Administrative Reorganization For Effective Government Management In Nevada

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FOREWORD

This study was undertaken by Mr. Albert Gorvine, Assistant to the Director, Graduate Division for Training in Public Service, New York University, at the request of the Nevada Legislative Counsel Bureau. Mr. Gorvine has had considerable experience in the field of governmental research. He has conducted surveys in Colorado, Florida, and New York, and, hence, is well qualified for this task.

Mr. Gorvine's report is hereby submitted for consideration and study by the people of the State of Nevada.

J. E. SPRINGMEYER,
Legislative Counsel.

A WORD TO THE CITIZENS OF NEVADA

When first asked to make this study, I was very hesitant about undertaking it. It is not easy for an outsider to come into a State and make a survey which will, of necessity, recommend changes. Some will allege that these changes encroach upon the traditions of which Nevada is justifiably proud. This is not the case, however, because the recommendations are made in the light of these long-established customs. People who are opposed to any change whatever, regardless of the need, will then claim that a nonresident cannot be sufficiently familiar with the particular problems of Nevada to be qualified to make recommendations. If the same survey were made by a resident, these same people would claim that he had an "ax to grind," or that he was not adequately experienced in the conduct of administrative reorganizations.

I have attempted to overcome this objection to a nonresident by seeking to familiarize myself completely with the particular problems of the State. One highly important advantage of the survey is that it is completely objective and impartial. In order to make the survey of practical value, I had to concentrate on the shortcomings in the administrative structure rather than on its admirable aspects. One should not conclude, therefore, that the existing administrative organization is entirely inadequate.

Though I was a newcomer, I received from everyone with whom I came in contact, both in and out of the government, the most wholehearted and generous cooperation for which I could possibly have hoped. I should like to take this opportunity to express my sincere appreciation for all the information and assistance given me, without which this study would not have been possible. Thanks are due to my old friend, Harry S. Allen, Director of the Nevada Taxpayers Association, who first suggested that I be retained to make the study and who has been a constant source of information. Special thanks are due to Jeff Springmeyer, the Legislative Counsel, who gave freely of his vast store of information concerning Nevada and its problems. Finally, I should like to thank the State as a whole, for making my stay here a most interesting and pleasant one.

ALBERT GORVINE.

CHAPTER I

THE REORGANIZATION PROBLEM

The adjustment of administrative practices, procedures, and organizations to the changing requirements of an expanding State governmental establishment has for many years occupied the attention of State officials and administrators, as well as experts in the field of public administration. A rapid accumulation of administrative agencies and the confusion and chaos resulting therefrom have made imperative the consideration of the reorganization problem.[1]

John A. Fairlie, in an introduction to an early edition of the Model State Constitution, very concisely summarized the development of a multitude of independent agencies:

> In the first place, opposition to the appointed colonial governors led to distrust of concentrated executive power; and the early state constitutions weakened the executive and placed it largely under the control of the legislature. But the defects of legislative control and the increasing tide of democracy led to the direct popular election of most of the older executive offices. Since about 1850 there has been a steady development of state administration, but the older offices remain elective, while in many states a multitude and variety of appointive officials and boards and lack of any systematic organization prevents the governor from establishing an effective control even over the appointive officials.[2]

This was written many years ago, but, significantly, the description is still applicable to the States today. During the last quarter of the century, however, the States, in an effort to improve the efficiency of administration, have given increasing attention to the integration and consolidation of the entire State administrative structure. This movement, which began about 1910, continued to be one of the major developments in the pattern of State government in the United States. By 1939, twenty-seven States had completely or partially remodelled their administrative structure.[3] Since 1939, about one-third of the States, in spite of the diversion of activity and interest resulting from the war, have instituted administrative reforms.[4] Although much remains to be done, the States have slowly taken steps toward adapting their organizations to changing circumstances. Sixteen of the 1946–1947 State Legislatures either introduced or passed bills calling for constitutional study or revision.[5]

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[1]See A. E. Buck, *The Reorganization of State Governments in the United States* (New York: Columbia University Press, 1938), (299 pp.) for reorganizations from 1919–1937: J. C. Bollens, *Administrative Reorganization in the States Since 1939* (Berkeley: University of California Bureau of Public Administration, 1947). (49 pp.) Lloyd M. Short, "State Administrative Reorganization," *The Book of the States, 1948–1948* (Chicago: Council of State Governments, 1948) pp. 167–170. Tables VI, VII, VIII, in Appendix A set forth in some detail those States which have adopted reorganization plans or are considering proposed ones.

[2]John A. Fairlie, "Introduction," *Model State Constitution*, 2d Edition (New York: National Municipal League, 1922).

[3]M. Harvey Sherman, "State Reorganization," *The Book of the States, 1941–1942* (Chicago: The Council of State Governments, 1941), pp. 62–69.

[4]Bollens, *Op. cit.*, p. 17.

[5]W. Brook Graves, "State Constitutions and Constitutional Revisions," *The Book of the States, 1948–1949* (Chicago: The Council of State Governments, 1948), pp. 79–91.

PATTERNS OF REORGANIZATION

Administrative reorganization has moved along one of two paths. In a few cases, constitutional revision has been used as a means of obtaining administrative improvements. In most cases, however, it has been by statute that the required reorganization has been accomplished. While ordinary legislative enactments have usually been relied upon, constitutional amendments have occasionally been utilized or suggested, either because of the refusal of the legislative branch to assume responsibility, or because of the virtual impossibility of devising thoroughly modern administrative machinery within the framework of the existing constitutional structure. Legislative reorganization, however, has been more popular due to the difficulty of obtaining constitutional revision.

Regardless of whether these changes have been constitutional or statutory, basic patterns have developed into which they have tended to fall. (1) Related administrative agencies and activities have been consolidated into fewer and larger departments. (2) Offices headed by single directors have replaced administrative boards and commissions. (3) The position of the Governor has been strengthened in order to make him the effective head of administration. His power of appointment and removal has been strengthened. In many States he is now allowed to succeed himself in office. (4) Staff and auxiliary services (budgeting, purchasing, personnel) have been established to assist the Governor in planning, directing, and coordinating the State activities. (5) Provision for an independent audit has been made. (6) A Governor's Cabinet has been recognized as an integral working part of the Executive Department.[6]

Above all, the most striking realization has been that administrative reorganization is a continuing process. This has been perhaps the most important development in recent years. The old conception of administrative reorganization as a single, sweeping revision is gradually being discarded. In its place is developing a greater appreciation of the efficacy of a continuing supervision of the administrative structure so that it may change as the functions and purposes of the State change.[7]

TYPES OF REORGANIZATION

The reorganizations which have taken place over the last thirty-five years may be classified into four major types:[8] (1) The integrated type. This form of reorganization places complete control of administration in the hands of the Governor, who appoints a limited number of department heads. The boards and commissions are cut down in number to as few as possible and replaced by single administrators. This form of reorganization is recommended by the National Municipal League and has been adopted to a considerable extent in New York, New Jersey, Virginia, and Missouri. (2) The partially integrated type. This form of reorganization maintains the existing structure as established in the Constitution. The elected administrative officials are retained, but statutory integration is effectuated to as great a degree as possible. Although constitutional boards and commissions must

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[6]Bollens, *op. cit.*, pp. 37–38, and Buck, *op. cit.*, p. 14.

