

Report of the Legislative Counsel 1947-1948

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NEVADA LEGISLATIVE
COUNSEL BUREAU

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NEVADA LEGISLATIVE COUNSEL BUREAU

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LETTER OF TRANSMITTAL

*To the Members of the Nevada Legislative Counsel Bureau and the
Members of the Legislature of the State of Nevada.*

GENTLEMEN: Pursuant to the provisions of section 4, chapter 102, Statutes of Nevada 1947, and decisions of the Nevada Legislative Counsel Bureau, I have the honor to submit herewith my biennial report as Legislative Counsel for the period beginning January 1, 1947, and ending December 31, 1948.

Respectfully submitted,

J. E. SPRINGMEYER,

Legislative Counsel.

FOREWORD

The Nevada Legislative Counsel Bureau is a fact-finding organization designed to assist legislators, State officers, and citizens in obtaining the facts concerning the government of the State, proposed legislation, and matters vital to the welfare of the people. This office will always be nonpartisan and nonpolitical; it will not deal in propaganda, take part in any political campaign, nor endorse or oppose any candidates for public offices.

The primary purpose of the Bureau is to assist citizens and officials in obtaining effective State government at a reasonable cost. The plan is to search out facts about government and to render unbiased interpretations of them. Its aim is to cooperate with public officials and to be helpful rather than critical. Your suggestions, comments, and criticisms will greatly aid in accomplishing the object for which we are all working—the promotion of the welfare of the State of Nevada.

REPORT OF THE LEGISLATIVE COUNSEL 1947-1948

“Nevada, one State without an income tax, a corporation tax, an inheritance tax, a gift tax, a sales tax, an intangibles tax. With cheap power, and liberal mining, corporation, taxation, and other laws. Welcome to Nevada!”

Such is the greeting on the cover of a small two-page pamphlet issued by the Secretary of State containing a thumb-nail sketch of the history and items of interest of the State of Nevada. Nevada is the sixth State in the Union in size, and its land area is 110,690 square miles including 869 square miles of water surface. As far as population is concerned, Nevada ranks 48th among the States, with an estimated population of 139,505, as of May 1948. According to the Controllers Report for the fiscal year 1947-1948, \$19,375,652 was disbursed by the State or its agencies during that fiscal year. The July 1948 pay roll indicates that 1,659 persons were employed by the State, this figure including the Highway Department, but excluding the University of Nevada. During the month of July the State pay roll amounted to \$376,311.04, which means that the State spends approximately \$4,515,732 annually for the salaries of its employees. To pay the cost of traveling here and there in the State, and into other States at times, Nevada's employees spent \$164,715 during the last fiscal year if the Counsel was able to track down all travel expenditures, which is doubtful. Some agencies and departments charge the maintenance of automobiles to travel, while others charge such items of expense to supplies and equipment; it is obvious that a uniform system of accounting and of reporting expenditures would be valuable to the Legislature and the people of Nevada in determining how the departments and agencies spent their money.

To get the money to pay these costs, the State collected about \$1,729,267 from the property owners of Nevada last year. Special taxes accounted for \$8,644,023. These special taxes included the ever-present gasoline tax of approximately \$2,609,593 and almost as much paid by the employers of the State to the Employment Security Agency to recompense Nevada workers when they get out of a job. The receipts of the Employment Security Department amounted to \$1,589,802. The Federal Government contributed the largest sum ever—\$4,713,214. Included also is \$1,224,274 acquired as bonds owned by the State were redeemed.

It all amounted to approximately \$19,728,769 that passed through the State Controller's books during the year, representing money that the State acquired. Eliminating Federal contributions to State agencies and bookkeeping transactions in bonds and so forth, and the relaying of county pension money to the old-age pensioners, the State actually collected \$10,433,032 in property taxes, special taxes, and from fines and miscellaneous sources. The counties and cities of Nevada collected approximately \$13,802,000 which gives a total of around \$24,235,000 produced by the taxpayers and those persons who pay special fees or licenses as their tax bill for one year. Add that to the \$30,000,000 or so the Federal government collects a year in individual

income taxes and excise taxes on theaters, furs, jewelry, automobiles, liquor, and so forth, and it runs into money.

The \$19,375,652 spent by the State and its agencies during the last year includes everything, with the Legislature having very little to do with the larger part of it. It is to be noted that this figure does not represent actual expenditures and outlay by the State, as several millions are represented by offsets and transfers on the Controller's books. The Legislature fixes the State tax rate for the University, pensions, the General Fund, and so forth, and the income from those levies is definitely earmarked for those purposes. The Legislature fixes the gasoline tax, but the income from that tax is spent as directed by the Constitution. There are other special taxes that come under the same heading. It is the General Fund that provides the Legislature with money to appropriate, and it is the General Fund that provides the money that operates the offices of the State elective officials, the running expenses of the State government, including the cost of the Legislature, and all those special projects or services provided by legislative Act.

At the beginning of the fiscal year 1947-1948, the General Fund had a balance of \$1,595,548, receipts and transfers to the fund during the fiscal year amounted to \$4,776,005, disbursements and transfers from the fund amounted to \$4,231,697, and the fund ended the fiscal year with a balance of \$2,136,886. It is to be noted that the balance remaining in the General Fund at any given time can be a very misleading figure; within a few weeks after the end of the fiscal year 1947-1948 the balance in the General Fund was approximately \$990,000. This large fluctuation is due to a large extent to the big semiannual withdrawals from the fund for apportionments to Nevada schools. Total revenue to the General Fund during the fiscal year 1947-1948 amounted to \$4,776,005, and of this amount \$661,234 was provided by a 27-cent property tax earmarked for the General Fund, \$300,000 from Boulder Dam revenue, \$1,403,746 from gambling taxes and licenses, \$438,605 from liquor taxes, \$233,037 from insurance premiums and licenses, \$492,655 from the cigarette tax, \$149,035 from the State's share in marriage license fees, \$121,515 from the tax on civil actions, and \$976,175 from a host of miscellaneous items. Of the total amount of General Fund revenue, 14 percent was produced by the property tax, 6 percent by the Boulder Dam revenue, 29 percent by the gambling tax and licenses, 9 percent by the liquor tax, 5 percent by the insurance premiums and licenses, 10 percent by the cigarette tax, 3 percent from marriage fees, 3 percent from the tax on civil actions, and 20 percent from miscellaneous items. All in all, \$2,480,214 was disbursed from the General Fund during the fiscal year 1947-1948, as compared to actual receipts of \$2,485,088, which left \$4,874 as the excess of receipts over expenditures on June 30, 1948.

While the Controller's books show a cash balance on hand on June 30, 1948, of \$5,183,779.81 in all State funds, it must be remembered that most of this is in earmarked accounts with a large part of it already contracted for. Almost \$4,000,000 of it belongs to the Highway Department and cannot be touched by the Legislature because the Constitution says that it must be spent on highways. The Distributive School Fund has a balance of \$117,397 which must be spent

on schools; the old-age assistance program has \$188,227 as its balance which must be used for Nevada's aged. It is all set aside for some special purpose, except the General Fund balance plus the money available in the post-war fund which may be expended as the Legislature directs. Although this money is available for expenditure, it cannot all be spent if Nevada wishes to remain solvent. There has to be some kind of a balance to carry over during those periods when income slackens off.

Demands for additional money for schools, veterans, welfare work, health and sanitation, libraries, hospitals, and other projects will be made of the Legislature at the 1949 Session. Even if only a part of these demands are met by the Legislature, there may not be enough money available under the present system of taxation. Suggestions to solve the problem range from a sales tax, an income tax, a soft-drink tax, and a tax on auto courts and motels, to increases on gambling and liquor taxes.

Some hope has been held out that present expenditures by some agencies might be reduced to provide additional money in other fields. If these were normal times, some sizable help could be provided. But things are different these days, and departments that might have been expected to reduce expenditures are unable to keep abreast of mounting costs. One has only to consider the increased grocery bill in one's own home to realize the increased costs that must be met by such institutions as the Mental Hospital, Orphans' Home, and the State Prison. Conditions have been so difficult with many of the State departments and institutions that their problem is not how to reduce expenditures, but how to keep from piling up a deficit.

One of the several reasons for the creation of the Nevada Legislative Counsel Bureau was to provide the Legislature with information on the functions of offices, departments, institutions, and agencies of the State of Nevada and what they cost. In other words, where does the money come from, what is it spent for, and is the taxpayer getting his money's-worth?

Mr. Frank Helmick, the late Legislative Counsel, in his report to the 1947 Session of the Nevada Legislature, remarked as follows:

Many of the State departments or agencies have a peculiar attitude toward the Legislature and the public they are supposed to serve. A session of the Legislature, to some departments, is something to be endured and to get over with as easily as possible. If a department is able to wrangle more funds from the Legislature than is necessary, the feat is something to brag about to other and more unfortunate department heads. And, if it can be done without laying the whole picture before the lawmakers, so much the better. There is little thought given by one department or institution to the needs of another, or of the possibility that, if one department's demands are met, funds must be taken away from another. It's everybody for himself and the devil take the hindmost. This lack of cooperation continues throughout the year, and only a few departments render any sort of aid to another.

Many departments operate on the theory that only that

information the department believes the Legislature, or taxpayer, should know should be given them, and if there are special funds available, or surpluses remaining in operating funds, that is the business of the department involved and is of no concern to anyone else. Many of the departments, institutions, and agencies believe that only the essential expenditures of the department are of interest to the Legislature; that where the money comes from or how much may be available is nonessential. Their attitude is that the department's own statement that so much money is necessary to operate the department is all that is needed or required.

There shouldn't be any necessity for the Legislature to be forced to employ a person to delve into the operations of a department to learn how much money it receives, its source, and the details of its expenditure. That information should be placed before every lawmaker as a matter of course.

