

MEMBERS PRESENT

Chairman Westall
Mr. Glover
Ma. Harmon
Mr. Vergiels
Mr. Rusk
Mr. Tanner

MEMBERS EXCUSED

Mr. Mello

MEMBERS ABSENT

Mr. Barengo
Mr. Weise

GUESTS PRESENT

See Guest List attached

Chairman Westall called the meeting to order at 5:00 p.m. She called for testimony on behalf of A.C.R. 3. In the absence of Assemblyman Hayes, the sponsor of A.C.R. 3, Sam Mamet spoke on behalf of the bill.

ASSEMBLY CONCURRENT RESOLUTION 3

Sam Mamet, representing Clark County, stated that they would be in favor of this resolution in terms of an overall, in depth study of being done on all the various and sundry problems relative to mobile home zoning, rent control, etc. They would like to go on record as supporting A.C.R. 3.

Walter Bantz of 1325 Muir Drive, Reno, owner of the A-1 Mobile Village supports A.C.R. 3 for an investigation of the facts concerning the need for rent controls in mobile home parks because he feels that if a good look is taken at what is going on in the business minds might be changed on rent controls.

Linda Terry, representing the Nevada Manufactured Housing Association, and as an individual mobile home dealer, stated that she would very much like to see some type of study done to solve the problems they are dealing with, concerning rentals, owners, parks, zoning, etc.

Testimony was concluded on A.C.R. 3.

ASSEMBLY CONCURRENT RESOLUTION 22

Assemblyman Peggy Westall testified that she introduced A.C.R. 22 as there seems to be a lot of problems with rates, and every time the legislature tries to help settle the controversy with the Public Service Commission it seems to go no where, so she felt that a

study was in order to see if the problems can't be solved, no matter what they are.

Testimony was concluded on A.C.R. 22.

ASSEMBLY CONCURRENT RESOLUTION 21

John Crossley, Harry O'Nan and Gary Crews of the Legislative Counsel Bureau, came forward to testify in behalf of A.C.R. 21. Mr. Crossley, Legislative Auditor, presented a prepared statement, a copy of which is attached hereto and marked Exhibit A. He provided each member of the committee with a copy of the two audit reports which were issued on the subject of data processing.

Harry O'Nan, of the Central Data Processing Division, stated that central data processing develops the programs of various state agencies. In 1974 the billing from these state agencies was one million one hundred thousand dollars. It is estimated for the current fiscal year, the billing is going to be in excess of two million dollars. There has been a phenomenal growth in data processing capabilities within the state. The state as a whole has not developed any long range goals and objectives in relation to data processing.

Gary Crews, to point out the magnitude of the problem that does exist, said that in 1971 the computer facility had basically about 512,000 bites of memory for processing applications. In 1977 they had about 5 1/2 million bites of memory. So the capability of the computer facility, over a six year period, increased by eleven hundred percent.

Mr. Glover asked whose idea it was to introduce A.C.R. 21.

Mr. Crossley replied that it was the Auditing Department's idea, and was recommended in the Date Processing Commission Audit Report from the Audit Division to look at the entire field of date processing so the Legislature would be completely aware of what is going on.

In response to a question by Mr. Glover, Mr. Crossley said that the State Controller is aware of this and had no objection to the study. It should be an interim study because of the executive branch being involved along with the elected officials, the University, etc. Expert testimony by professional people should be heard.

Testimony was concluded on A.C.R. 21.

ASSEMBLY CONCURRENT RESOLUTION 18

Assemblyman Sue Wagner, District 25, Washoe County, stated that A.C.R. 18 is a result of some interest that she has in terms of

who is classified and who is unclassified. The current arrangement does not seem to have grown out of any basic policy guidelines. It is her feeling that a study is necessary to determine some kind of consistent policy. There should be a basic policy as to who should be and who should not be unclassified or classified. For example, the University system has several hundred unclassified non-teaching positions. The current law is somewhat ambiguous in this area. All non-clerical employees of the Gaming Control Board are unclassified. The Department of Human Resources, which has about 2,200 employees, has ten unclassified positions, but most of the division heads are classified. The Department of Commerce, with about 125 employees, has fifteen unclassified employees. There appears to be no correlation between salary or policy making capabilities and the classified status of employees. With the interest generated between who is classified and who is not, that there needs to be a consistent policy, whether that be those in policy making decisions should be in one category and those others in another.