[7]Lewis Meriam and Laurence Schmeckebeier, *Reorganization of the National Government* (Washington: The Brookings Institution, 1939), p. 20.

[8]Buck, *op. cit.*, pp. 28–30.

necessarily be left intact, statutory ones are consolidated and duplicate functions eliminated. Wherever possible, single administrators replace these multi-headed agencies. Integrations which can be brought about within the constitutional framework are instituted. California and Rhode Island are examples of this form of reorganization. (3) The fiscal-control type. This form of reorganization places the control of administration in the hands of the Governor, but only through the financial powers of budgeting, general accounting control, expenditure control, purchasing, and personnel. No constitutional amendments are made, and few administrative changes are brought about. Alabama is an example of this type of organization. (4) The commission or plural-executive type. This form of organization is similar to the commission form of government in cities, but unlike the city, the executives do not have legislative power. There is a collective responsibility for administration. Colorado formerly had this form; but with the abolition of the executive council, which had spread the power of administration over the Governor and four other elected officials, this type of organization was abandoned and the partially integrated one was adopted. However, Indiana still maintains the plural-executive, and the Kentucky plan of 1934 had great resemblance to it.

It should be pointed out that these four types of reorganizations differ in degree rather than in kind. They differ primarily in the extent of the control which the Governor exercises over administration. The integrated type generally requires extensive *constitutional* revision. The partially integrated type, however, requires extensive *statutory* change, although it can usually be accomplished within the existing constitutional framework. The weaker fiscal-control type is the product of gubernatorial action generally resulting from the unwillingness of the Legislature to act; it is gradually accomplished through budgetary control over a period of years. The plural-executive type, the weakest of all, represents an attempt to secure cooperation and unity of purpose among the several independently elected officials. Although recommendations in this study are applicable to all four types of administrative reorganization, special emphasis is given to the partially integrated type primarily because this type of reorganization is probably the most practical one of the four and yet permits effective reorganization.

SOME RECENT REORGANIZATIONS

Some States which have recently undertaken reorganization programs are Alabama, Missouri, Georgia, and New Jersey.[9] In Alabama, a Brookings Institution survey of 1931 was used in 1939 as the foundation for a program of administrative reform which was recommended to the Legislature and substantial portions of which were enacted into law. For example, a Department of Finance, headed by a director appointed by the Governor and serving at his pleasure, was created to provide a unified system of financial control. A Department of Revenue, also headed by a single director responsible to the Governor, replaced a State Tax Commission. Also passed was a merit system Act which created a Department of Personnel headed by a three-member board appointed by the Governor and by a director appointed by

[9]Short, *op. cit. passim*, and Bollens, *op. cit., passim.*

the board. It is readily apparent that this reorganization illustrates the fiscal-control type outlined above.

In 1945 Missouri took major steps toward the improvement of its State administration. Under the new Constitution, some seventy-eight administrative agencies have been consolidated into thirteen offices or departments, ten enumerated in the Constitution, three proposed by the Governor. Under the new Constitution, the nonelected heads of all executive departments are appointed by the Governor with the consent of the Senate. These same officials may also be removed by the Governor at his pleasure. Two outstanding features of this reorganization are the new Department of Revenue and the Personnel Advisory Board. The Department of Revenue includes all fiscal and related activities, except the custody and disbursement of funds, both of which remain with the elected Treasurer. In addition, auditing is left to an independent auditor. The Personnel Advisory Board is to inaugurate a limited civil service system. This constitutes an example of integrated organization.

In 1945 Georgia also adopted a new Constitution which incorporated a budgetary system created by statute in 1943. It further gave constitutional status to the Commissioners of Agriculture and Labor. Three new boards, Veterans' Service, Collections, and State Personnel, were also established. These latter steps, however, do not wholly conform to the accepted principles of administrative reorganization. At best, these reforms approach a partially integrated organization.

In 1947 New Jersey adopted a Constitution which set a maximum of twenty departments in the Executive Branch, the departments to be arranged according to major purpose.[10] The Governor is given power to allocate agencies and functions from one department to another. The major department heads are to be appointed by him. Except for the Secretary of State and the Attorney General, they are removable at his discretion. This revision consolidated the maze of miscellaneous departments, bureaus, agencies, and commissions which had previously existed. It is a further illustration of the integrated type of organization, which can usually be brought about only by constitutional change.

THE NEVADA SITUATION

In the light of these recent trends in so many other States, Nevada is not novel in deciding that it is time to review its own administrative structure. The executive department has grown to the point where the Governor now exercises authority with respect to more than eighty different boards and commissions.[11] He either appoints them or is an ex officio member of them. Due of a multiplicity of statutes setting up boards and commissions for which he is made responsible, he is placed in a position where he is unable effectively to supervise or control most of them. This is only one of the many problems which now face the Governor and the State of Nevada. He has neither the staff aides nor other facilities necessary to enable him to fulfill his responsibility of controlling the State administrative machinery. Major problems also exist in the area of personnel and financial admin-

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[10] *Constitution of the State of New Jersey,* Article V, sections 1 and 4.
[11] See Table VIII in Appendix B.

istration. The Executive Department of the State of Nevada has not kept pace with the increasing growth of governmental problems. The lessons of the previously mentioned reorganizations which have taken place in so many States have been completely ignored by Nevada.

In 1924 the State Survey Commission employed the New York Bureau of Municipal Research to do a study on the organization and management of the State of Nevada. Although this survey was conducted by perhaps the most eminent administrative analyst in the field of State government, A. E. Buck, none of the recommendations made therein ever became law.[12] The following is a significant quotation from that study:

> It has long been apparent to State officials, to members of the Legislature, and to citizens generally, that the organization of the State government of Nevada, simple enough at the start, has become an unwieldy and inefficient governmental machine through the additions from time to time of new duties and functions to various offices, and through the creation of a large number of boards and commissions. Constitution offices created for specific purposes have been compelled by legislative enactment to take on new duties which have no logical relation to their prime purpose and for whose efficient administration these offices had no special qualifications. The small taxable wealth of the State and the consequent paucity of public revenue precluded the use of the methods employed in wealthier States of creating new offices and commissions for all the new governmental functions which the State was gradually assuming. The result has been that the Legislature from time to time placed new duties and functions on offices already existing and created numerous boards whose ex officio members were already in the employment of the State. New commissions with salaried officials were also created. The final result of this perfectly natural though makeshift policy of the Legislature was a State government consisting not only of the constitutional elective offices in the administrative departments, but of a bewildering array of boards and commissions and appointive officers.[13]

This quotation from the 1924 study is still applicable today. Its criticism of the unwieldy structure appears mild in view of the increasing acuteness of the problems caused by twenty-five years of growth and inaction. Since that time no person or organization has examined the administrative structure of the State, looking toward a possible integration and coordination of its various functions and agencies. The State itself has grown in a rapid but haphazard fashion, and the administrative structure has followed suit. As the complexity of government increases, more formal machinery becomes necessary to handle matters which at one time could be satisfactorily dealt with informally. Further, as the complexity of government increases, a loosely-knit administrative structure become progressively more inefficient. This is the case in Nevada today.

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[12] Conferences with J. E. Springmeyer, Legislative Counsel, and others.
[13] *Report of the State Survey Commission to the Governor and the Legislature* (Reno: Reno Printing Company, 1925).