One of the first concerns of the Legislature should be the enactment of a law that will require every State department, agency or institution to produce full details of receipts and expenditures. That is the only way by which the Legislature can act intelligently on requests for funds. Only part of these departments, institutions, or agencies are now required by law to produce such information. Some report on their expenditures but not their receipts, others report on part of their activities, and still others report not at all. Some relate, in their biennial report, their accomplishments in great detail with never a word on what it cost * * *.

All departments, institutions, and agencies are required to submit reports to the Governor for use in making up his budget, but the details of these statements never reach the Legislature. Even the Governor doesn't receive full details because the departments give actual figures on their expenditures for a year and a half and guess at what they will be for the remaining six months. No one ever catches up with those half-year expenditures.

One of the best means of curbing extravagance and waste in government is full publicity, and until the Legislature requires that the State officers and heads of departments, institutions, and agencies give a full accounting of their stewardship of the people's money, extravagance and waste will continue * * *.

The Legislature should require every department, institution, or agency, operating wholly or in part with State funds, to submit a report to the Legislature at the opening of each session on all funds received by them from whatever source, together with details of expenditures during each of the two preceding years. These reports on receipts and expenditures should be uniform, with uniform designations so that the Legislature may know positively just what a department means when it lists expenditures for "supplies" or expenditures for "equipment" and what that all embracing word "miscellaneous" really means. These details should be so complete

that the report answers fully the question: "What did you do with the money?"

Your present Legislative Counsel feels that while a majority of these remarks may be sound and correct, there has been in the first place, a noticeable change in the attitude of the State departments toward the Legislature during the last two years, and, secondly, there are a number of reasons for such departmental attitudes existing. From the time when Nevada first became a State until 1945 when the Legislative Counsel Bureau was first created, the only contact that the various State departments had with the Legislature occurred right during legislative sessions, when time is short, pressures are being exerted in all directions, and there is little opportunity to explain the complications of governmental management and finance to legislators, who for the most part, have only brief contact with the State's government once every two years. Your Legislative Counsel is happy to report that he has received complete cooperation from every department and agency with which he has had contact. All the desired information relative to the finances and operation of the various State departments and agencies has been given willingly and to such extent as time has permitted, keeping in mind that the Legislative Counsel is a one-man agency, and has not the time nor the staff to cover these matters to the desired detail. There is need for a promotion of understanding between the departments and agencies of the executive branch of Nevada's government and the Legislature. Your Legislative Counsel feels that progress is being made in that direction, and that increased understanding between the two branches of Nevada's government will slowly but surely result in an improved and more efficient government.

As far as lack of cooperation between the State's various departments and agencies is concerned, it must be pointed out that it will always be difficult to achieve the desired cooperation because of the loose organizational structure of Nevada's present governmental system. There are 102 State departments, boards, offices, and agencies in Nevada's government, each one practically independent of every other one, and each going his own separate way. It is impossible to see the forest because of the trees; each department sees its own particular job, and over-all coordination is difficult to achieve because of Nevada's disjointed governmental system. Functional departmentalization along with centralized and definite lines of responsibility would go far towards achieving better governmental management.

Mr. Helmick's first and foremost recommendation of the 1947 Session of the Nevada Legislature was that a law be passed which would require every State department, institution, or agency to submit uniform and complete financial statements directly to the Legislature. The 1947 Legislature enacted this recommendation into law, the State Auditor and the Counsel prepared the necessary forms and the Counsel has in his office a very large pile of voluminous financial statements from practically every State department and agency. It is with regret that the Counsel is forced to report that he has neither the time nor the staff to properly compile, typewrite, and print the financial statements. However, the statements will be readily available for the use of the Finance Committees of the two Houses of the Legislature. It was necessary to explain the report in detail to every

State department and agency, and there were many questions to be answered and details to be worked out. In due time the good results of this work will become apparent in the form of uniform accounting, expenditure details which are vitally important to legislators, and an improved budgetary procedure that will eventually be reflected in the biennial budgets presented to the Governor and the Legislature. It must be pointed out that many years of work still must be done in this important part of government finance and management. There is need for improved budgetary control in Nevada, and for a properly qualified budget officer.

Mr. Helmick made a second recommendation as follows: "While the Legislature is looking into the conduct of the other departments of the State government, it should pay some heed to its own affairs. Accompanying this report is a lengthy list of recommendations that offer means whereby the Legislature can reduce its own costs of operation and provide more efficient procedure." The 1947 Legislature carried into effect all but two of these recommendations, and the two recommendations were allowed to die because amendments to the Constitution were involved. Even though the process is slow and laborious, your present Legislative Counsel again recommends that the Constitution be amended so as to remove the sixty-day limit on legislative sessions, and that provision be made for a bifurcated or split session. Also, consideration should be given to the advantages of annual legislative sessions. In accordance with the recommendations, improved methods of hiring legislative personnel were inaugurated, and where the 1945 Legislature employed 98 attachés, the 1947 Legislature employed 63. This resulted in a direct saving to the taxpayers of approximately \$14,000 in attachés' salaries. Improved procedures resulted in the more efficient handling of bills, and improvement in other technical aspects of the process of enacting legislation. Laws were passed making the Attorney General the official bill drafting agency, and turning over the mailing room to the State Printer. These laws will be in effect during the 1949 session, and besides increasing efficiency, legislative patronage will be automatically reduced. One more important thing remains to be done in connection with procedure. The Legislative Counsel recommends that a law be passed providing for the printing of enrolled bills, thereby eliminating a major source of clerical error that resulted when enrolled bills are typewritten. Errors in the enrolled bills become the law of the land, and every effort should be made to keep the statutes as free from error as possible. While the printing of the enrolled bills will eliminate the necessity for employing six to eight stenographers during the session, it will not necessarily mean a saving to the State since it also costs money to print the enrolled bills. However, it appears that the printing costs will be slightly less than the salaries of the stenographers under the old system. The Printing Office is prepared to print the enrolled bills during the 1949 session. All this means that the 1949 Legislature can operate efficiently with approximately 37 employees, which is 26 less than was employed in 1947. This represents an approximate \$11,000 reduction in salary outlay for legislative employees.

A third recommendation made by Mr. Helmick, which was carried into effect by the 1947 Legislature, was as follows:

The State's present tax structure should be considered with the thought in mind of devising means of making uniform the system of property valuation and assessment. The present tax burden has been unfair in numerous instances because of the failure of the county assessors to place a fair and equitable valuation on the property taxed. The application of the State's tax exemption law needs consideration also. These exemptions run into many millions of dollars a year in valuation, with the resulting decrease in amounts received from taxation. The Legislature should strive for uniformity in tax exemptions and, above all, definitely make clear what exemptions shall be granted instead of such vague descriptions as a "benevolent and charitable society." Amendments should be considered to place a limit on the amount of all exemptions. As it is now, some exemptions are limited to \$5,000 and others not at all. In some cases it is entirely possible for a tax-exempt organization to build and operate a large hotel and pay nothing toward the cost of operating the State or city that made such a venture possible.

In accordance with this, and recommendations of the Nevada Taxpayers Association, the 1947 Legislature created the Valuation Division of the Nevada Tax Commission in order to promote general equalization procedure in Nevada. It will take approximately five years to successfully accomplish a program of this nature, and in due time the benefits of equalization will be apparent. In accordance with the above recommendations, amendments and corrections were made to the tax-exemption law. However, the Legislative Counsel recommends that attention be given to the feasibility of amending the tax-exemption law whereby veterans would receive a \$1,000 property tax exemption regardless of their marital status.

In accordance with the fourth recommendation made by Mr. Helmick, the 1947 Legislature gave attention to the problem of extending the line of succession to the Governor's office, and provided that the line of succession shall extend in order through the offices of the Lieutenant Governor, the President pro-tem of the Senate, the Speaker of the Assembly, and the Secretary of State.

A fifth recommendation made by Mr. Helmick was as follows:

Amendments to the law regulating the Nevada State Hospital for Mental Diseases should be considered and a clear definition of the duties of the Superintendent and the duties of the Assistant Superintendent should be made. In the future, if the Legislature desires that dieticians, technicians, or others be employed at the institution, it should make these desires mandatory instead of leaving it to the discretion of the Superintendent and the Board.

The 1947 Legislature passed chapter 277, Statutes of 1947, which may be considered an attempt to carry out the first part of the above recommendation. However, the wording of the 1947 statute was in such confusion that an opinion of the Attorney General was necessary in order to determine the intent of the Legislature. Clarifying amendments to this statute would be desirable.

A sixth recommendation made by Mr. Helmick provided for the reorganization of the Agricultural Extension Service of the University

of Nevada, and provided for the abandonment of the system of a State-subsidized farm bureau organization taking part in the direction of the Extension Service. This, along with the recommendation that changes be made in the handling of the finances of the Extension Service, were enacted into law by the 1947 Legislature.

Mr. Helmick made a seventh recommendation, suggesting the strengthening of the State Planning Board, that was adopted by the 1947 Legislature.

The following recommendations made by the present Legislative Counsel are not necessarily placed in the order of their importance.

(1) Section 9 of Article 15 of the Constitution of the State of Nevada reads as follows:

SEC. 9. The Legislature may, at any time, provide by law for increasing or diminishing the salaries or compensation of any of the officers whose salaries or compensation is fixed in this Constitution; provided, no such change of salary or compensation shall apply to any officer during the term for which he may have been elected.

