have a good accounting system that can do much more work than it presently does. However, to do the work there must be assistance in computer costs and technical accounting. He said another accountant should be hired and the manager should be the best they can find.

Senator Echols asked if the Governor's request for no new positions referred only to Mr. McGowan's office. Mr. Barrett replied that after the election and the passage of Proposition 6, he called Mr. McGowan in and asked if he would like to reconsider his new positions. Mr. McGowan replied yes, that he wanted them removed.

Senator Wilson asked if this procedure applied to all agencies. Mr. Barrett said it definitely applied to those under the Governor's control--which is all agencies except elected officials, the Board of Education, and the University Regents. Mr. McGowan said Mr. Barrett suggested that he make these changes.

Mr. McGee stressed the importance of raising the manager's salary in view of losing the new accountant position. He said perhaps they can get a manager who is also strong in accounting.

Senator Echols asked Mr. McGee if there were agencies elsewhere who were using accounting firms to do this type of work. He said he was sure there were, particularly to do data processing work, but he knew no specific cases.

Senator Jacobsen, referring to the Audit Report, asked if anything has been done about removing the old Statutes. Mr. McGowan said there has been some work on it, but it is an enormous job, requiring an attorney to research it.

OFFICE OF ATTORNEY GENERAL - Page 32

Mr. Richard Bryan, Attorney General, introduced Ms. Lockard and Mr. Struve. Mr. Bryan referred to a chart (see Attachment B) describing the organizational structure of his office. Mr. Bryan stated their budget represented the smallest percentage increase in the last decade. They asked for a 14 percent increase in the first year of the biennium, and an additional 1 percent in the second year, totaling 15 percent. Mr. Bryan said at present his office has 71 positions. Seventy appear in the Administrative Fund and 1 appears in the Private Investigator's Fund.

Unclassified Salaries

Mr. Bryan said this represents a 7.5 percent increase. He said they have asked for some changes in these positions: reductions in the salaries of 6 positions and increases in 3 positions. Mr. Bryan said they requested \$31,477 for the Civil Deputy position (Page 32) who is a senior person, employed about 7 years in his office. He referred to the organizational chart (Attachment B) to demonstrate the responsibilities of this position.

Senator Lamb asked what percentage increase was requested for this position. Mr. Bryan said, measuring from the current Work Program, approximately 20 percent increase. He said it is the largest increase requested because of new responsibilities that person assumes, and the years the individual has served.

Mr. Bryan, referring to a Civil Deputy position, said they requested it be increased to \$29,551 from a current Work Program of \$26,151. He said this also was a senior person, having worked for the office 7 years.

Supervisor Office Services

Mr. Bryan pointed out that the current Work Program is at \$20,066 and they have reduced this amount to \$16,737, a reduction of \$3,300 annually. He noted the Agency Request is \$20,143 and the Governor recommends \$15,666. Mr. Bryan explained this was formerly a classified position and he asked to make it unclassified. Mr. Bryan asked the Committee to place the salary at the present Work Program level for 1978-79, at \$20,066. He said this amount will allow flexibility to make salary adjustments in the next two years. He explained that the \$16,737 salary level was chosen by the Personnel Office because 1 of the 16 persons who is supervised, presently makes \$15,932.

Senator Lamb said the previous Attorney General changed this salary. Mr. Bryan explained that the person the previous Attorney General hired was making \$20,066 in the same position. He said he is paying that same position \$3,300 a year less. He said if the Committee accepts the Governor's recommendation, it will cause a decrease in his supervisor's salary. Also, 1 of the people she supervises will be earning more than she will. He said he will not raise the salary to \$20,066 right away. The additional amount will provide flexibility in raising the salary in the next two years. He said the \$20,066 salary was Step I salary level.

Senator Lamb asked how much experience the new person had in this position. Mr. Bryan said the person has had approximately 10 years experience in the private sector.

Senator Lamb said Mr. Bryan was asking that the salary for a new person be set at the top step. Mr. Bryan said he would not raise the salary to that amount.

Referring to Deputy - PSC (\$29,551), Mr. Bryan said they reduced the amount of the 16 percent recommended increase, from the preliminary budget figure submitted in September, to an increase of 9 percent.

Referring to Deputy - PSC (\$27,069), Mr. Bryan said this was a new person. He said, noting the Work Program, he had requested no increase for this person.

Mr. Bryan, referring to unclassified salaries, pointed out that 21 of the 48 lawyers receive less than the maximum salary that is authorized.

Senator McCorkle asked if the 1978-79 Work Program column is the potential upper limit. Mr. Bryan said that was correct. Mr. Bryan explained that he has given lower salaries to entry level positions.

Senator McCorkle said he would like to know which agencies were giving their employees the maximum salary allowed in the Work Program column.

Senator Wilson said he thought the Work Program was what the agencies anticipated spending during this year of the biennium. Mr. Barrett replied it is what they anticipated spending last June when they filed, but many have changed since last June.

Senator Wilson asked if most agencies spent the maximum allowed in the Work column. Mr. Barrett said most agencies will probably pay at the maximum.

Senator Lamb said to Mr. Barrett that it would help to have the actual salaries. Mr. Barrett said the Committee has never had it before. Mr. Bryan said he could provide exact information about salaries for the Committee.

Deputy - (\$29,551) (Page 33)

Mr. Bryan said this Deputy is also a senior employee having been with the office seven or eight years. This Deputy handles tort claims, the most sensitive claims in the department.

Senator Lamb asked how he was to be paid. Mr. Bryan said out of the Highway Fund. Senator Lamb, referring to the narrative, said it stated with General Fund monies. Mr. Bryan said that 1 Deputy assigned to Highway would be paid out of the General Fund. Mr. Barrett stated it was the position in question, Norm Robinson's position.

Senator Gibson asked if this position would be kept under Highway Legal in Mr. Bryan's organization. Mr. Bryan replied that when a Deputy is assigned to an agency, the agency feels they have that Deputy in a captive position. He said the flow of legal work is irregular and an agency Deputy may have time to perform additional legal duties. However, because the agencies pay the Deputies, the agencies are reluctant to allow the Deputy to do non-agency work.

Mr. Bryan said he did not think this Deputy would have to be assigned to Highway. He said most tort claim work does, at present, come from the Highway Department, but he wants to assign other types of litigation to this Deputy. He added that this Deputy has a great deal of tort experience and more litigation experience than any other Deputy. His present office is at the Highway Department, but he need not be assigned to them.