THE PURPOSE OF THIS REPORT

The President's Committee on Administrative Management in its report entitled "Administrative Management in the Government of the United States" clearly sets forth the basic purpose of any reorganization:

> In proceeding to the reorganization of a government, it is important to keep prominently before us the ends of reorganization. Too close a view of machinery must not cut off from sight the true purpose of efficient management. Economy is not the only objective, though reorganization is the first step to saving; the elimination of duplication and contradictory policies is not the only objective, though this will follow; a simple and symmetrical organization is not the only objective, though the new organization will be simple and symmetrical; higher salaries and better jobs are not the only objectives, though these are necessary; better business methods and fiscal controls are not the only objectives, though these, too, are demanded. There is but one grand purpose, namely, to make democracy work today in our National government; that is, to make our government an up-to-date, efficient, and effective instrument for carrying out the will of the Nation. It is for this purpose that the government needs fairly modern tools of management.[14]

This is equally the basic purpose of State reorganization.

This report establishes the proper spheres of operation of the Executive and the Legislative branches of the government. Its prime purpose is to centralize the administration of government in Nevada in order to permit the Governor to operate effectively in the control of the Executive Department. Such a plan will furnish the Governor with authority commensurate with his responsibility. Such a centralization will also enable the Legislature more effectively to insure that the executive properly carries out its policies.

The Committee on Revision of the New Jersey Constitution also faced the alleged problem of executive centralization versus legislative control and treated it as follows:

> The principle of strengthening the executive does not mean a corresponding weakness of the Legislature. When the Governor is made a powerful and responsible head in his own sphere of administration, the Legislature can be relieved of executive functions and its attention confined solely to legislation. The relation of the Governor to the Legislature is thus defined more clearly by retaining each branch in its own sphere and preserving the traditional checks and balances.[15]

Once the administrative structure is reorganized and centralized in the hands of the Governor, it will be a relatively easy task for the Legislature to oversee the entire operation of the government. Once this reorganization has been accomplished, it will be possible for the

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[14]Report of the President's Committee on Administrative Management, *Administrative Management in the Government of the United States* (Washington: U. S. Government Printing Office. 1937), p. 3. (Reprinting by Public Administration Service, 1947).

[15]State of New Jersey, Committee on Revision of the New Jersey Constitution, *Report* (May 1942), p. 18.

Legislature to make appropriations more clearly in line with their conception of the public interest. Contrary to the alleged undesirability of executive centralization from the point of view of legislative control, concentration of responsibility and authority in the hands of the executive is the only way effectively to render such control possible.

ORGANIZATION OF THIS REPORT

The preceding section has stated the primary purpose of this report; namely, to centralize in the hands of the executive the control of the administrative structure with a resulting increase in the effectiveness of legislative supervision. This section outlines the methods to be followed in the report.

By indicating some of the major legal and traditional limitations on effective executive management, Chapter II, entitled *Traditional and Legal Barriers to Reorganization*, points out some of the obstacles which must be overcome in order to achieve this reorganization. These obstacles fall into three categories: (1) traditions, (2) constitutional limitations, and (3) statutory requirements.

Chapter III, entitled *General Administrative Organization*, consolidates the State administrative structure into a limited number of functionally organized departments directly responsible, for control purposes, to the Chief Executive. As a basis for these changes, the existing organization is described and evaluated in the light of the existing situation in Nevada and the standards of good administration as tested in selected States. Two series of recommendations are made. The first, within the existing constitutional framework, directs its attention to statutory reforms. The second, the long-term recommendations, require constitutional revision. The prime concern of the present report is with the statutory changes because they can be instituted immediately, but it must be emphasized that these recommendations are eventually to be supplemented by constitutional amendments.

A well-organized merit system is an invaluable instrument of executive management and control. Chapter IV, entitled *Personnel Administration*, establishes a system which will enable the State to obtain the services of individuals properly qualified for their respective positions. An evaluation is made of the present limited departmental merit system, together with the personnel practices of the nonmerit-system agencies. In the light of the personnel situation in Nevada, and of the standards of personnel administration as illustrated by selected States, recommendations are made dealing with the problems of organization, recruitment, testing, training; classification, and pay plans; employee relations and morale; promotions, transfers, separations, and retirements.

Chapter V, entitled *The Administration of Finance,* establishes a sound organization for over-all financial management, with proper consideration given to the fiscal responsibilities of both the Executive and the Legislature. Unlike the preceding chapters, the administration of finance breaks down into a series of broad, substantive problems which can be treated to better advantage independently. These are the collection, custody, and disbursement of funds; accounting and the internal audit; budgeting; purchasing, storing, and central services, and post auditing. In the light of standards of financial organization and management as developed in various States, Nevada's problems are examined and recommendations are made to solve them.

The final chapter, entitled *The Implementation of This Report*, indicates the steps which the State must take in order to make the report a reality and thereby to secure effective government management.

CHAPTER II

TRADITIONAL AND LEGAL BARRIERS TO EFFECTIVE EXECUTIVE MANAGEMENT

In order to appreciate some of the difficulties which must be faced in the present reorganization study, the existing administrative structure must be considered in the light of the traditional and legal obstacles. Customs and traditions are the most intangible and the most difficult to modify; constitutional changes are a lengthy and extraordinary process; statutory changes, however, can be achieved in a single session of the Legislature. Obviously, these categories are not mutually exclusive. Many practices which became established through custom have now been written into law; on the other hand, some statutory provisions have achieved, in the course of years, the status of traditions, thus making them extremely resistant to change. Where a particular practice can be placed in more than one category, it will be placed in the one which represents the more firmly entrenched, hence the more difficult to eliminate. For example, if a practice, sanctioned by statute, has existed for so long a time as to be securely established, it will be placed in the category of customs and traditions. This will provide a more accurate estimate of the extent of the opposition to the removal of a specific obstacle to effective executive management.

CUSTOMS AND TRADITIONS

Nevada is a small State; its citizens take great pride in the informality with which State business is conducted. As a result, there has grown up a very strong tradition that the Governor is personally available to any individual. With the increase in the number of problems affecting State government, such demands on the Governor's time have made it impossible for him to attend to many more important duties. Furthermore, many of the problems being brought to the Governor personally could be handled by subordinates. Instead of being permitted to concentrate on policy matters and the over-all supervision of the State administrative structure, the Governor finds himself surrounded by details. Management of the sprawling administrative organization is in itself a sufficiently difficult and time-consuming task without being further complicated by excessive and unimportant demands on the Governor's time.

In addition to seeing people on miscellaneous matters, the Governor spends an excessive amount of time in the performance of ceremonial duties. He must be present at parades, civic functions, annual meetings of organizations, and the like. The people of Nevada feel an intensely personal relationship toward their Governor. As a result, they will not be satisfied with any lesser official as guest of honor at their functions.

The conditions making for inadequate executive management are aggravated by that custom which decrees that the Governor shall have the assistance of only a small staff. This, of course, is an off-shoot of the popular conception that the Governor should be easily available and that State business should be handled by him personally to as great an extent as possible. The small size of this staff, consisting only of a secretary and a clerk, forces the Governor to handle much petty detail which could easily be delegated. Such a small staff makes it extremely difficult, if not impossible for the Governor to exercise adequate budgetary and administrative supervision. He is thereby rendered incapable of assuming dynamic leadership over the entire Executive Department.