The last two times that salaries were raised in accordance with this Constitutional provision were in 1925 and 1945, such salary increases actually becoming effective two years later in each case. The 1945 and 1947 Legislatures provided additional compensation for various State elective officials in the form of salaries for ex officio positions. This device enabled additional salaries to be paid elective officials during their current term of office, and, in accordance with a long line of judicial precedent, the Attorney General has declared ex officio positions and salaries attached thereto legal and constitutional. There is no doubt that the cost of living has increased since 1945 and, although Nevada's top officials are saddled with heavy responsibility, and in some cases have many millions of dollars under their control, they are receiving salaries equivalent to those received by cross-country truck drivers, and inferior to those received by painters and carpenters. There are several instances where appointive officials are receiving greater salaries than top elective officials, but the appointive official does not have to endure the expense of a campaign in order to land his job. It has been said that an elective official knows what his salary is going to be when he runs for office but, nevertheless, the amount of salary is going to have an influence upon the caliber of candidates. As in many other things, we are probably going to get just what we pay for. Consequently, the salaries of these men should be raised commensurate with their duties and responsibilities, especially if they are willing to cooperate in reorganization and consolidation of the departments and agencies that will promote efficiency and economy. The same goes for deputies and lesser officials. The salaries paid lesser officials cannot reasonably be greater than the salary paid to the top man in a department and, consequently, some departments are losing valuable and hard-to-replace employees because their salaries are limited by the salary paid the top man.

(2) The 1947 Legislature increased salaries of clerks and stenographers as follows: \$160 per month for the first two years of employment, \$170 per month for persons who have worked for the State from two to four years, and \$192.50 per month for persons who have

worked for the State four years or more. On the grounds that capable help cannot be obtained by paying these statutory salaries, the Highway Department avoids the law by calling its stenographers "Engineers Aids," and pays them \$190-\$220 per month. The Public Employees' Retirement Board calls them "Assistants to the Executive Secretary," and pays them \$200 per month. The Public Service Commission employs an "Office Inspector" at a salary of \$250 per month. The State Police employs an "Office Manager" who is a member of the State Police, and receives a salary of \$225 per month. The Department of Health, the Welfare Department, and the Employment Security Department pay various grades of clerks and stenographers in a range from \$150 to \$245 per month. These last three departments have a merit system of their own, and the grades are defined. The salaries paid are adjusted in accordance with the amount of money available to the agency.

Your Legislative Counsel recommends that the statutes defining the salaries of clerks and stenographers be repealed, since the definition of the salaries of minor employees is not something of which the Legislature should take statutory cognizance. The place to settle salaries of staff is in the budget and the General Appropriation Act. It appears inconsistent for the Legislature to define the salaries of clerks and stenographers, and say nothing about the salaries of many other jobs of more or less equal importance. Statutory definition of the salaries of such staff members invites departments to use subterfuge in order to pay the salaries that attract top-quality help. The Legislature cannot achieve uniform salary classifications by statutory definition of salaries of one or two groups of employees only, and the Legislature cannot legislate on the salaries of all jobs in the State, simply because the data necessary to do so can only be obtained after long study by personnel experts. It is further recommended that the Legislature make salary appropriations for each department and agency, of such size as to attract competent clerks, stenographers, and other personnel, and to enable the ordinary State departments and agencies to meet the salaries paid by the Department of Highways, Employment Security Department, etc. The experience of a great many States has indicated that uniform job and salary classifications can be achieved only by a personnel system, and not by statutory definition.

(3) Mr. Frank Helmick, in his report to the 1947 Legislature, made the following recommendations:

If a merit system or civil service program is not favored by the Legislature, a job classification system should be considered with the idea of equalizing salaries paid State employees, especially those in the lower brackets. A senior clerk-stenographer in one of the four State departments now operating under the merit system starts at \$150 a month. In six months she gets a \$10 raise, at the end of a year receives \$170, and at the end of two years \$200. If she started to work in one of the other State offices she would receive \$143.75 for the first two years, \$161 for the second two years, and \$172.50 after four years. The lowest full-time salary paid by the Highway Department is \$165 a month and there

are no typists, clerks, or stenographers hired by that department. They're all engineers' assistants or aides. A uniform salary scale should be made applicable to all departments operating on State funds whether they come from taxation, licenses, fees, or whatever source. Comparable jobs in all departments should receive comparable compensation, with attention paid to compensation on a merit basis for specialized tasks. Under an efficient system, such disputes could be avoided as occurred last fall upon the refusal of the State Controller to pay the salary increases of two employees of the Secretary of State. If the State Controller had scanned his pay rolls carefully, he would have found other departments doing the same thing. There have been numerous methods devised by departments to evade the State salary laws, the favorite being to provide a special title for the employee involved.

Mr. Albert Gorvine, in his recent report entitled "Administrative Reorganization for Effective Government Management in Nevada," devoted one full chapter to the advantages of an adequate, well-engineered merit system as applied to State departments, agencies, and institutions. There is no doubt of the need for uniform job and salary classifications; people doing approximately the same work should receive approximately the same pay. The absence of any method of achieving such uniformity has lowered the morale of State employees, resulted in some unrest and dissatisfaction, and promoted a listless "who cares" attitude on the part of various employees, all of which results in loss to the State and to the taxpayers.

Great strides can be made toward the solution of this problem by the creation of a uniform job and classification system under the guidance of a qualified Director of Personnel. But it appears that, while we are at it, we might as well make an effort to obtain more capable personnel also. The fact that a Public Employees' Retirement System was set up in 1947, means that a system of employment promoting some permanence of tenure is necessary if the Retirement System is to be of value to very many employees. There is no doubt that employee turn-over has been high in most departments through the years. On the other hand, it should be carefully noted that a properly-engineered merit system does not set up a "super government" within the government—that once employees are "in" they cannot be removed. For instance, if an employee cannot fit into the operation of a department, cannot cooperate with the officer in charge, or is a disturbing influence, those things are grounds for dismissal, and, as long as such things are true and factual, there is no question of a properly-engineered merit system preventing such dismissal. At the present time twenty-two States have comprehensive civil service programs, and the remaining twenty-six, including Nevada, merit systems are in operation which cover at least those employees engaged in Federal-State public assistance and employment security programs. There must be a reason for all this. While it may take some ten or even twenty years for all the advantages of a State-wide merit system to appear, since it will be necessary to "blanket in" all present employees, it appears that we ought to start

now. Consequently, your Legislative Counsel recommends the creation of an adequate and comprehensive merit system, in accordance with the principles set forth in the Gorvine Report, with a qualified Director of Personnel in charge of both the merit system and the Public Employees' Retirement System. It is recommended that this man be directly appointed by and responsible to the Governor, with his principal duties during the next two years being the setting-up of the system.

(4) At the present time, some of the State departments are working five and one-half days for a 33-hour work week, and some are working five days for a 40-hour work week. The departments that are working a 40-hour week indicate that more work is accomplished and efficiency promoted when employees work full eight-hour days. They claim that less work is accomplished in proportion during the Saturday half-day of work. If uniform salary classifications are to be eventually created, it is necessary for all State departments to work a uniform number of hours per week. Most private businesses are working a 40-hour week, and it is opportune to make hours uniform at the time that salaries are raised. It is recommended that the 1949 Legislature amend the present law and require all State departments and agencies to work a total of 40 hours during a five-day work week.

(5) Mr. Albert Gorvine, in his study entitled "Administrative Reorganization for Effective Government in Nevada," remarks as follows:

Article IV, section 1, of the Nevada State Constitution says, "The supreme executive power of the State shall be vested in a chief magistrate who shall be Governor." In spite of this, the framers of the Constitution created several administrative officers with power and authority independent of the Governor; namely, the Secretary of State, Attorney General, Controller, Treasurer, Surveyor General, and Superintendent of Public Instruction. Their independence was assured by the provision that they be chosen by the people in the same manner as the Governor. Although the Governor is held responsible for the total conduct of the State administration, his authority is not commensurate with this responsibility. His control over these independent officials is only as extensive as his personal and political influence * * *.

Though the Governor's powers have been increased in recent years, diffusion of authority at the lower levels makes it impossible for him to exercise effective control over his own appointees * * *. Some of the evils resulting from diffusion of authority are (1) duplication of function, (2) overlapping of personnel, (3) confusion of authority, and (4) increased cost of government * * *.

The Governor of Nevada has a total of two assistants, a secretary and a clerk. It is, therefore, no surprise that he is unable effectively to supervise and improve the total administrative structure. Several examples can be given of situations where staff assistance to the Governor might have been of inestimable value * * *. With adequate staff and service

assistance to the Governor in the preparation and formulation of the budget, the Legislature will have the complete facts on which to base its appropriation policy * * *. In order for the Governor to be able to act as the effective head of the State administration, he must be given additional staff assistance. His office should, therefore, be expanded to include (1) a director of budget and purchasing appointed by him, and (2) a director of personnel appointed by him under the provisions of the proposed merit system. The budget officer will perform duties including (1) the call for estimates of departmental needs; (2) investigation of these estimates and recommendations to the Governor; (3) the final formulation of the budget document; (4) the explanation and justification of the budget to the legislative appropriations committees; (5) the execution of the budget as approved by the Legislature, that is, the continuous supervision of expenditures to insure compliance with the law. In the performance of this continuing supervision, he will come into contact with all State departments. As administrative analyst he will recommend to the Governor means of improving the operational efficiency. He will also seek to devise scientific methods for estimating the biennial income and expenditures of the State. Further, he will attempt to secure the installation of a uniform accounting system in order that facts concerning the State's financial condition may be made more easily available and comprehensible. He will be responsible for the examination of the State's fiscal policy in the light of the economic conditions prevailing throughout the United States. His findings will be reported to the Governor, who will incorporate them in the budget document in order that the Legislature may plan its expenditure program accordingly. Purchasing for all departments will be centralized under the direction of this officer * * *. The establishment of a director of budget and purchasing and a director of personnel will enable the Governor to exercise closer supervision over the entire administrative organization * * *. Through the control exercised by an effective budget, the Governor will be able to reduce the diffusion of authority between himself and the other independently elected officials. Through the surveys conducted by the budget officer as administrative analyst, functional integration will be promoted as an aid to effective management. A central purchasing officer and a director of personnel for a State-wide merit system are themselves illustrative of functional integration.