Senator Lamb asked who pays for the Retirement Board. Mr. Bryan answered that the Public Employees Retirement System pays nothing. Senator Lamb asked why the Retirement Board didn't pay Mr. Bryan's office. Mr. Bryan said he thought they should be billed for services rendered. He said it was not possible for certain agencies to be billed under the present law.

Supervisor Legal Steno

Mr. Bryan noted that the former salary was \$15,223 and he unclassified that position. The present person is being paid \$10,639, a reduction of \$4,500. The Governor recommended, and Mr. Bryan concurs, that the salary be reduced from the present operating level of \$15,223 to \$13,863. He said this will allow range for reasonable promotions.

Deputy - Colorado River Commission

Mr. Bryan said this Deputy has been recommended for a salary increase. The Colorado River Resources Division is with the Department of Energy. At the present time, this is a half-time position. Mr. Bryan recommends that this position be made full time. No changes are requested for classified salary positions. This is a total increase of 7.5 percent on the unclassified salary schedule.

Senator Wilson asked, in addition to the Retirement Board, are there other agencies Mr. Bryan's office serves that do not pay. Mr. Bryan said yes, all of the Deputies who provide services from the Central Office. Mr. Bryan supplied a list of agencies using services of the Central Office. (See Attachment C).

Senator Wilson asked if Mr. Bryan thought these agencies could be charged. Mr. Bryan said yes.

Senator Lamb asked if the Gaming Department paid. Mr. Bryan answered yes.

Mr. Bryan commented on existing positions. He said Washoe County has elected the employer-pay option and pays their Senior Deputies a salary equivalent to \$36,000. This figure includes the fringe benefit of the employer-pay option. He said this salary is more than any deputy assigned to the Attorney General's Office, even if the legislature increased the Chief Deputy's salary from \$32,552 to \$34,801. He said in Clark County, the salary range will soon increase to \$42,000. Mr. Bryan said salaries for entry level positions are sufficient but there are salary problems with senior personnel. He urged the Committee to consider salary adjustments in the unclassified schedule.

New Positions

Mr. Bryan said they have requested an additional 2-1/2 slots in Gaming. He said 3 positions were originally recommended to the former Attorney General: 2 in Las Vegas and 1 in Northern Nevada. With the 2-1/2 positions now requested, 2 would be located in Las Vegas; and a half-time position would be assigned to the Central Office which handles a variety of work, and could be used on Gaming matters if necessary.

Senator Wilson asked if new positions requested are going to be adequate to minimize the amount of outside contracting. He said he knew the Gaming people had to go outside occasionally to employ counsel. Mr. Bryan said he thought the requests were adequate.

He added that administrative action in the last two years has doubled and the amount of litigation for the Gaming Division has tripled. He said that the preliminary budget submitted in September recommended that new positions not be added until the second year of the biennium. He stated they can do it with the 2-1/2 new positions. He said the Chief Deputy indicated these new positions were adequate for handling the workload. Mr. Bryan requested that some positions be brought on line before the end of the biennium.

Senator Wilson asked if the same level of Contract Services would be maintained in the future. Mr. Bryan said he did not think so. He added that 1 of the 2-1/2 positions will be someone with substantial experience in securities as, at present, it is necessary to hire expertise in securities.

Colorado River Commission

Mr. Bryan reported the present contracts with the Boulder Dam Project will expire in 1986, 1987, and 1989. Nevada presently receives 17 percent of the power allocated. Of the 17 percent, 52 percent goes to basic management industries, 35 percent to Nevada Power, 11 percent to Lincoln County, and 2 percent to Overton. He said right now marketing criteria is being developed and it is essential that Nevada participate in the marketing criteria because California and Arizona receive the remainder of the power allocated; and if the criteria should become population-based, Nevada would have difficulty defending its present allocation. He said a half-time position is needed here, making the present half-time Colorado River Resources person a full-time person. He said that an additional half-time deputy needed to be provided to the Central Office in Las Vegas to take care of the overflow functions. He said the additional half-time positions requested for the Central Offices in the North and South should be able to take care of additional workload.

Senator Wilson commented on Mr. Bryan's list of non-paying agencies (Attachment C). He said many are Boards with licensing responsibilities, which charge a fee. He said this may be an area where the cost of Mr. Bryan's agency can be passed on, namely to the people who obtain licenses from these Boards. Mr. Bryan said he thought it would be appropriate.

Senator Wilson asked if Mr. Bryan recommends that the Committee insists that the Boards' fee scales generate enough revenues to pay the Attorney General's Office. Mr. Bryan said this would have to be modified because some Boards generate a modest income. He said having all agencies pay should be the goal; but his office needs flexibility to charge less. He said the Ways and Means Committee has suggested legislation which would authorize the Attorney General's Office to have this capability.

Senator Jacobsen asked if Mr. Bryan thought it worthwhile to have deputies catalogue the amount of time they work for various agencies. Mr. Bryan said yes. Senator Lamb asked about the Public Employees Retirement System. Mr. Bryan mentioned that Mr. Isaeff had indicated he spends at least 25 percent of his time with the Public Employees Retirement System and expects to spend more.

Deputy - Welfare

Mr. Bryan said the Governor's Office is recommending the elimination of 1 deputy assigned to the Welfare Division. Mr. Bryan said there has been reorganization of the Department of Human Resources with regard to counsel. He said there were requests for 4 more deputies in addition to the 7 already there, and he rejected the 4 additional requests.

Mr. Bryan said Mr. Melner is the Supervising Deputy for the Department of Human Resources, assisting the entire department, although he is paid out of Welfare. Mr. Bryan described the caseloads of deputies who need Mr. Melner's help. He said the workload for Welfare alone may merit a decrease in 1 deputy; but because Mr. Melner assists in other divisions, he is necessary.

Senator McCorkle said if this deputy were removed, Mr. Bryan would be left with a deputy in each agency. He asked what would be the reason for having a second deputy in Taxation. He asked if there was an overwhelming demand for work there. Mr. Bryan said there was. At present they are involved in 171 cases. He said he had a litigation report which shows the present caseload for the Department of Taxation, and can provide the Committee with this. He added that one of the research assistants has been assigned to assist with their workload.

In-State Travel

Mr. Bryan said In-State Travel has been increased by 10 percent, reflecting cost of living increases.

Operating Supplies

Senator Lamb pointed out there was a considerable increase over the Actual figure. Mr. Bryan said, compared to the present Work Program of \$10,000, there has been no increase. He explained that at the present time they are slightly over 50 percent in expenditures for 1978-79 year. He said it looks as if they will spend close to \$10,000 in a year.