A Nevada custom of the utmost importance is that of setting up a new administrative board to meet each new problem as it arises. As a result, a multitude of independent, uncoordinated boards perform closely related functions which could well be consolidated under a single department. For example, the following boards are only some of the agencies which operate in the general field of agriculture: the Board of Industry, Agriculture and Irrigation, Agriculture Association Districts Nos. 3, 4, and 10, the Agricultural Society, State Apiary Commission, Fish and Game Commission, Board of Stock Commissioners, Livestock Show Board, State Range Commission, and Board of Sheep Commissioners.

In order to avoid additional expenditures, membership on a great many boards is made ex officio. It is, therefore, not uncommon for a single official to be an ex officio member of five or more boards.[1] Contrary to the intention of the Legislature, the result is neither economy nor efficiency. Ex officio members are generally too busy with their major functions to be able to devote the necessary time and energy to their board duties. Therefore, such boards either accomplish virtually nothing or must hire an executive director to serve as operating head. Thus, if the board functions at all, the saving made by making its members ex officio is only fictitious, since that money is spent to pay the salary of the executive director. Economy, therefore, is certainly not a valid justification for the existence of these boards. Neither does the board form of organization promote efficiency. The multi-headed agency is not designed for the most efficient discharge of actual operating responsibilities. Although a single administrator is superior to a board for the purposes of operational administration, the hiring of an executive director does not solve the problem of efficiency. The problem remains because the board, having final authority and responsibility, tends inevitably to meddle in the day-to-day administration.

Notwithstanding the undesirability of a multitude of administrative boards, this system is strongly entrenched in Nevada. Though any individual board may be abolished, the elimination of the practice of creating a board to meet every new situation is well-nigh impossible within the foreseeable future. With due regard to this custom, the present study does not seek to eliminate altogether the board system of administration; instead, it attempts to confine the number of boards to a minimum.

Closely allied with the setting up of boards to meet specific problems is the custom of naming the Governor as an ex officio member

[1]For example, the Controller is a member of the following boards: the Board of Award, the Board of Control, the Board of Finance, the Highway Board, the State Board of Military Auditors, the Board of Printing Control, Real Estate Board, and the Library Board.

of most of them. The Governor wishes to be, and must be, a member of them in order to exercise some degree of control over their activities. The amount of time, however, which would be consumed by active membership is tremendous, as illustrated by the fact that the Governor is presently an ex officio member of nineteen administrative boards. Since he obviously cannot participate in the work of so many boards and does not have the power to appoint the ex officio members, he can at best exercise very limited control over them. Furthermore, his responsibility is less clearly apparent under the board form of organization, and he can avoid it more easily by hiding behind the facade of the board. The dispersal of responsibility resulting from board organization offers an undesirable method of escape from public criticism. Few traditional practices offer greater resistance to changes looking toward sound executive management than the board system of administrative organization.

A custom further tending seriously to weaken the Governor's executive control exists in the formulation of the budget. When the Governor's budget cuts the requested appropriation for a constitutionally elected officer, he can, because of his independent status, go over the Governor's head to the Legislature in order to have the original figure restored. Such a practice undermines the Governor's fiscal control and seriously impairs the value of his budget. This undesirable practice also makes it possible for a weak executive to avoid taking a stand on his recommended budget by suggesting that a particular constitutional officer go directly to the Legislature. Another undesirable custom in the fiscal area is that of earmarking for administrative expenses a specified percentage of specified tax collections. These expense funds are not controlled by the Governor or the Legislature as a part of the budget. Such practices serve to increase the difficulty of the legislative appropriation function by making it virtually impossible to see the relationship of a particular request to the over-all financial situation.

CONSTITUTIONAL LIMITATIONS

Probably the most important constitutional obstacle to sound administrative management lies in the requirement that several major executive officials be independently elected. For example, the Constitution requires the election, in addition to the Governor[2] and Lieutenant Governor[3], of the following executive officials: (1) Surveyor General,[4] (2) Board of Regents,[5] (3) Superintendent of Public Instruction,[6] (4) Secretary of State,[7] (5) Attorney General,[7] (6) State Treasurer,[7] (7) State Controller.[7] The election of each of these officials reduces correspondingly the degree of control which can be exercised by the Governor.

The constitutional status of these officers tends toward the excessive assertion of independence and the jealous protection of alleged prerogatives. If this attitude prevails, it prevents the possibility of real working cooperation among them. The dangers inherent in such an

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[2]*Constitution of the State of Nevada*, Article V, sec. 2.
[3]*Ibid.*, Article V, sec. 17.
[4]*Ibid.*, Article V, sec. 19.
[5]*Ibid.*, Article XI, sec. 7.
[6]*Ibid.*, Article XI, sec. 1.
[7]Article V, sec. 19, *loc. cit.*

arrangement are obvious. For example, although the opinions of the Attorney General are not binding on the Governor, they carry considerable weight in court. As a result, the Governor virtually always abides by them. However, the possibility of conflict is ever present. Another situation fraught with danger results from the power of the Controller to refuse to issue warrants for any unconstitutional expenditure.[8] The Governor and Controller can easily differ as to whether a questionable expenditure is unconstitutional. In the event of such a difference of opinion, the Controller can properly refuse to pay the expenditure until its constitutionality has been tested in the courts. In the meantime, the program for which the expenditure is requested cannot progress. The constitutional dispersal of executive authority, notwithstanding the provisions of Article V, section 1 that "the supreme executive power of the State shall be vested in a chief magistrate, who shall be Governor of the State of Nevada," does much to hamper unified coordinated administration. Such dispersal also creates additional difficulties for the Legislature in accurately assessing the responsibility for the success or failure of a particular program.

Besides hindering coordination of executive duties by providing for independent elective officials, the Constitution increases the difficulty of obtaining the most desirable individual for these positions. The existing Constitution sets up prohibitions which may make it impossible for even a willing officer to be an effective instrument of government management. In order adequately to perform their assigned duties, the Attorney General, Controller, and Treasurer should be professionally trained. The Constitution, however, provides for no such professional qualifications; on the contrary, it affirmatively prohibits such qualifications. Article V, section 19, states that:

> A Secretary of State, a Treasurer, a Surveyor General, and an Attorney General shall be elected at the same time and places and in the same manner as the Governor. *Any elector shall be eligible to either of said offices.*[9]

Such a prohibition makes possible inefficient operation of the department involved. To avoid this, nonprofessional department heads often employ professionally trained assistants who actually administer the department. Therefore, there are two officials doing what is essentially one job, a situation which adds to the cost of administration. Thus, again, the Constitution serves to make administrative management either inefficient or unduly expensive.

Several boards created by the Constitution have operated to limit the Governor's control over administrative policy. For example, Article V, section 14, invests the power to pardon in a board consisting of the Governor, the Justices of the Supreme Court, and the Attorney General. The Governor cannot issue a pardon without the concurrence of at least two other members of the board. While the pardoning power may not be of the most vital importance, the restrictions on it illustrate the manner in which the Governor's powers are limited by the Constitution. A similar situation is created by Article V, section 21, which establishes a Board of State Prison Commissioners

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[8] *State* v. *Hallock*, 16 Nev. 373.
[9] Italics added. *State* v. *Clark County*, 3 Nev. 567, indicates this.

and a Board of Examiners, both of which are composed of the Governor, the Secretary of State, and the Attorney General. Here again, the Governor is only one member of a three-man board and can be outvoted. Nevertheless, the Legislature tends to hold the Governor primarily responsible for the action taken by these boards. These constitutionally created ones possess all the flaws of statutory ones in that they are made up of ex officio members, and that collective responsibility enables them to escape individual responsibility.