Your Legislative Counsel recommends the creation of these two positions as executive aids to the Governor, in the manner suggested by the Gorvine Report, keeping in mind that the director of personnel is part and parcel of the previously indicated merit system recommendation. If the functions of these men were made part and parcel of the Governor's office, they would operate in actual practice as executive assistants to the Governor. If the Legislature does not see fit to create these positions as outlined, or if it appears that their duties as outlined will be of such magnitude as to prevent their giving

direct assistance to the Governor in accomplishing the work of his office, it is recommended that the Legislature provide one or more executive assistants appointed by and responsible to the Governor. There is no doubt that the Governor needs additional staff in order to properly fulfill his duties as Chief Executive of the State of Nevada, and to properly supervise the many departments and agencies for which he is held responsible by the people.

(6) Mr. Gorvine has recommended that the State Controller replace the State Auditor as Secretary of the Board of Examiners, and that the State Auditors function of examining and preauditing claims be transferred to the office of the State Controller. He recommended that the Superintendent of Banks and the Insurance Commissioner be appointed by and responsible to the State Controller, and that they operate as separate divisions in the department generally designated as the Controller's office. As indicated above, Mr. Gorvine recommended the creation of a State Budget Officer who would also be the man in charge of a central State purchasing agency.

Mr. Frank Helmick, in his report to the 1947 Legislature, made the following recommendation:

Creation of the office or department of purchasing agent should be on the legislative program at this session. At the present time, every department, agency, or institution of the State makes purchases, and particularly small purchases, with no control whatever over them except the amount of money they have available to spend. In most instances, it's like sending the small boy of the family to the store to buy something for supper. The law requires that expenditures for equipment, etc., that individually cost more than \$50 must be passed on by the Board of Control, which is usually nothing more than a gesture. A favorite device of a department is to make the purchase piecemeal. That is, have the office billed for a part of the equipment each month until paid for. By that means, the Board of Control never learns anything about the purchase. Some departments are even able to buy automobiles by that system. Combining the purchase of office supplies, fuel, flour, and other necessities would result in savings that would pay the cost of operation of the purchasing agent's office and return a neat sum to the treasury besides. Every other State has a similar system. Few, if any, of the State officers, or department heads in Nevada, however, favor such a program.

It is worthy of note that 42 of the 48 States have now developed centralized purchasing systems, and that the remaining States are giving serious consideration to the establishment of a central purchasing agency. Purchasing organization in the several States reflects the trend toward integrated financial control, and no less than eighteen purchasing agencies are located within a unified finance department which covers not only the function of purchasing, but also accounting and budgeting. Fifteen other States either give the purchasing agency separate departmental status, place it within the Executive Department, or make it an independent office reporting to the Governor. It has been conservatively estimated by those long engaged in public purchasing, as well as by those who have made a study of

purchasing practices that from 10 percent to 15 percent of the total amount of annual purchases can be saved by an efficient centralization. At the time of this writing the State Health Department is setting up a central purchasing system for its divisions in order to save money, and as a control measure. Contrary to public opinion, central purchasing will not necessarily require large storage facilities. Goods can be contracted for in bulk at wholesale prices with the seller making deliveries of small quantities as needed from time to time. With respect to items used by all, the central purchasing officer can arrange with the Highway Department for the joint utilization of the latter's present storage facilities. Another possibility lies in the fact that the State Department of Education is now using a large warehouse located at the Reno Army Airbase for the storage of donable surplus property pending delivery to Nevada schools, said warehouse now being owned by the Nevada National Guard. Your Legislative Counsel recommends the creation of a central State purchasing agency, with provision that its facilities be made available to the counties, cities, and schools of Nevada. Operated on such a scale, there is no doubt that a substantial saving can be made to everyone concerned. The 1947 Legislature enacted chapter 184, Statutes of Nevada 1947, which authorized the Board of Control to purchase war surplus property, authorized the appointment of a purchasing agent, and set up a revolving fund of \$10,000. It is recommended that the functions of the Board of Control in connection with surplus property be transferred to the central purchasing agency, if such is created.

(7) Under the terms of Public Law No. 889, as passed by the 80th Congress, the State Department of Education has acquired and distributed to the schools of Nevada large amounts of donable surplus property. The Office Deputy Superintendent of Public Instruction has devoted the major portion of his time during the last two years to the handling of this property. The acquisition of this property is of vital importance to the schools of Nevada, and could not be neglected, even though it meant that the Office Deputy sacrificed a great deal of his time that would otherwise be devoted to the problems of education, which is his primary duty and obligation. It had to be done that way or the schools of Nevada would have received no donable surplus property. Senate Bill No. 145 of the 1947 Session authorized the Department of Education to acquire surplus property for Nevada schools, and provided an appropriation of \$22,000, but the bill was not enacted into law, primarily because of the general scarcity of funds. It is recommended that the State Department of Education be designated as the official State agency authorized to acquire and distribute donable surplus property to Nevada schools, and that sufficient staff and funds be provided to the Department in order that the job may be accomplished without interfering with the regular duties and obligations of the Department in the field of education. It is recommended that, if the 1949 Legislature sees fit to create a central State purchasing agency, that provision be made for such agency to cooperate with the State Department of Education, and make its warehouse and other facilities available in the distribution of donable surplus property to Nevada schools.

(8) In 1933 the Legislature created the State Board of Control composed of the Governor, the Secretary of State, the State Controller, the State Treasurer, and the Surveyor General, said Board to have supervision over and control of the State capitol building, the capitol grounds, the State water works, the State Printing Office building and grounds, and all other State buildings, grounds, and properties not otherwise provided for by law.

Mr. Albert Gorvine, in his study entitled "Administrative Reorganization for Effective Government in Nevada," remarks as follows:

Experience in other States illustrates some of the problems resulting from the establishment of administrative boards. Several such incidents have also risen in Nevada. The Board of Control is charged with the responsibility for maintenance of the capitol grounds. However, it has become customary to delegate the operating and supervisory functions to a single member. One case with which the author is personally acquainted involved the discharge, by this operating member, of a maintenance employee for disobedience. The employee, however, went directly to the board and secured reinstatement, although the order which he refused to carry out was a legitimate one. His authority flouted, the operating member disgustedly relinquished the supervisory task to the board as a whole. Once again the board had the problem of finding a deputy willing to assume the responsibility of supervision without at the same time having any real authority. Due to such incidents, the actual management of maintenance employees has continued to devolve on one member of the board after another, with no effective control being exercised over the employees. The present deplorable condition of the Capitol building is a result of this complete lack of control.

Mr. Gorvine goes on to recommend the creation of a department of public institutions for the more efficient business management of the various State institutions, and then recommends that such department assume responsibility from the Board of Control for the repair and maintenance of the Capitol buildings and grounds, with responsibility therefor placed in a single official rather than an administrative board. He goes on to remark that "this office, unlike the Board of Control, will be able to secure cooperation and obedience from the custodial personnel. This, it is anticipated, will produce an immeasurable improvement in the condition of the Capitol building and grounds."

If the Legislature does not see fit to follow the general recommendations of Mr. Gorvine, your Legislative Counsel recommends the creation of a department of buildings and grounds to assume the present custodial duties of the Board of Control. It is recommended that the department be in exclusive charge of an executive officer, or superintendent of buildings and grounds, appointed by and responsible to the Governor, and that there be qualifications set forth in the law whereby the superintendent would have training and experience in the care and management of public buildings. Since the care and maintenance of public buildings is a profession in itself, the

superintendent must have the authority to employ the necessary personnel. It is further recommended that the Legislature provide the funds necessary to purchase the tools and equipment peculiar to the care of public buildings, and that adequate funds be provided for necessary repairs, maintenance, renovation, fire protection, etc. Nevada's State buildings are visited by many tourists every year, and it appears that good business and State pride would demand that our State buildings, as sizable capital investments, be placed in good shape and maintained that way. This will only be accomplished by direct lines of responsibility, qualified personnel, and financial support.

(9) Mr. Albert Gorvine, in his study entitled "Administrative Reorganization for Effective Government in Nevada," remarks as follows:

The functions of adopting the budget, levying taxes, appropriating funds, and checking on the execution of the budget are properly the responsibility of the Legislature. Preparation and execution of the budget, collection of taxes, custody and disbursement of funds, and control over expenditures are within the jurisdiction of the executive. In the States, this division of functions has for the most part been established * * *. Although this is a legislative function and should, therefore, be performed by an independent official, an auditor appointed by the Governor cannot be said to be independent of the administration, the performance of which he is charged with checking * * *. The post audit is the most reliable way in which the Legislature can ascertain whether its intentions have been properly carried out. In Nevada this check is weakened by the fact that the auditor is appointed by the executive. This makes it psychologically difficult for him to be completely independent and impartial in auditing the activities for which his superior is responsible. A peculiar situation is presented by the fact that the auditor himself, as State Bank Examiner, collects money and maintains records which he is responsible for auditing * * *. The Legislature will be empowered to appoint a legislative auditor to make a post audit of the receipts and expenditures of the Executive Department. This auditor will be totally independent of the executive branch and directly responsible to the Legislature. He represents the Legislature in all dealings with the Executive Department. No administrative duties will be imposed upon this office, and its sole function will be to perform the post audit, that is to see that money has been spent for the purpose for which it was appropriated * * *. He will audit all receipts by comparing treasury deposits with the total of all the office copies. In addition, he will make spot checks issued to individuals to determine whether office copies have been altered or destroyed. With respect to expenditures, he will review the preaudit and then ascertain whether the money was actually spent for the purpose stated in the claim as preaudited. Inventory lists will be compared with claims to see whether equipment allegedly purchased was actually purchased. To

assure accuracy of inventory lists, these will occasionally be compared with actual equipment in each office * * *. Since the ultimate control of appropriations and expenditures rests with the Legislature, it is only fitting that the post audit be performed by an auditor totally independent of the executive and responsible directly to the Legislature. By this means, a healthy separation of powers can be achieved.