Other Contract Services

He said this expense represents the mag card typewriters. He said they loaned 2 machines to the Governor's Office, one of which has been returned; and the other is scheduled to be returned.

Mr. Bryan said there was one other expense his office has no control over. He said the Las Vegas Office leases space in an office building and the lease will expire August 31, 1980. He said he did not know what office space will cost then. He said it costs 75 cents a square foot now, including utilities.

Senator Wilson asked what Contract Services, as opposed to Other Contract Services, were. Mr. Bryan explained that Contract Services relates to support for legal internship programs in law schools in California.

Senator Gibson asked Mr. Bryan if he was looking at assignments and justification for all positions in his office. Mr. Bryan said he was, and a number of reassignments have been made. He said he did not believe the Work Program for each Deputy was equitable yet. Mr. Bryan said he would like to bring many Deputies in from the field to more closely supervise their work. He said there are problems assigning work to Deputies in agencies because the agency feels they possess the Deputy. He cited a case where legal secretaries have been taken away from Deputies by the agency and the Deputies now come into the Central Office each morning for dictation, which is poor utilization of time.

Senator Jacobsen asked about TRPA. Mr. Bryan said Mr. Swainstone and Mr. Thompson are presently involved with that case. He said he was going to ask that this be monitored closely.

PRIVATE DETECTIVE - Page 36

Mr. Bryan described this budget and there were no questions.

SPECIAL FUND - Page 38

Mr. Bryan described the characteristics of this Fund.

Senator Lamb asked if this money were not used, would it revert. Mr. Bryan answered it should revert to the General Fund, and not to his Office.

OFFICE OF EXTRADITION COORDINATOR - Page 11

Mr. Bryan described this budget. He remarked that the \$101,000 figure for 1977-78 Actual Expenditures is misleading because they had to get \$36,969 from the Statutory Contingency Fund because they ran out of money. He said there is little control over this budget because it depends on requests from the various District Attorneys.

Senator Echols asked, regarding Extradition, if the fund was for delivery of people to a state or for jailing a person in Nevada for other states to come here and pick them up. Mr. Bryan explained that the Demanding State (the one which requests a person to be brought to its state for trial) pays the costs. Law enforcement people are sent from the County from which the demand emanates to the Asylum State to bring back the person. Mr. Bryan also explained other kinds of extradition costs.

CRIME PREVENTION - Page 12

Senator Lamb asked if Mr. Bryan wanted the Crime Prevention Program to remain with the Governor. Mr. Bryan said he and the Governor have disagreed over this issue. He said the Program, historically, has been in the Attorney General's Office, and he feels it belongs there. The Governor disagrees because he founded the program when he was Attorney General.

Senator Wilson asked if the Governor has given a reason for moving the Program. Mr. Barrett said he did not know.

SECRETARY OF STATE - Page 39

Mr. Swackhamer, Secretary of State, presented a chart of revenues and expenditures. He said revenues increased because fees have increased and because of an advertising campaign launched two years ago. He said if growth continues the way it has, he will need more help. He said he felt the budget is adequate, but he wanted to comment on a couple of areas.

Communication Expense

He said they did not ask for an increase because they have a bill, S.B. 124, which if passed would remove the responsibility of his Office of mailing a receipt. He said as of last month they had about 39,000 corporations which at the rate of 15 cents postage for each is close to \$6,000. If S.B. 124 does not pass, they will need at least \$6,100 in additional funds the first year, and \$6,300 extra in the second year. That does not include the cost of envelopes and work involved. He asked, if S.B. 124 does pass, that the Legislature make the effective date of Section 14 on the date of approval; money can be saved this biennium also.

Other Contract Services

He said they have no control over this figure. He said this pays for court transcripts and court reporters.

State Owned Building Rent

He said they have asked for space originally allocated for the Office of Controller.

Senator Gibson said he understood Mr. Swackhamer's need for storage space. Mr. Swackhamer said the microfilm equipment is solving some of the storage problem.

Miscellaneous

Mr. Swackhamer said his Office provided the badges for Lobbyists at approximately \$2 per badge, but the Legislature did not provide money for this. He requested an emergency appropriation to cover this amount.

Mr. Swackhamer said S.B. 40 would allow him to acquire and lease to the counties punchcard voting devices. Mr. Swackhamer described the advantages of this system. He said the advantage to the counties and the State is that it saves money. Mr. Swackhamer requested an appropriation of \$230,000 so equipment could be bought and then leased to the counties depending on the agreement with each county. He said he arrived at the \$230,000 figure from estimating from a figure of \$115,000 quoted by a vendor two years ago.

He said the Booklet on the Official Return of the Primary Election is a book greatly sought after but the printing cost alone is \$43.97 each. He said the Booklet was not produced for the General Election.

Senator Jacobsen asked if requests for this information can be filled by providing Xerox copies. Mr. Swackhamer said they can comply by County now. If a person wanted the results of a specific Precinct in a County, he could come into the office, and it would be provided from the abstracts.

Senator Jacobsen said he noticed the Auditor said there was too much money coming in to be processed safely. Mr. Swackhamer said the Auditors came on a special day, and this was not a problem.

Out-of-State Travel

Senator Gibson asked what this expense was for. Mr. Swackhamer answered it was mainly for security, investigations, and to send staff to some enforcement meetings, and for the Corporation and Document Board member to attend an annual meeting. Mr. Swackhamer noted that In-State Travel had been decreased, while Out-of-State Travel had increased.

STATE TREASURER - Page 44

Mr. Stan Colton, State Treasurer, announced he had been unable to discuss his budget with Mr. Barrett. He said the original

request from the Agency was about \$279,000 and they have reduced the request to \$261,000. He said there is a change in the top line of the Budget, Treasurer's Assessment. He said they have re-evaluated their assessments to agencies and found that a realistic amount to receive for each of the years of the biennium is \$47,050 and \$51,755, as opposed to approximately \$64,000.

Senator Lamb asked why. Mr. Colton said because the Auditor's Report asked that the method of billing and assessing charges be made uniform among agencies to devise a better system. He said they have adjusted that to conform to the Auditor's request. He said the appropriation would have to be increased accordingly.

Mr. Colton noted that the Governor's recommendation for the next two years is 14 percent less than the current year.

Mr. Colton read his recommendations regarding salaries and explanations of line items (See Attachment D).