A highly important limitation on fiscal powers is found in Article IX, section 5. This provides that the proceeds from license and registration fees and fuel taxes shall, except for costs of administration, be used exclusively for construction, maintenance, and repair of State highways. This provision has resulted in the creation of a large and excessively independent Highway Department.[10] Because the funds of this department are assured by the Constitution, the Governor exercises practically no control over its budget.[11] Such a provision, freezing the use which may be made of a large portion of the public revenue, greatly reduces the flexibility of operation of the entire administrative structure. Funds cannot be allocated to meet the particular changing needs of the times. The rigidity created by such a limitation is a significant factor in retarding the adaption of the administrative organization to the expanding services now being performed by government.

STATUTORY BARRIERS

The Legislature cannot entirely escape responsibility for the existence of some of the barriers to effective executive management. Most of its errors have been errors of omission; that is, it has failed to act when it has had an opportunity to improve the over-all administrative management. This section, however, considers only actions by which the Legislature has affirmably retarded such improvement.

Lack of unified administration in Nevada is fostered by constitutional mandate; namely, by the requirement that several of the important administrative officials be independently elected by the people. The resulting situation is serious enough without being further aggravated by legislation. Although the Legislature cannot, by itself, eliminate the constitutional barriers to sound administrative organization, it can refrain from adding to the confusion created by the elective nature of many administrative offices. This the Legislature has not done. In the statutes establishing the Board of Fish and Game Commissioners, the office of the Inspector of Mines, and the office of The Superintendent of State Printing, it has included a requirement that these positions be filled by election.[12] There is no legitimate reason why these officials should be independently elected. Such a provision merely serves further to reduce the degree of control which can be exercised by the Chief Executive over the administrative structure, for the over-all operation of which he is held responsible. Thus, instead of alleviating a bad situation by minimizing the effect

[10]The Highway Department has over 600 employees out of a total of approximately 1400 State employees.

[11]The Governor makes no reductions in the budget of the Highway Department.

[12]For the State Board of Fish and Game Commissioners, see chap. 101, sec. 9, Stats. 1947. For the Inspector of Mines, see sec. 4209, N. C. L. 1929. For the Superintendent of State Printing, see sec. 7472, N. C. L. 1929.

of the constitutional barriers to sound administration, the Legislature has aggravated the situation by adding its own statutory ones.

In the present performance of some functions, the Legislative Counsel Bureau has gradually and naturally tended to assume responsibilities which belong primarily to the executive. Under the authority of chapter 91, sec. 3 of the Statutes of 1945, the Legislative Counsel's responsibilities were set forth as follows:

> It shall be the duty of the legislative counsel to make a general survey of all offices, departments, institutions, and agencies of the State government with particular attention to their respective functions, staff, and need for money * * *. He shall also give like advice on request respecting legislation to improve the existing system or systems of State government in respect of administration and finances, and may accompany such advice with drafts of bills to attain such objectives.

The duty of conducting a general over-all survey is properly within the jurisdiction of the Legislative Counsel Bureau. Since the Governor was to be chairman of the Bureau, the Act of 1945 clearly did not encroach on the executive area of operation. In effect, the Legislative Counsel served as the joint arm of the Executive and the Legislature.

Chapter 102 of the 1947 Statutes modifies the organization of the Bureau. No longer is the Governor a member; instead, the Bureau is composed of two Senators and two Assemblymen. This changes the Bureau from a joint instrument of the Executive and the Legislature to an arm solely of the Legislature. Under the new Act, the performance of continuing surveys, as contrasted with special investigations, represents an assumption of powers and duties belonging to the Executive. Chap. 102, sec. 3, provides:

> It shall be the duty of the counsel (a) to collect information concerning the State government and its cost, and matters pertaining to the general welfare of the State; (b) to examine the effects of previously enacted statutes; (c) to deal with important issues of public policy and questions of State-wide interest; (d) to prepare a legislative program in the form of bills or otherwise, as in its opinion the welfare of the State may require, to be presented to the next session of the Legislature; and (e) to establish and maintain in cooperation with the Attorney General preceding any regular legislative session a bill-drafting service for the purpose of aiding and assisting members of the Legislature in the preparation of bills, resolutions, and measures.

This section has been construed to grant the Legislative Counsel the power to conduct continuing investigations of the administrative organization. Though this is essentially an executive function, he does not have the full executive power to put into effect changes indicated by his investigations. This enforcement power is complementary to the continuing investigatory power when the latter is lodged in the executive. Since the task of continuously investigating the administration has fallen by default to an instrumentality of the Legislature, it has been impossible to turn over such executive enforcement power to an arm of the Legislature. Since continuing supervision is of the utmost importance if an organization is to be adapted to changing circumstances, it is fortunate that this task has been assumed by the Legislative Counsel Bureau because there is no one in the executive branch performing it.

Creation of a management staff directly under the Governor will place this important function where it belongs while, at the same time, freeing the overburdened counsel for the more effective performance of his Legislative duties. This does not entail removal from the counsel's office of his function of serving as a special investigator on behalf of the Legislature. Rather does it allocate more properly between the Executive and the Legislature the responsibility for the supervision of administration in that the Executive will perform continuing surveys, while the Legislative Counsel will carry on special investigations.

The barriers outlined in this chapter, traditional, constitutional, and statutory, must be overcome in order to secure effective government management in Nevada.

CHAPTER III

GENERAL ADMINISTRATIVE ORGANIZATION

THE PRESENT STRUCTURE[1]

Table IX of Appendix B contains a summary of the administrative offices, boards, and agencies of the State of Nevada. It indicates that there are a sum total of ninety-nine different agencies of government, twelve of which are constitutional offices and eighty-seven of which are statutory. Of these ninety-nine agencies the heads of thirteen are elected by the people, twenty are ex officio agencies solely, eleven are jointly ex officio and appointive, the members of forty-eight are appointed solely by the Governor, one is filled by the Legislature, and the directors of six are appointed in various other ways. Figure 1 indicates the relationship of these agencies to one another and particularly to the Governor. In order, however, to present a more complete picture of the operations of the State administrative structure, it is necessary to expand the description of the operation and functions of some of the major offices.

THE MAJOR CONSTITUTIONAL OFFICES

THE GOVERNOR[2]

The Governor is the Chief Executive of the State and, therefore, transacts all executive business. In addition, he sees that the laws are faithfully executed. Among his powers and duties are the following: (1) to present a biennial message to the Legislature on the shaping of the policies of his administration; (2) to prepare the budget for all the executive departments; (3) to call the Legislature into special session when necessary; (4) to adjourn the Legislature in the event of a controversy over the adjournment date of the regular session; (5) to veto acts of the State Legislature which he considers undesirable. In addition to all these powers, the Governor appoints forty-six different boards, commissions, and officers. Therefore, he is responsible for the operation of these agencies. More important than this, however, is the fact that the Governor himself sits as an active member of twenty-two different boards.

