

Knight Allen

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3/15/12

To: Ms. Tracey Wineglass, Secretary
Interim Committee to Study the Structure and Operations
of the Nevada Legislature

Subject: Submission to the Committee's 3/21/12 Meeting

FAX (866) 543-9941 4 pages total

This in accordance with my conversation today with CJ.

Thank you for your assistance.

Respectfully submitted,



Government partnership not privilege.

EXHIBIT E - STRUCTURE
Document consists of 4 pages.
Entire document provided.
Meeting Date: 03-21-12

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To: Interim Committee to Study the Structure and Operations
of the Nevada Legislature

3/21/12

Subject: Meeting 3/21/12 Agenda Item V
Legislative Compensation

May I please offer you the presentation/proposal I made to Governor Guinn's
Compensation Task Force on 12/5/00.

I believe the core assumption that legislative compensation should be tied
directly to the average private sector wage in Nevada remains the best way
to set legislative pay. It was formally adopted by Governor Guinn's Task
Force (enclosed).

You'll note at the bottom there is an April 2010 "UPDATE" of the numbers.
Due to the horrendous economic decline we have experienced the figures for
April 2010 and March 2012 are almost equal (4/10 a little higher than 3/12).
Scary, isn't it?

I plan to attend your meeting on 3/21 and look forward to hearing your
thoughts and answering any questions you may have.

Respectfully submitted,

Knight Allen

Government partnership not privilege.

The Task Force also heard detailed testimony from the Nevada Taxpayers Association on the history and recent efforts to increase the salary of legislators, and a specific proposal from Knight Allen, a member of the public, on a new basis for determining the salary of legislators and other public officials. Mr. Allen's proposal is found in Appendix P.

Findings And Recommendations

As with previous compensation commissions in Nevada, the Task Force finds that the current salary for legislators—set in 1985 and in effect since 1987, at a level of \$130 per day for the first 60 days of session, for a total biennial compensation of \$7,800—is inadequate for legislative service and has not kept pace with salary levels and cost of living indices applicable in the State.

The Task Force members recognize and understand the political difficulties inherent in legislators enacting a salary increase for themselves, which would not take effect until following the next election. The members find, however, that the proposal suggested by the member of the public, Mr. Allen, forms the most logical basis for the salary of legislators. This proposal ties the pay raises of elected officials to the wage increase of the average private sector worker in Nevada who are the persons represented by legislators.

Under this proposal, the average private sector wage in Nevada is determined from the annual "Employment and Payrolls" report published by the Employment Security Division in the State's Department of Employment, Training and Rehabilitation. According to the latest available report, the average private sector wage at year-end 1999 was \$30,379. With an estimated 4% increase in this wage for the year 2000, the total average private sector wage would be \$31,594, which represents a 27% increase over the average wage in the previous six-year time frame since 1994 (at \$24,860).

Since the legislative session now is limited to 120 days, which equals four months, or one-third of a year, the total compensation for a legislator would be one-third of the annual average private sector wage of \$31,594 in the year 2000, which would equal \$10,531. Dividing this amount by the constitutional pay limit of 60 days per session would provide a salary of \$175 per day. This amount would allow for a daily legislative salary that equates to the current average private sector wage for all of Nevada.

The Governor's Salary Compensation Task Force, therefore, recommends that the Governor propose and the 2001 session of the Nevada Legislature adopt:

Increase the legislative salary level, based on the private sector wage for the State of Nevada estimated for the year 2000, on a prorated basis for a 60-day session, and set it at \$175 per day.

Knight Allen

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12/5/00

Comments to: Governor's Compensation Task Force
Members: William Bible, James Kelly, William Martin, Pat Shalmy
and Sally Tracy

I offer for your consideration a proposal to tie the pay raises of elected officials to the wage increase of the average private sector worker in Nevada.

You are looking at a six year time frame. Here are the numbers for that period as reported by the Employment Department of the State of Nevada in its annual "Employment and Payrolls" report:

Nevada Private Sector Wage year end 1994: \$24,860.
Nevada Private Sector Wage year end 1999: \$30,379.
\$30,379 plus 4% (est. for 2000) = \$31,594.

$\$24,860$ to $\$31,594 = +27\%$.

I propose a 27% pay raise for all the elected positions you are looking at - including the Judiciary.

The same concept can work with Legislative pay:
\$31,594 divided by 3 (120 day session = 4 months = 1/3 year) equals \$10,531
\$10,531 divided by 60 days (Constitutional pay limit) equals \$175 per day.

It is vitally important this committee avoid the "comparability trap". That is the manipulative exercise of looking to other jurisdictions for higher salaries and then making ours "comparable". Our elected officials, including our judges, are Nevadans and their raises should be tied to those of their fellow Nevadans.

Please, abandon the dogma that says you must use money to attract the best people to government service. Government is not a business and money must never be a motivating factor. Money will only attract money grubbers. Venal hustlers who see a honey pot where they can line their pockets. It would not surprise me if more than one of you has personally experienced the negatives of this "show me the money!" mentality in your business affairs. It's disastrous and it's especially important to avoid it in government.

Where? I have asked this question many times of those who support a highly paid professional cadre of elected officials and now I ask it of this panel. Where? Where in the United States where the "Let's pay 'em top dollar" mentality exists has it been successful? Where is it better than right here in Nevada with our supposedly grossly underpaid elected officials? Which of the high pay elected official states would you rather live and do business in?

It is my conviction that any fair minded elected official will be more than satisfied with a 27% increase - tied to the working people of this state and I urge this committee to make its recommendation based on this proposal.

Thank you for your time.

Respectfully submitted,



1011-41,186 (300); 2010-40,898; 2009-41,125
- UPDATE -
April 2010 - MARCH 2012

Average Private Sector Wage Year End 2008:
\$41,804

\$41,804 divided by 3 = \$13,935

\$13,935 divided by 60 days = \$232 per day

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