EDP Systems and Program

Senator Lamb asked why the Work Program of \$30,000 jumped to \$61,348. Mr. Colton referred to the supplemental in his handout. He added that the Central Data Processing Department did a study for his Office and came up with program, implementation, maintenance and rental costs, and that is why the figure jumps for 1980-81. He said there is one program that is not instituted in 1979-80, but will be in 1980-81. He said most of this money goes to the Central Data Processing Department.

Senator Gibson asked if this was a continuing cost. Mr. Colton said yes. He added that the cost benefits were that if 10 basis points average could be picked up on the average daily balance of \$150,000,000 (based on 1977-78 figures) that alone would generate the money to pay for this charge in the first year of its operation plus a return of approximately \$150,000 each year after that.

Senator McCorkle asked Mr. Colton which programs he was referring to. Mr. Colton said there were 6 programs, and briefly described the information the programs would provide access to.

LIEUTENANT GOVERNOR - Page 30

Mr. Myron Leavitt pointed out that the only difference in the budget from previous years is the Chief Assistant position. He said he had requested this position to be unclassified. He said Mr. Rose had this position on a contractual basis, and the position is listed under Contractual Services in the 1977-78 budget of \$13,181.

He said they requested the Chief Assistant position at \$14,642. The Governor recommends \$13,200 because that is what his secretary receives. Mr. Leavitt said that this position entails more than secretarial duties. The Chief Assistant is an Administrative Assistant running the office in Las Vegas full time, preparing budgets, handling complaints, researching and preparing reports required by State agencies, and attending meetings Mr. Leavitt is unable to attend.

Senator Lamb asked why Mr. Leavitt wants the position unclassified. Mr. Leavitt replied that the contract method was originally chosen so the contract could be terminated when the Office changed hands. He said unclassified status is preferable to a contract because the employee will be able to receive State benefits. He added that he did not originally prepare this budget and he would change the \$14,642 to \$14,256, which is an 8 percent increase over the current salary which is about \$13,200. During the second fiscal year the salary would be increased 5 percent, to \$14,968.

Senator Lamb said shouldn't the 8 percent and 5 percent apply across the board to all State employees. Mr. Leavitt said he

thought that was within President Carter's guidelines.

Senator Gibson said traditionally unclassified salaries have been set for the two year period. Mr. Leavitt said in that case he requests the 8 percent increase, setting the salary at \$14,256.

Mr. Leavitt said he requested \$2,400 and the Governor requested \$2,700 for unallocated salaries. He said he assumed the Governor wanted the increase in the event he was absent from the State more than the previous Governor. He said it was higher in 1980-81, but this figure depended on S.B. 20. He said about \$7,500 of that would be the salary of \$60 a day as President of the Senate.

Out-of-State Travel

He said this allows the Lieutenant Governor to attend one meeting, the National Conference of Lieutenant Governors. He said he recently learned the Conference would be in Jackson Hole, Wyoming.

In-State Travel

He explained that this figure is higher during the Legislative Session and is actually not Travel. Under statute, the Lieutenant Governor is allowed \$30 per diem expense allowance, 5 days per week, when the Legislature is in session. He said the Lieutenant Governor does not receive travel expenses while the Legislature is in session.

Senator McCorkle asked if Mr. Leavitt would need his Assistant if Mr. Leavitt were relieved of his Senate President duties. Mr. Leavitt said yes. He said even though he would have more time, he still had to practice law to make a living and needed a full-time person in the office. He said it was a part-time position at this point.

Senator Jacobsen asked if the office in the legislative building would be used full time. Mr. Leavitt said he would like to have a Management Assistant I to handle the Northern part of the State. He said he plans to spend more time in the Northern part of the State than previous Lieutenant Governors. He said this position is not in the budget.

Senator McCorkle pointed out that there were consistent differences in percentages the agencies were quoting, and Mr. Sparks's percentages, because the agencies compared increases to the Work Program and Mr. Sparks compared increases to the 1977-78 Actual. Mr. Sparks said the current Work Program has little bearing on the expenses of an agency. He said the budget had been built on last year's Actual expenditures.

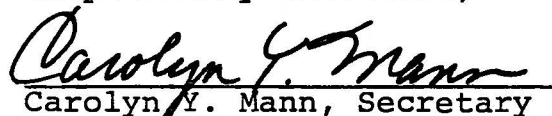
Senator Gibson remarked that the budgets looked at today have almost all reverted 10 percent of their appropriation for the first year of the biennium. He said they were overbudgeted, though sometimes there are reasons why as in the Treasurer's case.

Senator Gibson asked Mr. Barrett if he had looked at the use of the new Capitol Building. Mr. Barrett said the allocation of space was under General Services.

Senator Gibson suggested that the Committee invite Mr. Hancock to meet with the Committee.

Meeting adjourned at 10:30 a.m.

Respectfully Submitted,


Carolyn Y. Mann, Secretary

APPROVED:


Floyd R. Lamb, Chairman

(Committee Minutes)

ASSEMBLY JOINT RESOLUTION NO. 5—ASSEMBLYMEN GLOVER, MELLO, SENA, MAY, BANNER, BARENGO, BEDROSIAN, BENNETT, BERGEVIN, BRADY, BREMNER, CAVNAR, CHANEY, COULTER, CRADDOCK, FIELDING, FITZPATRICK, GETTO, HARMON, HAYES, HICKEY, HORN, JEFFREY, MALONE, MANN, MARVEL, POLISH, PRENGAMAN, PRICE, RHOADS, ROBINSON, RUSK, STEWART, TANNER, VERGIELS, WAGNER, WEBB, WEISE, WESTALL AND DINI

JANUARY 16, 1979

Referred to Committee on Government Affairs

SUMMARY—Memorializes Congress to refrain from passing legislation to establish federal supervision over public retirement systems or require public employees to enroll under Social Security. (BDR 712)



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Memorializing the Congress of the United States to refrain from enacting any law which would establish federal supervision over public retirement systems or require public employees to enroll under Social Security.