THE LIEUTENANT GOVERNOR[3]

The Lieutenant Governor is elected at the same time as the Governor but has little place in the administrative structure of the State government. His duties consist of presiding over the Senate and serving as Acting Governor when the Governor is out of the State. His only

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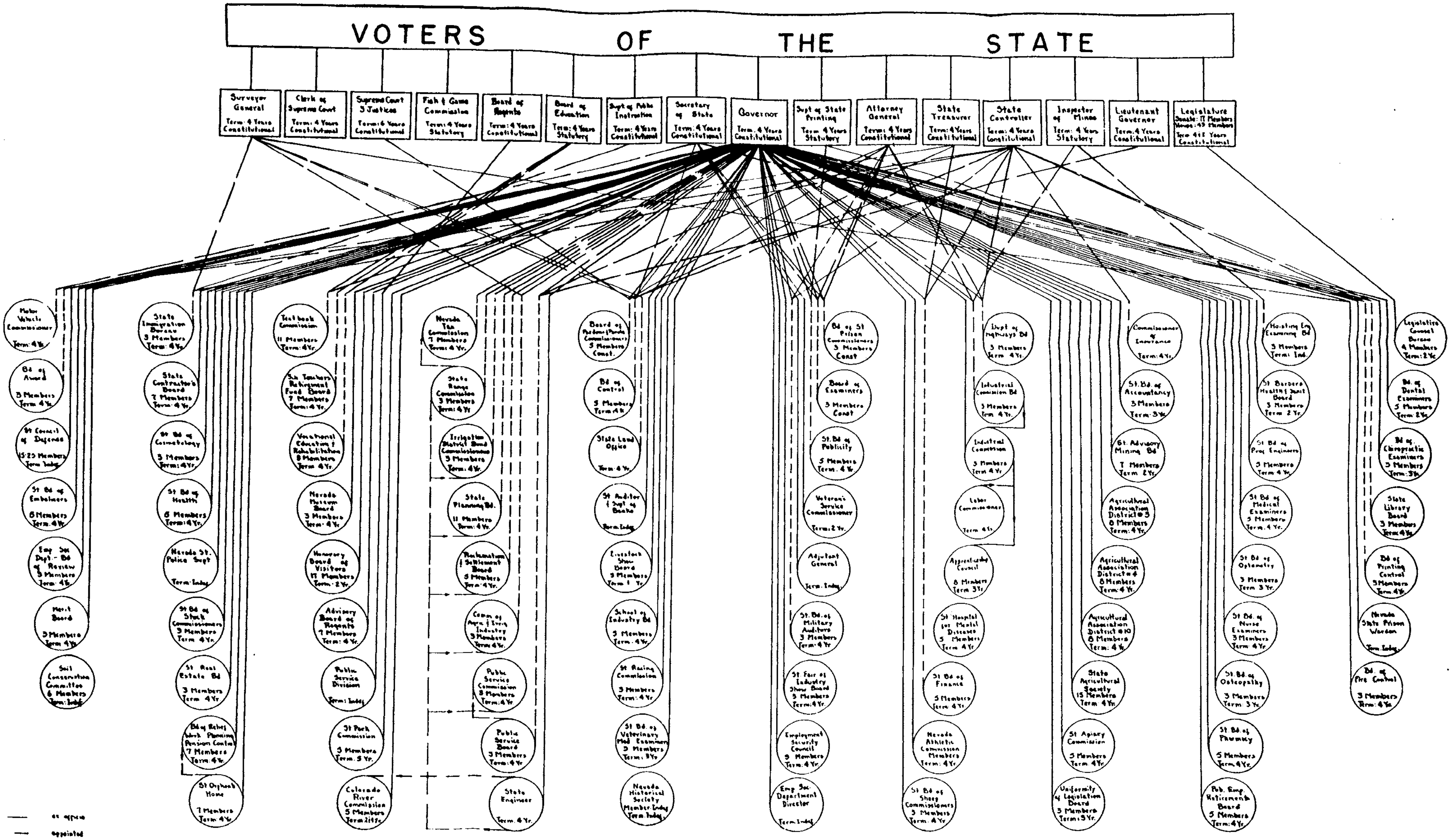
[1]This analysis of the existing organization is not presented as a basis for a subsequent evaluation of each individual department. Rather is it intended as a description of the major administrative agencies with a view toward using them as a nucleus around which the over-all structure may be consolidated for effective government management.

[2]*Constitution of the State of Nevada*, Article V, secs. 1–16 (hereinafter referred to only by article and section); *Nevada Compiled Laws* 1929, secs. 7393–7406 (hereinafter referred to as N. C. L.). Supplemental information was obtained through conferences with Miss Alice Maher, Secretary to the Governor.

[3]Article V, secs. 17–18; N. C. L. 1929, sec. 7407.

ADMINISTRATIVE ORGANIZATION OF THE GOVERNMENT OF THE STATE OF NEVADA



other administrative duty consists of membership on the Public Service Board. Upon the resignation or death of the Governor, the Lieutenant Governor succeeds him.

THE SECRETARY OF STATE[4]

In the Nevada administrative system, the Secretary of State is not only the custodian of the public records, but is also, ex officio, the Motor Vehicle Commissioner. As custodian of the public records, he handles functions such as chartering corporations and collecting related fees, and attesting by his signature all grants, proclamations, pardons, paroles, and other official papers. As Motor Vehicle Commissioner, he is responsible for the registration of motor vehicles, the maintenance of records of transfer, and the collection of fees related thereto. In addition, he is a member of the Board of State Prison Commissioners, the Board of Examiners, the Board of Control, the Board of Printing Control, and the Library Board.

THE ATTORNEY GENERAL[5]

The Attorney General is the chief legal advisor of the State. He is required to defend or prosecute all actions to which the State may be a party and, specifically, to defend any action brought against the State by a county. He is required by statute to act as general counsel for such major agencies as the Public Service Commission, the Tax Commission, and the Office of the State Engineer. In addition, he is a member of the Board of Pardon and Parole Commissioners, the Board of State Prison Commissioners, the Board of Examiners, the Highway Board, the Industrial Commission Board, and the Public Service Board. He is also, ex officio, the Mineral Land Commissioner.

THE STATE CONTROLLER[6]

The State Controller is the chief fiscal officer. Among his duties are the maintenance of the State accounts, the pre-audit of all claims, the supervision of State finances, and the disbursement of State moneys. He is responsible for the examination of all claims for legality and for availability of funds. It is the Controller's duty to deny a warrant for an expenditure which he believes is illegal. In that, he has been upheld by decisions of the State Supreme Court.[7] In addition, the Controller is ex officio Insurance Commissioner. As such, he has two major duties: (1) the supervision of all insurance companies, including the collection of the tax on premiums, and (2) the maintenance of insurance on all State property. He, too, is an ex officio member of numerous boards, such as the Board of Award, the Board of Control, the Board of Finance, the Highway Board, the State Board of Military Auditors, the Board of Printing Control, and the Library Board.

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[4]Article V. secs. 18–19: N. C. L. 1929, 7408–7433, supplemented by conference with John M. Koontz, Secretary of State, July 20, 1948.

See Appendix C for organization charts of the more complex administrative agencies. Figure 4 deals with the office of the Secretary of State.

[5]Article V. sec. 19: N. C. L. 1929, secs. 7307–7334.