Bob Gagnier, Executive Director, State of Nevada Employees Association, supported A.C.R. 18, and agreed with what Assemblyman Wagner had said. For example, the attendant at the Lost City Museum, at a salary of \$8,000 per year is unclassified, but a \$35,000 division head in Human Resources is classified with no relationship to why. The law sets up two categories of classified and unclassified, but through the years a third category has been arrived at, that of classified except for the purpose of removal, and they don't fall under the provisions of law for appeal in case of dismissal. A fourth category is classified except for the purposes of salary setting. One position that came out of the last legislature is classified for all purposes except that the legislature will set the salary. That is to get around the 95 percent law. The study would be a good way to put some sense and balance in the system.

Testimony was concluded on A.C.R. 18

ASSEMBLY CONCURRENT RESOLUTION 16

Assemblyman Sue Wagner stated that A.C.R. 16 has been introduced many times before and establishes a series of deadlines for bill processing. The concept came from Bulletin No. 114, which was a result of a joint interim study between the 1973-75 legislative sessions on legislative efficiency and reform. It would make it clear to the people being represented that the legislature is here to complete business in 100 days. She feels that it would change some of the habits of legislators in terms of being better prepared initially before the session begins. States which have switched to a system of deadlines have discovered that a far greater percentage of legislation is passed before the final two weeks. She suggested looking in terms of a final day for passage of bills or resolutions in the house of origin. The schedule at the bottom can be changed by a concurrent resolution and the resolution is not subject to the schedule. If there is an item of importance deserving of being heard, the emergency measure could be asked for.

Mr. Glover felt that more competent bill drafters will have to be hired in order for this resolution to be effective.

Mr. Rusk felt that if the bills were turned over to the drafter on time there would be no basic problem. Much responsibility falls on the legislators to time their requests properly.

Mrs. Westall stated that a lot would be solved by having a yearly session rather than only one every two years.

Testimony was concluded on A.C.R. 16.

ASSEMBLY RESOLUTION 12

Assemblyman Sue Wagner explained that A.R. 12 is the result of the same interim report on recommendations for the organization and operation of the Nevada Legislature done before the 1973 and 1975 sessions. Basically, all this bill does is set up some standard rules for all committees.

Testimony was concluded on A.R. 12.

COMMITTEE ACTION

Assembly Concurrent Resolution 16

Mr. Rusk moved Do Pass, seconded by Mr. Tanner. The motion was carried unanimously.

Assembly Resolution 12

Mr. Tanner moved Do Pass, seconded by Mr. Rusk. The motion was carried unanimously.

Assembly Joint Resolution 16

Mr. Glover moved Do Pass, seconded by Mr. Vergiels. The motion was carried unanimously.

Assembly Resolution 6

Mr. Vergiels felt that A.R. 6 should be amended by taking out the number of members on the committees.

Mr. Vergiels moved to amend A.R. 6 by taking out the number of members on the committees, seconded by Mr. Tanner. The motion was carried unanimously.

Mr. Vergiels moved Do Pass As Amended, seconded by Mr. Tanner. The motion was carried unanimously.

Senate Bill 97

Chairman Westall said that there was some question as to whether this bill was needed as there was another similar bill. Mr. Daykin said that it is needed for conformity.

Mr. Glover moved Do Pass, seconded by Mr. Vergiels. The motion was carried unanimously.

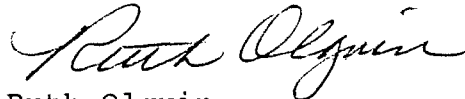
Senate Bill 205

Mr. Glover moved Do Pass, seconded by Mr. Tanner. The motion was carried unanimously.

Mr. Glover stated that there has been some hard feelings by some of the lobbyists that other lobbyists have not been wearing their badges, as required by law. It was decided by the committee that this will not be condoned, and all lobbyists are required to wear their badges. The necessary steps for enforcement will be taken.

The meeting was adjourned by Chairman Westall at 5:55 p.m.

Respectfully submitted,



Ruth Olguin
Committee Secretary

GUEST LIST

LEGISLATIVE FUNCTIONS

March 27, 1979

[illegible]

ACR 21

ACR 21 resulted from our audit of the Data Processing Commission. It is complimented by our audit of the Central Data Processing Division of the Department of General Services.

We did not audit the computer operation at the University of Nevada. For your information, it is outside the State centralized computer operation.

The data processing function has become involved in all phases of State work, financial as well as non-financial. In our audit reports we identified many problems with which the agencies agreed. Each problem area could be addressed separately and an attempt made to solve it without knowing all of the problems and available solutions.

The Legislature finances this function and to assist the Legislature we felt if all of the problems and options to solve them were accumulated in one report, the Legislature would be better informed. Also, because data processing is involved in all branches of government, as well as in major functions within the government, we felt it would be more appropriate for a legislative committee to be involved in such a study.