- 1 WHEREAS, Each Congress considers measures to regulate public retire-
- 2 ment systems operated by the states and other governments; and
- 3 WHEREAS, There have been a number of attempts in the Congress to
- 4 require that public employees, who are now not required to participate in
- 5 Social Security, be placed involuntarily under that plan; and
- 6 WHEREAS, Several states are providing for retired employees at low
- 7 cost and with creditable efficiency, and are established on a firm founda-
- 8 tion of good management and sound investment practices; and
- 9 WHEREAS, The immense unfunded liability of the Social Security pro-
- 10 gram, the bureaucratic waste and inefficiency, and the high cost to the
- 11 participant which characterize the Social Security Administration and
- 12 its programs make them an unattractive alternative for Nevada's public
- 13 employees; and
- 14 WHEREAS, The Public Employees' Retirement System of Nevada is
- 15 one of the finest in the nation—its unfunded liability has been reduced
- 16 by over \$100 million during the past 4 years and its investment income

1 has increased from \$9 million in 1974 to more than \$39 million in 1978;
2 and

3 WHEREAS, Social Security has historically undertaken to provide
4 greater benefits than its revenues can practically afford; and

5 WHEREAS, Any proposal to require Social Security coverage for
6 Nevada's public employees is an attempt to force them to pay for the
7 previously unfunded benefits placed upon Social Security by Congress;
8 and

9 WHEREAS, It is inherently unfair, and perhaps even unconstitutional,
10 to require Nevada's solvent retirement system—a system which has
11 zealously guarded against abuses in benefits and struggled to discourage
12 outlandish and expensive proposals—to contribute or participate in any
13 way with the insolvent federal Social Security system which is fraught
14 with mismanagement and abuse; and

15 WHEREAS, The Federal Government must recognize that it has no
16 mandate from the people to regulate where regulation is not needed, or
17 to force parts of the population who are providing security for them-
18 selves to undertake the burden of supporting an expensive, cumbersome
19 and insecure system such as Social Security; now, therefore, be it

20 *Resolved by the Assembly and Senate of the State of Nevada, jointly,*
21 That the legislature is very strongly opposed to any federal legislation
22 which would establish federal jurisdiction over or supervision of any
23 public retirement system in Nevada; and be it further

24 *Resolved,* That the legislature is very strongly opposed to any federal
25 legislation which would require enrollment of public employees under
26 Social Security or place any investment restrictions on public retirement
27 systems in Nevada; and be it further

28 *Resolved,* That copies of this resolution be transmitted forthwith by
29 the legislative counsel to the President of the United States, the Vice
30 President as presiding officer of the Senate, to every member of the
31 United States Senate and House of Representatives and to the chairman
32 of the Universal Social Security Study Committee of the Department of
33 Health, Education and Welfare; and be it further

34 *Resolved,* That this resolution shall become effective upon passage
35 and approval.

ATTORNEY GENERAL ORGANIZATION CHART - LEGAL STAFF - JANUARY 1, 1979

ATTORNEY GENERAL - RICHARD BRYAN

Admin. Assistant
Roz Parry

Supervisor-Office
Services-M. Lockard

Investigation Division
Bill Witte-Chief

Chief Deputy-LV Office
Robert Peccole

Chief Deputy - Larry Struve

Dep. Investigator
CC-Bob McGowan

Dep. Investigator
LV-Vacant

Office
Secretarial Staff

ATTACHMENT B

STG

Taxicab A.-Cent. Off.
Mary Hyer

DMV-LV Office
Mike Kaplan

CRC-ERC
Brian McKay

LV Agency
Deputies

Chief Deputy
Highway Dept.
M. Beauchamp

Chief Deputy
Gaming
Ray Pike

Chief Deputy
Commerce
James Barnes

Supv. Deputy
Welfare & Hum. Res.
Mike Melner

Civil Division
Chief Deputy
Don Klasic

Crim. Division
Chief Deputy
G. Menchetti

Lead Deputy
Taxation
Marsha Claman

Supv. Deputy
PSC
George Keele

Supv. Deputy
CNR
William Paul

Hwy. Leg. Staff
Asst. Chief
Dep. A.G.
Wm. Raymond
Deputy A.G.
Norm Robison
Deputy A.G.
Joe Colvin
Deputy A.G.
Robert Callaway
Deputy A.G.
Scott Bodeau
Deputy A.G.
Rich. Thornley
Deputy A.G.
Ernest Adler
Deputy A.G.
LV Office
E. Lavelle
Researchers
Tudor Chirila
S. O'Neill
Vacant

Dep. A.G. -CC
Philip Pro
Dep. A.G. -LV
Jeff Clontz

Com. Leg. Staff
Real Est. Div.
Robert Herman
Ins. Div.
Wayne Wilson
Housing Div.
C. Ashcraft
Cons. Affairs
Josh Landish

Hum. Res. Staff
Dir. Health Div.
Cathy Weise
Welfare Div.
Deputy A.G.
Bob Holland
Deputy A.G.
Wilbur Sprinkel
Deputy A.G.
Walter Lloyd
Deputy A.G. rLV
Terry Marrell
(Don Haight)
MH-MR Division
Emmagene Sansing

Deputy A.G.
Bill Isaeff
Deputy A.T.
H. Swainston
Deputy A.G.
Sam McMullen
Deputy A.G.
assigned to
Crim. Div.
DMV-CC
Bryan Nelson
GSA-Dep. Admin.
Robt. Ulrich

Deputy A.G.
Ed Taylor
Deputy A.G.
P. J. Mullen
Deputy A.G.
Norm Herring
Deputy A.G.
Robert Bork

Deputy A.G.
Bill Brunley

Deputy A.G.
H. Young

CNR Staff
Water Res.
Division
G. Campbell
Env. Pro. Div.
Stephen
Balkenbush

Summary

Attorney General	1
Chief/Supv. Deputies	11
Staff Attorneys	36
Total Attorneys	48
Legal Researchers	3
Investigators	3
Admin. Assistant	1
Supv.-Office Services	1

CIVIL DIVISION ASSIGNMENT SHEET

DONALD KLASIC

CERTIFIED SHORTHAND REPORTERS, BOARD OF
COMMUNICATIONS BOARD
CONTRACTORS BOARD (Tom Cooke)
CONTROLLER
DAIRY COMMISSION (Richard Young)
EXECUTIVE ETHICS COMMISSION
LANDSCAPE ARCHITECTURE, BOARD OF
LEGISLATIVE ETHICS COMMISSION
LIBRARIES, COUNCIL ON
NORTHERN NEVADA REGIONAL PLUMBING BOARD
PLANNING COORDINATOR
PUBLIC WORKS BOARD
REGISTERED PROFESSIONAL ENGINEERS, BOARD OF (David Hoy)
SECRETARY OF STATE
SECURITIES DIVISION
STATE LIBRARY
TREASURER