[6]Article V. sec. 19: N. C. L. 1929, sec. 7346–7389; supplemented by a conference with Mr. Don Riddell, Deputy State Controller, July 22, 1948.

Figure 5 of Appendix C presents the organization of the State Controller's office.

[7]*State* v. *Hallock*, 16 Nev. 373.

THE STATE TREASURER[8]

The State Treasurer is the guardian of the public funds. He pays out of the proper funds all warrants drawn on him by the State Controller. In addition, he is the custodian of such trust funds as the State Permanent School Fund, the University of Nevada Fund, Public School Teachers' Permanent Fund, Industrial Commission Fund, State Welfare Account, and Old-Age Assistance Account. He, too, is a member of many boards, including the State Board of Award, the Board of Control, and the Board of Finance.

THE SUPERINTENDENT OF PUBLIC INSTRUCTION[9]

The Superintendent of Public Instruction is the educational officer of the State and serves, nominally, under the State Board of Education. He also sits as a member of that board. Along with the rest of the board, he sets educational policies for the State, approves and adopts courses of study, sets forth rules and regulations for the certification of teachers, and revokes and suspends teachers' certificates for cause. In addition, he must visit each county at least once a year, allocate State and county funds, conduct teachers' institutes, and maintain educational standards. He is also a member of the Textbook Commission, the State Board for Vocational Education, and the Public School Teachers' Retirement Salary Fund Board.

THE SURVEYOR GENERAL[10]

The Surveyor General is today the least important of the major constitutional officers. His functions are the administration of land-grant statutes, the maintenance of land-ownership records, and the settlement of county boundary disputes. As State forester fire warden, he also cooperates with the Forestry Division of the United States Government. In the early days of Nevada, the Surveyor General had a much greater responsibility, namely, that of parceling out and selling State lands. Since, at present, there is little desirable State land available for distribution, this once-important function of the Surveyor General's office is now virtually eliminated. As a result, the Legislature has placed the conservation duty of fire control under his jurisdiction. He is also a member of the Board of Control, Commission of Industry, Agriculture, and Irrigation, and the Board of Fire Control.

THE MAJOR STATUTORY OFFICES

Of the maze of eighty-seven agencies created by the Legislature, only those nine which perform substantial functions and are, therefore, centers around which consolidation can be effectuated will be discussed.

THE HIGHWAY DEPARTMENT[11]

The Highway Department is directed by a board composed of the

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[8]Article V. sec. 19. N. C. L. 1929, secs. 7531–7546; supplemented by a conference with Mr. Dan Franks, State Treasurer, July 15, 1948.

[9]Article XI, sec. 1, N. C. L. 1929, secs. 5654–5655; supplemented by discussions with the School Survey Commission on the functions of the office.
See Figure 6 of Appendix C for an organization break-down of the office of the Superintendent of Public Instruction.

[10]Article V, sec. 19; N. C. L. 1929, 7522–7530; supplemented by a conference with Mr. Wayne McLeod, Surveyor General, on July 28, 1948.

[11]N. C. L. 1929, sec. 5320, and N. C. L. 1945 Supplement, sec. 5322; supplemented by conference with Mr. August Berning, Jr., Engineer of Personnel, August 3, 1948.
See Figure 7 of Appendix C for the organization chart of the Highway Department.

Governor, the Attorney General, and the State Controller. This board in turn appoints a State Highway Engineer, who serves as the operational head. He has among his duties the making of a highway plan of the State and the keeping of records on the condition and mileage of highways. His prime function is the construction and maintenance of highways throughout the State. As the largest State department, with an estimated six hundred employees, the Highway Department maintains a Revolving Fund out of which it, unlike the other departments, meets its pay roll. As a result of its pay roll facilities, it has assumed, under contract with the Controller, the latter's function of issuing Welfare Department checks.

THE BOARD OF RELIEF, WORK PLANNING, AND PENSION CONTROL[12]

This board, appointed by the Governor, supervises the operations of the Welfare Department, which has control over all forms of public assistance. State advisory services are available to the counties in order to assist them in meeting minimum administration requirements for Federal aid. As required by the Social Security Act, the department's personnel practices are under the jurisdiction of the State Merit Board.

THE PUBLIC SERVICE COMMISSION[13]

The Public Service Commission was created in 1919 to regulate the operation and maintenance of public utilities. It is composed of three commissioners, one of whom is the State Engineer, ex officio. Of the other two, who are appointed by the Public Service Board, one must be familiar with the operation of railroads and the other with all types of rates, tolls, and the like. Since the chairman of the Public Service Commission is also a member of the Tax Commission, he exercises considerable control over both the rates and tax valuation of public utilities. The function of the Public Service Commission is to regulate all railroads, motor vehicles, and airlines, and all electric, gas, water, telephone, telegraph, sewage, irrigation, and canal utilities throughout the State. Its inspectors collect license fees from common, contract, and private carriers and enforce the Motor Vehicle Regulation and Licensing Act. The commission also possesses very broad power to order any corporation subject to its authority to institute improvements in the interest of public safety.

THE STATE ENGINEER[14]

The State Engineer, appointed by the Governor, has the primary duty of adjudicating disputes arising over water rights and serves as an executive member of the Colorado River Commission. He also serves on the following boards and commissions: the Commission of Industry, Agriculture, and Irrigation, the Irrigation District Bond Commissioners, the State Planning Board, the Public Service Commission, and the Reclamation Settlement Board.

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[12] N. C. L. 1931–1941 Supplement, sec. 5151.01.
See Figure 8 of Appendix C for the organization chart of the Welfare Department.

[13] N. C. L. 1929, sec. 6101.
See Figure 9 of Appendix C for the organization chart of the Public Service Commission.

[14] N. C. L. 1929, sec. 7390.
See Figure 10 of Appendix C for the organization chart of the State Engineer's Office.

THE INDUSTRIAL COMMISSION[15]

The Industrial Commission is supervised by the ex officio Industrial Commission Board composed of the Governor, the Attorney General, and the Inspector of Mines. The commission itself is composed of three members, two appointed directly by the Governor, and one appointed by the Industrial Commission Board. Under the Nevada Industrial Insurance Act, the commission performs two major functions: (1) the insurance of employers against liability for injury to their employees, and (2) the adjudication of compensation claims by injured employees.

THE TAX COMMISSION[16]

The Tax Commission is composed of seven members: the Governor, five members appointed by him, and the Chairman of the Public Service Commission. The secretary of the Tax Commission, appointed by the commission, is chief clerk and statistician and serves as the administrative head. The commission collects taxes on motor vehicle fuel, gambling, cigarettes, and liquor. It serves as the central receiving agency for property taxes collected by the counties and as a board of equalization for county assessments. A third function is the determination of total utility valuation for the State and the apportionment of proper shares among the counties. The Tax Commission has recently been given the additional function of passing upon applications for gambling licenses, its determination to be based upon an investigation of the character and reputation of the applicant.

THE HEALTH DEPARTMENT[17]

The Health Department is supervised by a Board of Health composed of the Governor, the Secretary of State, two licensed M.D.'s, and one dentist. The board appoints the State Health Officer, who serves as Executive Officer of the board and chief administrative officer of the department. The Health Department operates under a merit system; consequently, the State Health Officer is removable only for cause or by an unanimous decision of the board. His duties include the enforcement of all laws and regulations pertaining to public health, the investigation of causes of diseases, epidemics, sources of mortality, nuisances, and the like. In addition, he supervises health conditions in State institutions.