Your Legislative Counsel recommends the creation of the office of Legislative Auditor, said officer to be directly appointed by and responsible to the Legislature. It is recommended that qualifications be set forth in the law whereby the Legislative Auditor would be required to have training and experience in auditing and accounting. It is further recommended that provision be made in the law for the Legislative Auditor to use the office equipment, supplies, and stenographic assistance as may be available in the office of the Legislative Counsel, thereby making the Legislative Auditor's salary the only expense incidental to the creation of the office.

(10) Your Legislative Counsel recommends that careful study and consideration be given to that certain report entitled "Administrative Reorganization for Effective Government in Nevada," as prepared by Mr. Albert Gorvine, and that legislation be enacted taking the first step toward reorganization and consolidation of State departments and agencies, namely, the creation in the office of Governor of a director of budget and purchasing, and a director of personnel. If and when other of Gorvine's recommendations are adopted, the budget officer and the Legislative Counsel will work jointly to put them into effect. Through consultation with the agencies affected, they will establish the detailed procedures necessary to make a reality out of the paper consolidations approved by the Legislature. At the same time, the director of personnel will be installing in detail the various elements recommended as necessary components of a positive personnel program.

(11) Mr. Frank Helmick, in his report to the 1947 Legislature, remarked as follows:

The practice of permitting departments, such as the liquor, gambling, gasoline, use fuel, common carriers, and other agencies to operate on a percentage basis should be eliminated. These departments should be required to budget their expenses and, by appropriation from the fund involved, held to that budget. The Tax Commission collects nearly \$2,000,000 in gasoline taxes at a cost of less than one-half of one percent, but there is nothing to prevent the department from spending the full five percent (\$100,000) the law authorizes. Five percent is authorized to pay the cost of collecting gambling and liquor licenses, now running not far from a million dollars a year. The Public Service Commission Inspection Division is authorized to spend 15 percent of all it collects and actually spends around 11 percent. The Motor Vehicle Department received 50 cents a plate for issuing licenses, with the County Assessors 25 cents in addition, which amounts to a percentage cost of nearly 12 percent. There is no limitation at all imposed on the Drivers' License Division. In the last five years this division collected

\$228,000 and spent \$221,000. Last year it collected \$32,000, spent \$39,000.

Schedule 5 of the State Controller's Report for the fiscal year 1947-1948 indicates a total of \$3,046,893.71 existing in six groups of special fund balances. Of this amount, \$1,413,893.97 exists in special funds due to section 5 of Article IX of the Constitution, which provides that the proceeds from motor vehicle licenses and taxes from motor vehicle fuel shall be used exclusively for the construction and maintenance of highways. The State agencies or divisions of State agencies which operate under these special funds are: State Motor Vehicle License Expense, Public Service Commission Inspectors, Gasoline Tax Administration, Use Fuel Tax Administration, County Gasoline Tax Administration, and the Highway Department. Good government and sound financial practice demand that the Legislature exercise supervision over the expenditures of as many State agencies as possible. Constitutional amendment would be necessary for these funds to be subject to direct legislative appropriation. While the Legislature cannot appropriate for the operation of the afore-mentioned agencies, it is recommended that legislation be passed requiring the agencies to submit budgets to the Legislature for their biennial operation, and that their expenditures be in accordance with such budget as approved by the Legislature.

The sum of \$37,574.65 existed as balances at the end of the fiscal year 1947-1948 because of the funds of three agencies that operate on the basis of a percentage of their collections. These three funds are the Cigarette Tax Administration, the Liquor Tax Administration, and the Gambling Tax Administration. Since these three divisions of the Nevada Tax Commission operate on a percentage basis, that is, 5 percent of what they collect, they do not present budgets to the Legislature, and there is no legislative supervision of their expenditures. While the present officers in charge of the agencies operating on a percentage basis are doing a good, efficient job of agency administration, there is no guarantee that the people of Nevada will always be so fortunate in the future. Consequently, it is recommended that all collections of the three afore-mentioned agencies revert entirely to the General Fund, that they be required to present administrative budgets to the Legislature, and that the Legislature appropriate directly for their operation. There may be need for an exception in the case of the Gambling Tax Administration; full consultation with the Secretary of the Tax Commission should be had before changes are made.

The sum of \$392,987.53 existed as balances at the end of the fiscal year 1947-1948 because of the funds that received their revenue from a tax rate set by the Legislature. The biggest portion of this belongs to the Old-Age Assistance Division, followed by the University of Nevada Retirement System, and Consolidated Bond Interest and Redemption Fund, the University Public Service Division, the Board of Control Repair Fund, and the Public School Teachers Retirement Fund. In financing these matters, the Legislature examines the requests for funds as submitted by these agencies, makes a conservative estimate of property valuations in the State for the ensuing biennium, and sets a tax rate for each one of such size as to produce

the amounts needed, but seeing to it that the combined tax rate amounts to approximately 64 cents, thereby leaving the balance of the \$5 rate allowable under the Constitution to the counties, cities, and school districts. The results of this procedure are two-fold: When property valuations increase, as they have been doing in late years, the tax rate produces more money for the operation of the agencies than the Legislature could safely contemplate, and thereby making their budget meaningless to just that extent. When property valuations decrease, as has happened a number of times in the past, the agencies are hamstrung in their operation. The agencies should demonstrate their needs to the Legislature in the form of properly prepared budgets and proper cushions for emergencies, and, if satisfied, the Legislature can directly appropriate in accordance therewith. The huge majority of State agencies are supported at the present time by direct appropriation, and the Legislature knows exactly what it is appropriating and the agencies know exactly what they are receiving. Therefore, it is recommended that the entire State tax rate be earmarked for the General Fund, except possibly the Consolidated Bond Interest and Redemption Fund, and that the afore-mentioned State agencies and funds be supported by direct legislative appropriation in accordance with need demonstrated by properly prepared budgets.

The sum of \$255,982.67 existed as balances at the end of the fiscal year 1947-1948, in various continuing special funds that received their revenues from fees and collections. These funds are twelve in number: Basic Magnesium, Colorado River Commission, Building and Loan, Teachers Certification (partial), Hoisting Engineers, Petroleum Products Inspection, Examination and Registration of Nurses, Nevada Small Loan Act, Apiary Commission, Livestock Commission, Sheep Commission, and Employment Agency Fund. The biggest portion of the afore-mentioned total of balances belongs to the Colorado River Commission and the Basic Magnesium Fund which amount to \$167,557.54 combined. It is to be noted that agencies operating with continuing special funds derived from fees and collections do not present budgets to the Legislature, and the Legislature has no control over their expenditures. While it is felt that a budgeting and appropriation procedure might hamstring and impair the operation of the Colorado River Commission and the Basic Magnesium Project at this time, it is recommended that all collections of the remaining eleven afore-mentioned agencies revert entirely to the General Fund, that they be required to present administrative budgets to the Legislature, and that the Legislature appropriate directly for their operation.

(12) At the present time, there are two Library Funds on the Controller's books: (1) the appropriated Library Fund which pays the operating expenses of the Nevada State Library and is set up by direct legislative appropriation, and (2) the Special Library Fund, which is really a revolving fund receiving fees collected by the Secretary of State, such as corporation licenses, attorneys licenses, etc.; and transferring at six-month intervals to the General Fund and the Distributive School Fund. The law provides that the appropriated Library Fund shall be supported by money directly appropriated by the Legislature out of the General Fund, and that semiannually such

money shall be reimbursed to the General Fund from collections made in the office of the Secretary of State, and amounts collected in excess of such reimbursement shall be apportioned equally between the General Fund and the Distributive School Fund. This is a confusing maneuver of funds, and seems to achieve no useful purpose, especially in view of the fact that the Distributive School Fund, from which are made apportionments to Nevada schools, derives the hugest portion of its support from direct appropriation by the Legislature from the General Fund. It is recommended that the Legislature continue to support the Nevada State Library by direct appropriation, but that the process of reimbursing the General Fund from collections in the Secretary of State's office be abolished as far as the Library Fund is concerned. It is recommended that collections from the Secretary of State's office revert semiannually to the General Fund in their entirety without any reference to expenditures from the Library Fund whatsoever.

(13) Mr. Frank Helmick, in his report to the 1947 Legislature, remarked as follows:

Close study should be given to demands that so-called non-partisan boards be placed in control of State institutions and agencies. For the past few years the cry has been to "take our institutions out of politics" as if "politics" were something all right-thinking people should abhor. Yet the State is governed by "politicians" with millions at their disposal, and no one questions the system. A governing board composed of incompetent private citizens can do as much harm as a governing board composed of incompetent State officials, and, while private citizens are responsible to no one, elective officials must answer to the people. If the Legislature is committed to a program of nonpartisan boards, it should place in every bill creating such boards a provision setting forth the qualifications of the persons who may be appointed. If the Legislature would insist that only persons whose interests lie in welfare work should be placed on the welfare board, for instance, then some benefit could be gained by the system. Or if the State Hospital Board membership should be required to have some knowledge of the problems of such an institution, much of the criticism that has been directed at the institution would be eliminated.