Different people have asked us what we plan to do about the problems, such as the review of the systems and potential fraud. They asked if we have requested in our budget, positions for these types of professionals. To us this would be just one available solution. We believe it will need to be done, but we also believe to justify all the money that is going into operations and to justify all of the money that may be needed for management and control, the Legislature should have current information which has been developed from many sources.

The following narrative outlines some of the problem areas we identified in our reports.

ACR 21

PHYSICAL SECURITY

The assets of the State, including the Facility, data and information, and personnel are not fully protected. The basic elements of a physical security program should include the following:

- Access control
- Location of Facility
- Construction of Facility
- Environmental Support
- Fire Protection
- Protected Storage
- Housekeeping

The physical security of the other computer operations throughout the State, both major and minor, should also be addressed in the study.

BACKUP AND RECOVERY OF DATA

One area that is of concern is the backup of data. The backup of data is the responsibility of the user and not the Facility. However, data is stored in the Facility's vault. It may or may not be backed up by the user. Should a major disaster take place at the Facility, the user may not have the capability to recover.

For example, operating manuals, except those that can be provided readily by vendors, are generally not being backed up off site. It is important to have these manuals backed up just as it would be to have the operating system backed up.

The study would show what, where, when, and the costs to back up critical data.

ADMINISTRATION

The objectives of a sound EDP organization are:

1. To promote efficiency.
2. To protect the accuracy, integrity and security of data.

To achieve the desired objectives, the data processing functions of the State of Nevada should be reorgnized and consolidated so that they are under the guidance of one management philosophy.

ACR 21

ADMINISTRATION (continued)

The State Government currently has a rather unique data processing organizational structure. The development and maintenance (systems & programming) of data processing applications are under the control and guidance of the executive branch of government. In addition, the data control function (which is production oriented) is also under the direction and management of the development section of the State's data processing organizational structure.

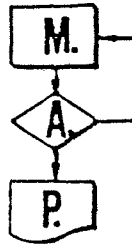
The operations end of the State's data processing capabilities is under the direction and guidance of a Data Processing Commission which is comprised of seven members and is chaired by the State Controller. The University of Nevada's data processing function is administered separately.

The State of Nevada has two vital areas of data processing that are administered by different management philosophies, development on one side and operations on the other side.

Example: Facility users develop applications that will utilize the resources of the Computer Facility. The Computer Facility has no acceptable standards or criteria of efficiency of those applications. The Computer Facility is operated on the utility concept, they just sell the computing power.

Example: Each of the user agencies perform their own data control function. This creates a certain degree of duplication of work. Many of the large users have remote job entry stations (RJE's). The RJE, located at the user, prints their own runs rather than being printed out at the Facility. Therefore, certain functions, such as quality control, report preparation, data recording and disbatching, can not be performed at the Facility. For example, CDP represents approximately 60 users which utilize the services of CDP's Data Control Section, a function which should be under the direction of the Facility. The location of this vital function in the wrong place does not allow for the proper separation of duties to assure efficiency or protect the accuracy, integrity, and security of data.

We have a 25 minute slide presentation on data processing. It is basic, but good. It was developed by the Council of State Governments.



MANAGEMENT ADVISORY PUBLICATIONS

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April 7, 1978

Mr. John R. Crossley, C.P.A.
Chief Deputy Legislative Auditor
State of Nevada
Legislative Counsel Bureau
Capitol Complex
Carson City, Nevada 89710

Dear Mr. Crossley:

While I am in town, I wanted to acknowledge your recent letter enclosing a copy of the "DATA PROCESSING COMMISSION AUDIT REPORT" prepared by your office.

I have read the report and would like to mention that it is an excellent audit. Considering the time available, I believe that Mr. Crews and Mr. O'Nan have done a good job.

My only comments would be in regard to the SYSTEM DEVELOPMENT AREA in the Central Data Processing Division, where there were a number of areas worth investigating regarding present practices and system development standards. I am sure that the reason why there were not as many findings in this area was because of time limitations. Often time it is better to limit the area subject to the audit at the beginning, and pursue other areas in the future, as this provides for more manageable recommendations for implementation.

Most of the recommendations are sound and their implementation will do a number of things, such as: initiate the momentum for EDP to expect audits to be accomplished in the future, get a few important things moving (such as, hopefully, organization), and open the door for future audits.

In my experience, starting with an operational audit of EDP, such as your department has undertaken, is the optimal way to use resources and to establish the capability to audit, since it covers a lot of ground without becoming unduly specialized.

May I reiterate that it was a pleasure to have been of service to you in whatever way and that I am very pleased to see the culmination of the audit report in finished form. Please do not hesitate to correspond with me if I can be of any assistance to you in the future.

Sincerely yours,

Javier F. Kuong
President