SPECIAL ASSIGNMENTS

Antitrust
Corporations
Elections
General Improvement Districts
Local Government Matters
Public Works Contracts and Bidding Procedures

WILLIAM E. ISAEFF

ACCOUNTANCY, BOARD OF (Mel Brunetti)
ADJUTANT GENERAL (National Guard)
CIVIL DEFENSE AND DISASTER AGENCY
HEARING AID SPECIALISTS, BOARD OF
HERITAGE COUNCIL
HISTORICAL SOCIETY
MEDICAL EXAMINERS, BOARD OF (Bryce Rhodes)
MUSEUM
NEVADA INDUSTRIAL COMMISSION
POSTSECONDARY INSTITUTIONAL AUTHORIZATION, COMMISSION ON
PUBLIC EMPLOYEES RETIREMENT BOARD
RURAL HOUSING AUTHORITY
STATE COUNCIL ON THE ARTS
VETERANS ADVISORY COMMISSION
VETERANS AFFAIRS, COMMISSIONER FOR

SPECIAL ASSIGNMENTS

Charitable Foundations and Solicitations
Escheat and Unclaimed Property
Estate Problems
Extradition
Joint Medical-Legal Screening Panel
Open Meeting
Oriental Medicine, Board of
Public Records

HARRY SWAINSTON

E XHIBIT C

AGRICULTURE, BOARD OF
AGRICULTURE, DEPARTMENT OF
EDUCATION, BOARD OF
EDUCATION, DEPARTMENT OF
ENVIRONMENTAL EDUCATION, ADVISORY COMMITTEE
FISH AND GAME COMMISSIONERS, BOARD OF
FISH AND GAME, DEPARTMENT OF
INDIAN AFFAIRS COMMISSION
MULTIPLE USE ADVISORY COMMITTEE ON FEDERAL LANDS
NEVADA LIQUIFIED PETROLEUM GAS BOARD
PREDATORY ANIMAL AND RODENT CONTROL COMMITTEE
SEALER OF WEIGHTS AND MEASURES
SHEEP COMMISSIONERS, BOARD OF
SOIL CONSERVATION DISTRICTS
VOCATIONAL EDUCATION, ADVISORY COUNCIL
VOCATIONAL EDUCATION, BOARD OF

SPECIAL ASSIGNMENTS

Mining Matters
Public Lands
Federal-State Water Litigation
California-Nevada Boundary Litigation

SAM MCMULLEN

APPRENTICESHIP COUNCIL
COMPREHENSIVE EMPLOYMENT AND TRAINING
DENTAL EXAMINERS, BOARD OF (Mario Recanzone)
ECONOMIC DEVELOPMENT
ECONOMIC OPPORTUNITY, OFFICE OF
EMPLOYMENT SECURITY DEPARTMENT
ENERGY DEPARTMENT
EQUAL RIGHTS OF CITIZENS, NEVADA COMMISSION ON (Northern Nevada)
FUNERAL DIRECTORS AND EMBALMERS, BOARD OF (Clark Guild)
LABOR COMMISSIONER
NURSING, BOARD OF
NURSING HOME ADMINISTRATORS, BOARD OF EXAMINERS FOR
OPTOMETRY, BOARD OF (Paul Bible)
PHARMACY BOARD (Fran Breen)
PRIVATE INVESTIGATORS LICENSING BOARD
PSYCHOLOGICAL EXAMINERS, BOARD OF
PUBLIC HEALTH SANITARIANS, BOARD OF REGISTRATION FOR
VETERINARY MEDICAL EXAMINERS, BOARD OF

SPECIAL ASSIGNMENTS

Civil Rights Litigation

ROBERT ULRICH

ADMINISTRATION, DEPARTMENT OF
EXAMINERS, BOARD OF
GENERAL SERVICES, DEPARTMENT OF
PERSONNEL ADVISORY COMMISSION

BRYAN NELSON

MOTOR VEHICLES, DEPARTMENT OF
TRAFFIC SAFETY, OFFICE OF

E X H I B I T C

ATTACHMENT D

STATE TREASURER
101-1080
BUDGET JUSTIFICATION

It is the function of the state treasurer to safeguard and invest state funds placed under his control by legislation. These funds are derived from many sources such as state taxes and fees, federal funding and bond sale. It is the policy of the present treasurer that these funds be invested immediately upon receipt in such a manner that the highest possible yield can be obtained. Money is kept in deposit until needed to pay state warrants. The state treasurer handles money for several state agencies. On a quarterly basis the treasurer does an accounting of the agency funds and appropriates the earned contributions to those funds. The treasurer is also responsible for the management of the state travel revolving fund, safekeeping of negotiable securities, and management of bond dept accounting.

The treasurer's budget request as now presented establishes a hold-the-line concept in most line items while at the same time seeking realistic appropriation to fund the treasurer operations so that performance levels of production can be maximized at the least amount of additional funding over the last biennium.

SALARIES: (A) The two positions on the staff that are in the unclassified service present a salary conflict. The salary as presented in the Governor recommendation sets the Chief Deputy Treasurer and the Cashier at the same annual amount. The Chief Deputy has the immediate responsibility for the total operation of the Treasurer's office in the absence of the Treasurer requiring the person in this position to be as knowledgeable in the workings of the office as the Treasurer. Although the 6.1% increase set out in the recommendation in light of the presidential guidelines is somewhat fair, it does not provide the proper compensation in respect to the level of responsibility required.

The salary recommended by the Governor for the Cashier provides only a 2.2% increase which is tantamount to an approximate 7.8% loss in net spending power over the proceeding year.

I, therefore, request consideration of a salary level of \$27,000 for the Chief Deputy Treasurer and \$23,500 for the Cashier. Although this request is well above presidential guidelines, it does establish an equity base on the two positions so that future salary consideration can be tied more closely to inflationary guidelines and legislation intent.

(B) One existing position that is currently vacant has been reclassified from a Management Assistant I to a Management Assistant II, a budgetary impact of approximately \$200 each year of the biennium.

TRAVEL OUT-OF-STATE:

In an effort to increase the effectiveness of the Treasurer's services to the state research in other states as to operational methods and techniques as used beyond our boundaries is dictated. Out-of-state workshops and seminars on current market trends will also provide knowledge to keep pace with changes in the financial market. Therefore, a realistic request is made of \$2,000 to provide a minimum amount of travel for this purpose.

TRAVEL IN-STATE:

The amount of funding as recommended by the Governor of \$2,700 seems adequate for each year of the biennium and remains at the same level as the present biennium. This fund is not only used by the staff of the Treasurer's office but also by the two appointed members of the State Board of Finance.