More and more clearly it is becoming evident that administration must proceed on the basis of consent. Owing in part to its immaturity and its early simplicity our administrative system has been only very imperfectly adjusted to the need for securing assent. The law defining administrative duties has ordinarily spoken in categorical terms, leaving open no opportunity for useful conference to secure consent. But in various States the law gradually began to grant officials a measure of discretion which was enlarged until today in some fields it has become the characteristic symbol of modern methods. Now the achievement of administrative discretion has opened the door wide to the opportunity for conference with interested groups in order to enable the official to proceed where possible with a prior understanding and agreement. For assent is fundamentally a matter of

conference, discussion, adjustment, all leading toward the establishment of confidence through understanding. The importance of conference in matters of administration has been greatly stressed in the last two decades. The natural development of this idea is the establishment of permanent advisory boards. This evolution is well under way. The failure of administrative boards (an administrative board is a board in actual charge of a department or agency with powers to hire and fire, pass upon claims, and control the operation of the department or agency) composed in whole or in part of laymen serving without pay, to do a good and adequate job of governmental management has been demonstrated time and time again in all the States of the Union as well as in Nevada. The universal trend in departmental organization is in the direction of requiring directors to be appointed by and responsible to the Governor, thereby keeping the director only one step away from the people, and clearly defining lines of responsibility. It is an essential requirement that the qualifications of the director be carefully set forth in the law, thereby greatly narrowing political considerations. The trend is toward advisory boards endowed with the following powers and duties: (Quoting from the Illinois Administrative Code) "To consider and study the entire field; to advise the executive officers of the department upon their request; to recommend, on its own initiative, policies and practices, which recommendations the executive officer shall duly consider, to give advice to the director when so requested or on its own initiative; to investigate the conduct of the work of the department with which it may be associated * * *."

The principle is well established that the determination of facts and the formulation of policy are two separate functions and should not be performed by the same agency, and that a body advisory to the policy-determining agency should not be clothed with power. It is essential to the value of an advisory board that it be representative, for if it is to be the mechanism for the achievement for consent, it must be able to speak for those whose interests are affected. Care needs to be taken in two directions in organizing such advisory boards. On the one hand they must be discouraged from attempting to govern; on the other hand, they must be encouraged to take an initiative in developing plans.

(14) Mr. Frank Helmick, in his report to the 1947 Legislature, remarked as follows:

Extra funds are appropriated by the Legislature to pay the costs of printing of a department or agency under a unique system that provides that the money go directly to the account of the State Printer, to be used for printing by a given department only. Some of the State departments are included in the preferred list of free printing, others must pay the State Printer out of their appropriation for supplies. Still others receive their printing free of charge although they are not, strictly speaking, connected with the State. The free list should be expanded to include them all, or all departments should be required to pay printing charges from their appropriations for supplies. All the present system means is that it permits the concealment of

expenditures of about \$35,000 a year that should be charged directly to the departments involved. A change in the system would not mean cheaper operation, but it would reveal the actual amount appropriated a given department.

Your present Legislative Counsel renews the recommendation made by Mr. Helmick; most departments and agencies have a better idea of what their printing needs are going to be for the forthcoming biennium than does the State Printer, and it will be a simple matter for them to budget their printing in the same manner that they budget other items. What is happening at the present time is that the Legislature appropriates a given sum of money for an agency, and then gives it an additional sum inside of the State Printer's budget, and unless a person examines both budgets he does not have the complete story of the amount that a given agency is going to spend.

(15) Mr. Frank Helmick, in his report to the 1947 Legislature, remarks as follows:

Many State offices continue to operate on a calendar-year basis despite the fact the Constitution set July 1 as the start of the State's fiscal year. All should conform to the one system which should be extended to include all sub-divisions of the State which would eliminate much of the financial confusion that now exists.

Your present Legislative Counsel renews the recommendation made by Mr. Helmick; it is to be noted that a similar and parallel recommendation has been made by the School Survey Group in its study of Nevada schools. It is to be noted further that such a change would involve the amendment and revision of a huge number of statutes having to do with county operation, and it would probably take a year or more to engineer the proposition. It is recommended that the Legislature appropriate the necessary funds for the Nevada Tax Commission, or possibly the Attorney General's office, to do the job during the next biennium in order that the extensive statutory revisions may be included in the new Code of Laws that is recommended in the next section.

(16) In 1929 the Legislature provided for the revision, compilation, annotation, and indexing of the laws of Nevada, and appropriated \$25,000 to carry out the job. The Act created a commission of five members to supervise the work, and it was authorized to enter into a contract for the work with a reputable firm that was engaged in the business of revising and compiling laws or law books. The Act declared that, at the discretion of the commission, the compilation could be printed at the State Printing Office, or the contract with the compiling firm could include provisions for them to print, publish, and sell the compilation. A San Francisco lawbook firm compiled and printed the laws of Nevada in six volumes, and it appears at this writing that not only did the firm receive the \$25,000 appropriated by the Legislature, but also the purchase price of all sets, as it appears that no free sets were distributed to anyone. In 1942, the firm on its own initiative and without legislative authorization issued a two-volume supplement to the Nevada Compiled Laws, covering the period 1931-1941. Pocket supplements of the Statutes for 1943 and 1945 have been issued, but to date there have been no supplements issued

for the Statutes for 1947. At the present time, it is necessary to make a four-step search in order to find all the Nevada law that is in full force and effect, namely, search of the Nevada Compiled Laws of 1929, the 1931-1941 Supplement, the combined pocket supplements containing the statutes of 1943 and 1945, and the regular statutes of Nevada for 1947. This simply means that it is beginning to be almost impossible to find all the law with any degree of certainty. It means that the operation of the Legislature itself might well be affected; for example, if someone makes a mistake in the laborious searching of the law, the Legislature could find itself amending laws that have already been repealed. Nevada courts and lawyers and public officials are beginning to be uncertain as to which laws are operative and which are not. It is to be noted that recodification and revision of the whole body of the statutes of the State is a long, arduous, and expensive process, but it appears that the job should be tackled as soon as possible, as the problem becomes more acute with every session of the Legislature. The Legislative Counsel has gathered considerable data on the processes of recodification and revision, and it now appears that, if the proper approach is made to the problem, a code can be compiled that can be expanded and revised from time to time, and it will not be necessary to do the complete job all over again for perhaps fifty years. Therefore, it is recommended that the 1949 Legislature enact the necessary enabling legislation and appropriate the necessary money to make a new compilation of the laws of Nevada, and, if we can afford it, a complete revision as well, since there is great need for the elimination of conflicting statutes, obsolete provisions, ambiguous wording, and so forth. While it appears immaterial whether the State hires its own experts to do the work of recodification, or whether it contracts with a lawbook firm to do the job of recodification, it is recommended that the actual printing of the compilation be performed by the State Printing Office. The reasons for this are two-fold: (1) elimination of the element of profit; and (2) if the whole program is carefully planned, once the code is printed, subsequent changes made from session to session can be inserted therein by our State Printing Office using a large amount of the type that is already set for the official Statutes of Nevada. Any system of continuous code revision demands that the printing be done as close as possible to and in full collaboration with the men doing the actual codification. If the whole program is properly coordinated, it will be unnecessary to do the whole job over again every ten or fifteen years, at great cost. Also if the State prints and distributes the volumes, it can make private individuals pay a purchase price for the sets, and charge them for the service of maintaining and keeping their sets up to date through the years. The net result will be that the whole program will eventually pay for itself, and there will be no cost to the taxpayers of the State. There is one "fly in the ointment," however. The State Printing Office does not have the equipment and the machinery at the present time to print the code; no special equipment is needed, but additional equipment would be needed to handle the volume of business. This leads to the next recommendation.

(17) It is increasingly obvious that the printing needs of the various State departments and agencies are becoming greater as time passes.

For a goodly number of years, there has been an ever-increasing amount of printing accomplished by the State Printing Office between sessions of the Legislature. To give some idea of the load being carried by the State Printing Office, it might be pointed out that the study compiled on sales taxes by the Legislative Counsel was delivered to the State Printing Office in April of 1948 and only became ready for distribution the latter part of September 1948. For several months immediately prior to the opening of the 1949 Legislature, the Printing Office has been working an extra shift of linotype operators in an effort to handle the load. It is rapidly becoming a question of either working extra shifts or having additional equipment. Money spent for salaries is gone forever as far as the State is concerned, but money spent for machinery and equipment, particularly printing equipment, is a permanent investment that in due time will pay for itself in salary saved, and after that the savings can be directly passed on to the other State departments and State taxpayers. Also storage space is at a premium as far as the Printing Office is concerned. A great many State departments and agencies would grind to a protesting halt if their printing needs were not met. Therefore, in order to meet the current printing needs of the State agencies and, as an incident thereto, to print the new code of laws on a continuing basis, it is recommended that the 1949 Legislature appropriate funds to purchase needed machinery and equipment at the State Printing Office and to provide necessary storage space. It is to be noted that, if a new State office building is constructed in Carson City, it will probably be possible for the Public Service Commission to move from its present quarters, and the additional space provided thereby would probably meet the needs of the Printing Office.