OPERATING EXPENSES

concur with Governor's Recommendation

1. Office Supplies: Same as present biennium
2. Operating Supplies: Same as present biennium
3. Communications Expense: Less than present biennium by \$325 for both years.
4. Printing and Duplicating: Greater than present biennim by \$275 the first year and \$410 the second year.
5. Insurance: Greater by \$615 the first year and \$1,615 the second year.
Explanation - Current expenditures exceed current appropriation. Additional insurance requirements: vault contents, office contents.
6. Other Contractural Services: Same as present biennium.
7. Equipment Repair: Same as present biennium.
8. Building Rental:

9. Advertising and Public Relations: A new appropriation to cover printing a proposed treasurer's report.
10. EDP Systems and Program: The request for the first year of the new biennium is \$6,280 less than the appropriation in the present biennium but greater the second year biennium by \$31,348.
Explanation: The State Treasurer's office is presently not aided by any data processing systems. The accompanying attachments provide a detailed breakdown of the services requested. The prior year's allocation for data processing services in the amount of \$30,000 each year has been untouched.
11. Other Governmental Services: This appropriation is greater than the current year appropriation by \$730 the first year and \$1,130 the second year of the new biennium.
Explanation: The requested funding is to cover the cost of the implementation of a microfilm retrieval system providing for the microfilming of checks and financial management information report systems documents (FMIRS).
12. Dues and Registrations: Same as present biennium.
13. Buildings and Grounds: Greater by \$800 the first year of the new biennium over present funding and \$50 the second year of the biennium.
Explanation: The first year request is to provide sufficient money to acquire built-in shelving and cabinets not called for in the renovation of the Capitol Building when the Treasurer's office is relocated in the Capitol Building.

CAPITAL:

Office Furniture and Equipment: The request for \$3,000 for the first year of the new biennium will cover the anticipated costs of new furniture for a secretary's office in the State Capitol as well as reception room furniture, conference table, and side chairs. The second year request of \$500 is in anticipation of any needed minor capital expenditure.

TRAINING: \$500 has been requested for each of the next two years. This allocation is set out to cover the training costs in the use of the proposed new data processing equipment.

STATE TREASURER
101-1080

	1978-79 WORK PROGRAM	ORIGINAL AGENCY REQUEST	GOVERNOR'S RECOMMENDATION	REVISED AGENCY REQUEST	ORIGINAL AGENCY REQUEST	GOVERNOR'S RECOMMENDATION	REVISED AGENCY REQUEST
REGULAR APPROPRIATION	185,588	214,898	152,416	214,291	222,859	155,177	258,348
REVERSIONS	-	-	-	-	-	-	-
TREASURER'S ASSESSMENT	61,400	64,298	64,298	47,050	67,275	67,275	51,755
SALARY ADJUSTMENT	4,896	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE	251,884	279,196	216,714	261,341	290,134	222,452	310,103

EXISTING POSITIONS

TREASURER	E 1	27,000	31,500	31,500	31,500	31,500	31,500
CHF DEP STATE TREAS	U 1	20,498	28,950	21,750	27,000	28,950	27,000
TREASURY CASHIER	U 1	21,279	23,500	21,750	23,500	21,750	23,500
MGMT ASST II	1	9,335	9,780	9,780	9,972	10,213	10,414
PRINCIPAL ACCT CLERK	2	24,934	25,009	25,009	25,009	26,078	26,078
ACCOUNT CLERK	1	10,188	10,680	10,680	10,680	11,165	11,165
ACCOUNT CLERK	1	7,546	8,930	8,930	8,930	9,327	9,327
ACCOUNT CLERK	1	9,259	9,702	9,702	9,702	10,130	10,130
TRUST OFFICER	1	18,283	18,354	18,354	18,354	18,354	18,354
TOTAL EXISTING	10	148,322	166,405	157,455	164,647	160,267	167,468

INDUSTRIAL INSURANCE	2,536	2,230	2,112	2,230	2,606	2,469	2,606
RETIREMENT	11,866	13,312	12,596	13,312	13,537	12,821	13,537
PERSONNEL ASSESSMENT	1,335	1,498	1,417	1,498	1,523	1,442	1,523
GROUP INSURANCE	5,078	5,840	6,480	5,840	6,716	8,040	6,716
PAYROLL ASSESSMENT	297	333	315	333	338	321	338
UNEMPLOYMENT COMP	593	666	630	666	677	641	677
OVERTIME (NON-HOLIDAY)							
BOARD SALARY	1,920	480	480	480	480	480	480
LONGEVITY	1,475	800	800	800	800	800	800
TERMINAL ANNUAL LEAVE							

TOTAL SALARY-PAYROLL	173,422	191,564	182,285	189,806	195,894	187,281	194,145
TOTAL OUT-OF-STATE TRAVEL	1,325	1,450	1,325	2,000	1,525	1,325	2,000
TOTAL IN-STATE TRAVEL	2,700	2,970	2,700	2,700	3,100	2,700	2,700

OFF SUPPLIES & EXPENSE	1,750	1,925	1,750	1,750	2,015	1,750	1,750
OPERATING SUPPLIES	800	880	800	800	920	800	800
COMMUNICATIONS EXPENSE	3,769	4,550	3,800	3,800	4,750	3,800	3,800
PRINT DUPLICATING COPY	2,750	3,025	3,025	3,025	3,160	3,160	3,160
INSURANCE EXPENSE	9,385	10,325	9,385	10,000	10,795	10,000	11,000
CONTRACTUAL SERVICES							
OTHER CONTRACT SERVICE	2,000	2,500	1,500	2,000	3,000	1,500	2,000
EQUIPMENT REPAIR	2,700	3,000	1,500	3,000	3,000	1,500	3,000
STATE OWNED BLDG RENT	14,347	15,782	7,094	15,900	16,500	7,311	16,300