(18) A similar problem exists elsewhere in other State departments. Some departments, especially the office of the State Controller, may ask the 1949 Legislature for an increased appropriation in order to provide additional staff, as their work has increased to such an extent that the present staff cannot carry the load. The only alternative to paying out additional money for salaries is to purchase machine equipment that will do these jobs far faster than it is possible by hand, and with greater accuracy, and that will eventually pay for itself in salaries saved. For instance, the keeping track of withholding taxes, deductions for the Public Employees Retirement System, and deductions for group hospital insurance have all meant an increasing load on the office of the State Controller. Such things as the acquisition of the Basic Magnesium Project by the State meant that many hundreds of extra claims must go through the State Controller's office every two weeks. Keeping in mind that the State Controller operates on a budgeted fund appropriated by the Legislature, some months ago the situation became so acute that the State Controller was forced to make arrangements with the Highway Department to have Old-Age Assistance warrants made on International Business Machines equipment in the Highway Department. Again, it is to be noted that in each of the last two fiscal years it took the State Controller's office approximately three months to compile and issue the Annual Report of the State Controller. With the proper machine equipment, the data necessary for the Annual Report could

be ground out in a matter of hours—in one day. In view of all this, and after consultation with the heads of other departments that are in somewhat similar positions in varying degrees, the Legislative Counsel contacted five large manufacturers of machine equipment, and each one agreed to make a study of various departments free of charge, and thereby offer suggestions for improved accounting methods, and the use of accounting and tabulating machinery that would eventually result in savings in the cost of government. The five studies will be available for examination and discussion by the department heads and members of the Legislature by the time the 1949 session convenes. At the time of this writing, two of the studies are complete, and if the suggestions contained therein are carried out it may result in a saving of between \$100,000 and \$200,000 to the taxpayers annually. The other studies may reveal even greater savings. In view of all these things, it is recommended that the 1949 Legislature, after examination of the afore-mentioned studies and consultation with department heads, decide what accounting and tabulating machinery might be best suited with the needs of the offices, and then appropriate the funds necessary to purchase the equipment. It is going to be necessary to spend some money in order to save money, and, keeping in mind that the government of the State of Nevada is a big business, it cannot be placed on an efficient basis using horse-and-buggy methods. The secretary of State is demonstrating these principles by a number of innovations that not only increase the efficiency of his department but will result in ultimate saving to the taxpayer. He has met the increased load of work in his department by use of photostat equipment to make certificates of registration for motor vehicles, the use of a pickup truck to distribute license plates, the installation of a short-wave radio set for handling information on licenses and stolen cars, and the use of a metering machine which stamps and seals the mail from the Motor Vehicle Department.

(19) It appears that, if the Secretary of State can profit from the use of a postage-metering machine, all the State departments could do the same thing. It appears that a central mailing room in the basement of the capitol building in charge of one employee hired by the Board of Control or the Superintendent of Buildings and Grounds, or the Central State Purchasing Agency, if these last two are created, would result in more efficiency, and a saving of dollars and cents all the way around. At the present time, the State agencies buy their stamps separately and mail their letters and packages on their own. Most of them have their own letter scales, but few of them have scales of such size as to handle large packages, and trips to the post office in order to determine the proper postage for larger packages are common. Another common practice is for departments and agencies to send letters to each other through the post office, even though they are sometimes on the same floor. They use the post office as a delivery boy, but they pay three cents for each letter. A central mailing room has the following advantages: (1) It would place the important details of mailing in charge of one experienced person, who would learn the rules and regulations of the Postal Service, who appreciates that stamps are money, who keeps a record of out-going trains and

mail connections and schedules his mail dispatches in order to make proper connections, who keeps posted on the primary sorting scheme of his local post office and ties out his bulk mailings for a given point as direct bundles so as to avoid the delay of separate handling in dispatching post offices and on mail trains. (2) It would save postage by placing the supply of postage in the control of one responsible individual, thereby making it possible to keep a proper accounting of all postage purchased. (3) It would save clerical work in that stenographers could devote their full time to correspondence if they are relieved of the detail of dispatching it. (4) It would avoid congestion by eliminating rush work in various departments at the close of business hours. (5) It would permit the economical use of modern labor-saving devices, which each department might not otherwise be justified in buying for their own mail alone. (6) The mailing-room employee could pick up and deliver all mail at regular intervals with better and more accurate distribution.

It is recommended that the 1949 Legislature enact the necessary enabling legislation and provide sufficient funds to purchase the necessary equipment and pay the salary of one employee for a central mailing room. The equipment would probably cost less than \$1,000, and it would probably be necessary to set up a revolving fund in order to cover actual postage costs until the various State departments and agencies could reimburse the fund for the amount of postage in each case.

(20) At the present time there is no central telephone switchboard for the State offices in the various buildings. The Employment Security Department has a switchboard and the Highway Department has a switchboard. If there were a central switchboard, each phone installation would cost \$1, whereas at the present time each phone installation costs \$4.50. It would appear that if a central switchboard is worth while in the Highway Department and in the Employment Security Department, it would be worth while for all the other offices as well, and the installation of a central switchboard might well eliminate the other two smaller ones that are in existence at the present time. This is a small item, but it is recommended that the Board of Control or whatever agency is in charge of the buildings and grounds, budget whatever is necessary to set up a central switchboard, and that the Legislature provide the necessary funds. This would mean smaller budgets for the other agencies as far as telephone expenses are concerned. In the same way, some attention should be given to the possibility of placing all the State buildings in Carson City on one electric meter, and thereby receiving a lower rate on power from the power company.

(21) Mr. Frank Helmick, in his report to the 1947 Legislature, remarked as follows:

The Attorney General of the State is a member of entirely too many boards and commissions. He should act in an advisory capacity, not executive. If his duties were confined to those of an advisory nature, the State would benefit from his legal knowledge unhampered by personal or political considerations made possible by his board memberships. The State Treasurer has few board assignments and his duties are not so heavy that he could not assume some of the burden

now carried by other State officers. The same should be done for the Surveyor General who is not overburdened with duties at the present time.

The only action taken by the 1947 Legislature in accordance with this recommendation was to substitute the State Treasurer for the Attorney General on the Public Service Board. This same recommendation has been reaffirmed by Nevada Attorneys General since the turn of the century. Your present Legislative Counsel renews the recommendation made by Mr. Helmick; it is to be noted that the legal duties imposed upon the Attorney General's office are becoming heavier as time passes, and full utilization of the technical knowledge possessed by the Attorney General and his staff can be obtained only if the Attorney General is relieved of administrative duties that go with membership on various boards and commissions.

(22) Mr. Frank Helmick, in his report to the 1947 Legislature, remarked as follows:

The report of the State Controller should be revamped so that it may become of more general use. At present, the complicated document cannot be read intelligently by more than a handful of persons, and, if it is of value to the taxpayers to know the condition of the various State funds, the report should be prepared so that the taxpayers can understand it * * *.

The total amount of revenue shown in Schedule 1 of the State Controller's Report does not represent the actual amount of revenue received by the State and available for expenditure. Nor does it represent entirely money put up by the taxpayer. Neither does the total amount of expenditures represent the amount actually spent on government. Nor does it accurately reflect the actual cost of supporting government.

Our accounting system is on a cash basis and provides that the Treasurer must issue a receipt or the Controller must issue a check for each transaction. This is a good feature for public protection and simplified bookkeeping procedure, but creates duplicate receipts and expenditures that are misleading. Actually, a great deal of money is transferred by check between State funds and Social Security, which are kept in different bank accounts by the State Treasurer. In such a case a receipt is issued by the Treasurer when money intended for the use of a Social Security agency is originally received in State funds and placed in the State bank account. Another receipt must be issued when it is received in the Social Security bank account when transferred there. Similarly, a disbursement is shown by the State Controller when he draws the check to transfer it there, and another disbursement is set up when the agency actually expends the money by State warrant drawn on that bank account. To eliminate this duplication the transferring entry should be termed an "offset" in order to make clearer the thought that it is not an actual receipt or disbursement, but merely a bookkeeping entry to transfer money from one pocket into the other. Transfers between State and local or other outside units of government fall into the same category.

The State also acts as more or less an agent for local or other outside units of government, or for self-supporting agencies that do not use tax money. While receipts or disbursements for these units

are recorded on the State books and become part of the total, they are really not properly chargeable to the operations of State government. Transactions of this nature should be shown as "miscellaneous non-tax revenue" or "miscellaneous non-tax disbursements."

When money is received from sale of State bonds and spent on the program for which they were issued, the receipts and expenditures are not properly chargeable to the current year. The receipt will show each year as taxes are levied to redeem the bonds, and the expenditure will show each year as the bonds are actually redeemed. Similarly, investment fund bonds purchased or sold are not properly chargeable to receipts or expenditures of the current year. Consequently, "capital revenue" or "capital expenditures" should be separated in the Controller's Report.

There is no doubt that all the information is in the Controller's Report but, unless the reader understands the nature of the report and the nature of all the funds mentioned therein, it is easy to arrive at erroneous conclusions. It is recommended that a series of simple tables and illustrations be inserted at the front of the annual report in order that the ordinary man-on-the-street may have an accurate picture of where the money came from and where it went. For instance, a State revenue schedule might show revenues from the general property tax, special taxes, license and privilege and miscellaneous fees, and other miscellaneous taxpayer revenue. Then the amount of Federal aid could be shown, along with miscellaneous non-tax revenue, offsets, and capital accounts. There should be a State expenditure schedule showing amounts expended for general government, highways, development and conservation of natural resources, education, health and welfare, and miscellaneous units of government, with a total of expenditures actually attributed to State government operating costs. Then the expenditures of miscellaneous and outside units of government should be shown, along with offsets and capital expenditures.

(23) In 1937 the Legislature created the State Planning Board of eleven members, with the Governor, the State Engineer, and the State Highway Engineer as ex officio members. In 1947, in accordance with the recommendation of Mr. Helmick and others, the powers and duties of the Planning Board were extended, and it now furnishes engineering and architectural services to all State departments and institutions. The board has final authority for approval as to architectural plans, designs, type of construction, and so forth, solicits and lets bids, and supervises and inspects construction and major repairs. During the years 1947 and 1948, the board has handled and completed twelve out of thirteen projects that cost approximately one and a quarter million dollars. The 1947 Legislature gave the board an appropriation of \$10,000, and the board has actually met some thirty to thirty-five times in the last year and a half, which is a record of some kind for a board composed mostly of laymen serving without pay. It might well be that, during the next two-year interval, the State will embark upon construction projects that will involve several million dollars of the taxpayers' money. Since so much money is at stake, it appears that the Planning Board could use and would welcome the services of a part-time or full-time engineer on its staff.

Consequently, it is recommended that the Planning Board be provided with sufficient funds to hire a qualified public works engineer on a part-time or full-time basis, in order that it may have expert advice in engineering and architectural matters.

At the present time, the State Engineer is not only responsible for the work of his own agency, but he is a key member of the Colorado River Commission which administers the Basic Magnesium Project in southern Nevada which is now owned by the State. The State Highway Engineer is the director of the largest single State department, and is a member of several boards and commissions. These two officers are striving to do a good job in spite of the fact that they are faced with such a multitude of duties that many times they are almost completely snowed under. Consequently, it is recommended that the State Engineer and the State Highway Engineer be relieved of their duties as members of the State Planning Board, and that the membership of the Planning Board be reduced from eleven to nine thereby. A board composed of more than eight laymen serving without pay has a tendency to become unwieldy and hard to get together for a meeting.

(24) Again it is to be noted that the State of Nevada may embark upon a large building program during the next two-year interval that will involve many millions of dollars of the taxpayers' money. The University of Nevada will need a new heating plant, and it may ask for a new Life Science Building, and more construction is indicated at the Nevada State Prison and the Hospital for Mental Diseases. A new State building may be constructed at Carson City, and there are numerous other projects elsewhere. The Legislature properly has control of the purse strings, and decides whether or not to put up the money for such projects. But once it puts up the money, it has no way of telling whether it is getting its money's worth. Only expert and technical investigation by a qualified engineer appointed by and responsible to the Legislature can determine whether money is being wasted in construction projects. Democracy demands a system of checks and balances between the legislative branch and the executive branch and, since so much money might be involved in public works projects during the next two years, it appears that the Legislature should hire its own expert in order to determine if a good construction job is being done. If the Legislature spends a little here, a great deal might be saved elsewhere. It is recommended that the Legislature hire a part-time qualified engineer, in order that it may have expert advice and expert investigation of the construction projects which involve such large sums of public money.

(25) The 1947 Legislature passed an Act known as chapter No. 247, Statutes of 1947, which appropriated \$326,000 for the construction of a modern, efficient, and adequate heating plant at the University of Nevada. In 1945, officials of the University of Nevada employed the engineering firm of Headman, Ferguson, and Carollo of Phoenix, Arizona, to draw a plan for heating plant. Their fee for doing the job was \$10,000 and the plan called for heating plant that would cost approximately \$315,000. After examining this plan, the State Planning Board was of the opinion that there was not enough money available to do the job as outlined, and they employed the Reno firm

of Blanchard, Maher, and Lockhard to review the plan, eliminate certain costly features, and design a plan that would stay within the Legislative appropriation. Their fee was \$8,000, and in due time the Planning Board advertised for bids on both plans. Only two bids of \$378,000 and \$476,844 were received on the amended plan only, as designed by the Reno firm. After considerable discussion between the officials of the University and the State Planning Board, it was decided to postpone the whole matter until the 1949 Session of the Nevada Legislature, which could, at its discretion, appropriate whatever additional funds might be necessary, and at the same time settle some of the vexing questions that have arisen incidental thereto. It appears that legislative committees will be called upon to hear at length the viewpoint and plans as presented by the University and the Planning Board, and which are divergent in a goodly number of respects. It appears that the legislative committees will have difficulties in making good decisions on the merits and demerits of the plans, when engineers are in dispute over their merits and demerits. While the Legislative Counsel has an extensive file on this subject, he makes no pretense of knowing much about the engineering problems contained in the plans, and would be in no position to argue them with the engineers that will be retained by the University and the Planning Board. It is recommended that, for a brief interval during the forthcoming legislative session, the Legislature hire its own engineering experts to study the present heating plant at the University of Nevada, and the plans as prepared by the engineers of the University and the Planning Board, and that these experts aid the Legislature in arriving at a decision. There have been several plans for heating plants at the University prepared during the last twenty-five years, they have cost a goodly number of thousands of dollars, and still no decision has been reached. The problem has to be settled now, as no new buildings can be constructed at the University until a new heating plant has been built that will provide the necessary heat; \$350,000 to \$450,000 or more are at stake, and the job should be done as nearly right as humanly possible. In order to arrive at a good decision on such a matter, extensive consultation is necessary and, in addition, the Legislature should have one or two top-flight engineers in the field of heating and ventilation to review the whole matter. It might cost the Legislature \$1,000 now, but it appears that such a procedure would save many thousands of dollars in making sure that a truly modern, efficient, and adequate heating plant would be built at the University of Nevada at minimum cost.

(26) Mr. Frank Helmick, in his report to the 1947 Legislature, remarked as follows:

If the State is to continue the system of authorizing State departments and offices to have quarters in Reno and Las Vegas or the other larger centers of population, some thought should be given to what it costs. In Reno alone, the rent bill will run close to \$10,000 this year. Back of it all, of course, lies the question of whether the State should take its services to the people or require the people to come after them in a city such as the State Capital. It is a problem that should be considered in the light of any future State building program. If the State finds the Reno locations are

necessary, a grouping of the offices should be considered with attention paid to the idea that the State acquire a portion of the Northside junior high school when that building is vacated or remodel the State-constructed auditorium now under lease to the city of Reno and Washoe County. The prime example of scattered services is provided by the State Board of Health. Two of its offices are located in Carson City, the balance in Reno. In Reno they occupy quarters in five different buildings.

There is no doubt that the State offices are badly crowded in the State buildings at Carson City. In Reno, State agencies are just as badly scattered as ever, and they continue to pay rent for their quarters. Some agencies could be moved to Carson City, and in the cases of others it might be that their operating efficiency would be reduced if they moved to Carson City; there are arguments both ways but, in principle, as many State departments and agencies as possible should be grouped in one place, and, except for those agencies that can use Federal money for rent, they should be rent free. It is recommended that the 1949 Legislature give study and attention to the feasibility of the construction of a new State office building in Carson City in order to relieve congestion and to bring as many State agencies as possible into one place. It should be kept in mind that the Department of Highways is contemplating the construction of a new Highway Building on its property at the south city limits of Carson City with its own funds. The Heroes' Memorial Building, which is occupied by the Highway Department at the present time, is inadequate to meet the needs of the department and, if the department built its own building, the Heroes' Memorial Building would be available for other State departments since it is already the property of the State at the present time. At the present time a portion of the Highway Department is living in three Quonset huts adjacent to the Heroes' Memorial Building, and the Nevada Tax Commission is living in two Quonset huts located on the Capitol lawn.

(27) Mr. Frank Helmick, in his report to the 1947 Legislature, remarked as follows:

The time is approaching when a new program embracing all city, county, State, and private welfare agencies should be taken up. At the present time there is a lack of coordination between the various divisions, and probably a waste of effort and funds that could be eliminated if a well-balanced program is adopted. The counties of the State spend more than half a million dollars a year for welfare work, with the State providing close to that amount. In addition, the Federal government provides as much. It is a large, costly program and every cent wasted in administration and supervision takes that much more away from the persons for whom the money is intended.

Your present Legislative Counsel renews the recommendation made by Mr. Helmick, and further recommends that the present laws determining the organization of the Welfare Department be repealed, and that a new law be enacted providing for a well-coordinated administrative set-up, with lines of responsibility clearly defined, with a qualified executive director with full administrative authority, and

with a welfare advisory board properly designed to provide a real system of checks and balances in the operation of the department. It is further recommended that the Legislature carefully consider the alternatives of (1) complete State administration of welfare programs, or (2) a system whereby the State department would operate in a supervisory capacity with the counties actually administering the programs at the local level, either as individual counties or in multi-county districts by cooperative agreement. It is recommended that the Legislature carefully study and consider the position of the Nevada State Orphans' Home in the Welfare Department set-up, but that in any event the Legislature provide sufficient funds to enable the Home to retain the services of a professional child-welfare worker, and possibly the services of a director of recreation, both to be appointed by and responsible to the Superintendent of the Home.

(28) It is recommended that the 1949 Legislature give study and consideration of the survey of the financial and organization problems of Nevada schools as compiled by the School Finance Survey Group, and the recommendations contained therein.

(29) It is recommended that the 1949 Legislature give attention and study to the survey of county consolidation and reorganization as compiled in the office of the Legislative Counsel.

The Legislative Counsel has issued regular quarterly reports since June 1947 describing progress of survey work on various matters, detailing expenditures from the fund of the Bureau, various activities of the office, and miscellaneous items. The quarterly reports should be read as supplements to this report.

Details of expenditures for the fiscal year 1947-1948, and for the period July 1, 1948-December 31, 1948, follow:

**FINANCIAL STATEMENT OF LEGISLATIVE COUNSEL
BUREAU**

July 1, 1947-June 30, 1948

RECEIPTS

Balance in fund June 30, 1947.....	\$4,133.48	
Appropriation for biennium 1948-1949.....	20,000.00	
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Balance in fund July 1, 1947.....	\$24,133.48	\$24,133.48

DISBURSEMENTS

Salary Legislative Counsel.....	\$4,800.00	
Contract services, office.....	1,011.21	
Contract services, field.....	1,652.10	
Travel, Legislative Counsel.....	1,069.65	
Travel, Bureau members.....	468.00	
Office supplies.....	123.27	
Postage and express.....	91.60	
Telephone and telegraph.....	127.61	
Office equipment.....	636.38	
Printing.....	2,090.12	
Industrial insurance.....	119.48	
	<hr/>	
Total disbursements.....	\$12,189.42	12,189.42
		<hr/>
Balance in fund June 30, 1948.....		\$11,944.06

July 1, 1948-December 31, 1948

RECEIPTS

Balance in fund July 1, 1948.....	\$11,944.06	\$11,944.06
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EXPENDITURES

Salary Legislative Counsel.....	\$2,400.00	
Contract services, office.....	823.57	
Contract services, field.....	1,199.00	
Travel, Legislative Counsel.....	347.70	
Travel, Bureau members.....	321.90	
Office supplies.....	245.71	
Postage.....	70.00	
Telephone and telegraph.....	60.85	
Office equipment.....	66.40	
Printing.....	2,118.55	
	<hr/>	
Total disbursements.....	\$7,653.68	7,653.68
		<hr/>
Balance in fund December 31, 1948.....		\$4,290.38