	1978-79 WORK PROGRAM	ORIGINAL AGENCY REQUEST	GOVERNOR'S RECOMMENDATION	REVISED AGENCY REQUEST	ORIGINAL AGENCY REQUEST	GOVERNOR'S RECOMMENDATION	REVISED AGENCY REQUEST
ADV PUBLIC REL EXPENSE	400	450	450	450	500	500	500
OP SYS PROGR FAC CHRG	30,000	33,000	-	24,780	37,500	-	61,348
OTHER GOV'T SERVICES	4,730	5,500	-	5,500	6,000	-	6,000
DUES AND REGISTRATIONS	350	500	350	350	500	350	350
MISCELLANEOUS	100	-	-	-	-	-	-
BLDGS & GRDS IMPROVE	200	250	250	1,000	250	250	250
TOTAL OPERATING EXPENSE	73,281	81,687	29,904	63,335	88,890	30,921	110,258
FURNITURE & EQUIP	656	1,025	500	3,000	225	225	500
TRAINING	500	500	-	500	500	-	500
TOTAL AGENCY EXPENDITURES	251,884	279,196	216,714	261,341	290,134	222,452	310,103

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State Treasurer
Data Processing
Operating Budget Summary

	1979-1980	1980-1981
Cash Flow Management		
Equipment lease (9m @ 150)	1350	1980
Computer charge (6m @ 800)	4800	10560
System maintenance (6m @ 600)	<u>3600</u>	<u>7920</u>
	9750	20460
 Travel Revolving Fund Accounting		
Equipment lease (6m @ 150)	900	1980
Computer charge (6m @ 400)	2400	5280
System maintenance (6m @ 200)	<u>1200</u>	<u>2640</u>
	4500	9900
 Check Reconciliation		
Equipment lease		1980
Computer charge		10560
System maintenance		<u>5280</u>
		17820
 Bond Dept Accounting		
Equipment lease (9m @ 150)	1350	1980
Computer charge	1800	2640
System maintenance	<u>900</u>	<u>1320</u>
	4050	5940
 Vault Inventory		
Equipment lease		
Computer charge	1800	1960
System maintenance	<u>600</u>	<u>720</u>
	2400	2680
 FMIRS Document Input		
Equipment lease	1080	1188
Computer charge	2400	2640
System maintenance	<u>600</u>	<u>720</u>
	4080	4548
TOTAL OPERATING	\$24,780	\$61,348

Agency: State Treasurer

System Title: Cash Flow Management

Function: To improve the investment return on the State's monies by better managing cash flow.

Description: The system will maintain histories and forecasts of cash flows; will account for all negotiable instruments used for investment purposes by the Treasurer; will enable evaluation and analysis of alternative investment strategies; will distribute investment profits to the various funds, and will maintain records of all collateral.

Cost/Benefit: It is anticipated that a computerized cash flow management system should generate at a minimum an additional 1 to 2% of interest income.

The cash flow program would become a management tool with which to more accurately forecast or anticipate revenues and expenditures, thus making it possible to identify idle monies and therefore establishing the duration that these funds can be invested to return an optimum yield. Armed with this knowledge, it is estimated that yield can be increased from 10 to 25 basis points (1/10 of 1% to 1/4 of 1%.)

Example (1) FY77-78 interest income \$8.5 million X 2% - \$170,000.00 additional interest.

Example (2) On a daily average investment balance of 150 million an increase in yield of 10 basis points (1/10 of 1%) would show the same dollar increase of \$150,000.00. This is a 1% increase of yield.

Budget:

System Development and implementation:		\$50,000
System operation:	1979-1980	1980-1981
Equipment rental	1350	1980
Computer charges	4800	10560
System maintenance	3600	7920
	<u>9750</u>	<u>20460</u>

Agency: State Treasurer

System Title: Travel Revolving Fund Accounting

Function: To properly account by agency and individual for travel advance disbursements and receipts.

Description: The system will record and account for all disbursements and receipts; will age receivables and produce dunning notices to agencies and/or individuals; will provide timely fund status information.

Cost/Benefit: Provide current aging reports, thus reducing the delinquency rate and increasing the normal fund balance. It should provide more information about the fund so that excess dollars would not be kept idle in this fund when not necessary. It should keep the workload within the capacity of a single clerical position in spite of a 25% increase in workload in this fiscal year.

Budget:

System Development and Implementation:		\$12,000
System Operation:		
	1979-1980	1980-1981
Equipment Rental	900	1980
Computer Charges	2400	5280
System Maintenance	<u>1200</u>	<u>2640</u>
TOTAL	4500	9900

Agency: State Treasurer

System Title: Check Reconciliation

Function: To reconcile the State's bank accounts

Description: The system will replace current manual reconciliation with an automated system.

Cost/Benefit: The current manual system requires 2-1/2 positions. This system should relieve much of this clerical effort. It is from this area that time should be released to be used in other duties and should reduce the need for additional staff.

Budget:

System development and implementation: \$12,000
System operation:

	1979-1980	1980-1981
Equipment Rental	-0-	1,980
Computer Charges	-0-	10,560
System Maintenance	-0-	<u>5,280</u>
TOTAL		17,820

Agency: State Treasurer

System Title: Bond Debt Accounting

Function: To inventory and schedule coupons for bonds

Description: Will provide a complete inventory and coupon clipping schedule for State bonds.

Cost/Benefit: Will reduce clerical effort; will insure prompt and comprehensive coupon control; will provide historical data of actual payment location, which in turn should prevent dollars from being left idle in a paying account.

Budget:

System development and implementation:		\$4,000
System Operation:		
	1979-1980	1980-1981
Equipment	1350	1980
Computer Operation	1800	2640
System Maintenance	<u>900</u>	<u>1320</u>
TOTAL	4050	5940

Agency: State Treasurer

System Title: Vault Inventory

Function: To inventory the contents of the vault.

Description: Will maintain a comprehensive inventory of the contents, valuation, and location of the contents of the State Treasurer's vault.

Cost/Benefit: Will improve the accuracy of information needed to maintain proper insurance coverage for securities held in trust, thus protecting the state from expending unnecessary money on excessive insurance premiums.

Budget:

System development and implementation:		\$3,000
System Operation:		
	1979-1980	1980-1981
Computer Charge	1800	1960
System Maintenance	<u>600</u>	<u>720</u>
TOTAL	2400	2680

Agency: State Treasurer

System Title: Treasurer's Receipts

Function: To input directly into FMIRS Treasurer's Receipts

Description: Will allow daily input of receipts directly into the Controller's FMIRS system.

Cost/Benefit: Provide daily up-date to cash flow program; reduce duplication of effort between Treasurer and Controller; improve timeliness and accuracy of FMIRS system.

Budget:

System development and implementation: \$1,000
System Operation:

	1979-1980	1980-1981
Equipment	1080	1188
Computer Charges	2400	2640
System Maintenance	<u>600</u>	<u>720</u>
TOTAL	4080	4548

EXHIBIT D

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