THE EMPLOYMENT SECURITY DEPARTMENT[18]

The Employment Security Department is administered by an Executive Director, appointed by the Governor, who supervises the two major divisions dealing with unemployment compensation and the employment service. He adopts rules and regulations to effectuate

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[15]Chapter 168, sec. 39, Stats. 1947.
See Figure 11 of Appendix C for an organization chart of the Industrial Commission.

[16]N. C. L. 1929, sec. 6542; supplemented by conferences with Mr. R. E. Cahill, Secretary of the Tax Commission, on July 16, 1948, and July 30, 1948.
See Figure 12 of Appendix C for an organization chart of the Tax Commission.

[17]N. C. L. 1931–1941 Supplement, sec. 5235.
See Figure 13 of Appendix C for the organizational breakdown of the Health Department.

[18]N. C. L. 1931–1941 Supplement, sec. 2825; supplemented by a conference with Miss Frances Maguira, Secretary to the Director of Employment Security, August 2, 1948.
See Figure 14 of Appendix C for the organization chart of the Department of Employment Security.

the policies of the State Employment Security Act. Another major function is the establishment and maintenance of employment offices throughout the State. As required by the Social Security Act, this department, like the Health and Welfare Departments, operates under a merit system. With its more than one hundred employees, it now constitutes the largest department operating under the merit system.

THE STATE AUDITOR[19]

The position of State Auditor is filled by the State Bank Examiner acting ex officio. As State Auditor, he post-audits and examines all public accounts. As Secretary of the State Board of Examiners, he also performs a type of pre-audit, consisting solely of a check on the mathematical accuracy of the claims. As State Bank Examiner, he is responsible for periodic inspections and over-all supervision of banks throughout the State.

SUMMARY

This section of the report has had two major purposes: (1) to present the administrative structure which carries on the major functions of government in Nevada, in order that it may be evaluated in the light of standards of good administrative organization as tested in selected States; and (2) even more important, to present those administrative agencies which are capable of serving as a nucleus around which consolidation and unification may proceed.

STANDARDS OF ADMINISTRATIVE ORGANIZATION AS TESTED IN SELECTED STATES

Most authorities in the field of public administration use A. E. Buck's "*Administrative Reorganization in the States Today*" as a guide for standards of administration. Through reorganization it is possible to simplify the machinery of complicated and poorly organized State government in order to bring about effective and economical management. This process of improvement usually requires the consolidation of the various offices, boards, commissions, and agencies which administer the State's affairs into a few orderly departments set up along general functional lines. Its main features have developed during the past three decades. During that period, certain standards with respect to the organization and integration of the State administration have been formulated. These standards are not merely theoretical but are based upon actual experiences in a number of States.

They may be enumerated as follows:

1. The concentration of authority and responsibility. There has been a trend toward the concentration in the hands of the Governor of adequate authority commensurate with his responsibility.

2. Departmentalization or functional integration. This includes the consolidation of the administration of the various functions of the State into as few departments as possible. All departments doing related work are consolidated into one.

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[19] N. C. L. 1929, sec. 728; and N. C. L. 1931–1941 Supplement, secs. 747–749; supplemented by conference with Mr. Grant Robison, State Auditor, July 27, 1948.

3. The undesirability of boards for purely administrative work. Adoption of this principle would eliminate boards which perform functions requiring continuous supervision and administration.

4. The coordination of staff services such as personnel, purchasing, and budgeting. The location of these staff services in the office of the Governor is becoming more common.

5. Provision for an independent audit, which requires the location of the audit function in the hands of a representative of the Legislature.

6. Provision for a Governor's cabinet to coordinate policy and administration.

The value of each of the afore-mentioned standards has been repeatedly tested by the experience of those States which have adopted them as guides in reorganizing their administrative systems.

CONCENTRATION OF AUTHORITY AND RESPONSIBILITY

MINNESOTA[20]

Minnesota represents a working example of the principle of concentration and responsibility. In the 1939 reorganization, one of the four major changes carried out was the transfer of all the power of the Board of Control over public institutions to a division of public institutions under the Department of Social Security, the director of the division being also directly appointed by the Governor. Notwithstanding the consolidation of the divisions of employment and security, and social welfare into the Department of Social Security, the Governor still retains the direct power of appointment over these division heads.

MISSOURI[21]

In its 1945 constitutional revision, Missouri also follows the principle of the concentration of authority and responsibility in the hands of the Governor. The Constitution provides that all nonelected heads of departments be appointed by the Governor and serve at his pleasure. Provision is made for an executive budget, with the Governor having the further power to veto individual sections of an appropriation bill. His budget powers include control over the rate at which an appropriation is spent. This power to allocate funds further increases his control over the departments.

CALIFORNIA[22]

In California, a Department of Finance, with its director appointed by the Governor, was established as early as 1921, in order to centralize fiscal control in his hands. Because of the existence of a Controller with specified constitutional powers, this attempt at fiscal unification has proved unsuccessful. In stating that "a confused and almost absurd division of work and responsibility" existed between the Department of Finance and the Office of the Controller, the Interim Committee of Twenty-Five of the California Conference of Government and Taxation elaborated as follows:

[20]T. G. Driscoll, "The Commissioner of Administration in Minnesota," *The Book of the States, 1945–1946*. (Chicago; Council of State Governments, 1945), pp. 145–150.

[21]*Constitution of the State of Missouri, passim.*

[22]J. C. Bollens, *Administrative Reorganization in the States Since 1939*. (Berkeley: University of California Bureau of Public Administration, 1947, *passim*).

The Controller and Department of Finance each is charged by law with responsibility for the management of the State's fiscal affairs, but neither is enabled to meet this responsibility because of the division of powers, duties, and records between them, giving neither the facilities to do a complete job.[23]

NEW JERSEY[24]

In order to avoid the possibility of conflict as occurred in California between the Office of the Controller and the Department of Finance, Article V, sec. 4 of the 1947 New Jersey Constitution provides that "each principal department shall be under the supervision of the Governor." With the advice and consent of the Senate, the Governor appoints the heads of the principal departments. He has absolute power of removal over them, with the exception of the Secretary of State and the Attorney General, who serve during the term of the Governor.

The foregoing examples represent only a small selection of the States and the manners in which additional authority and responsibility have been allocated to the Governor.

FUNCTIONAL CONSOLIDATION BY DEPARTMENTS

ALABAMA[25]

In order to consolidate related activities, Alabama in 1939 established new departments of Industrial Relations, Conservation, Commerce, Highways, and Corrections and Institutions. To centralize financial responsibilities, the Legislature created a Department of Finance.

MINNESOTA[26]

In Minnesota the principle of functional consolidation began to emerge as early as 1929. In that year, the Dairy and Food Department was incorporated into the Department of Agriculture, which then became the Department of Agriculture, Dairy, and Food. In 1931 the functions of the Department of Drainage and Water were located in the Department of Conservation. Additional reorganization took place in 1939. As a result of the report of the Interim Commission to the 1945 Legislature, the number of departments was further reduced to thirteen.

INDIANA[27]

Under the provisions of the Financial Reorganization Act of 1947, Indiana took steps to make effective the nominal responsibility of the Governor for managing the State's finances. This was achieved by consolidating the four basic fiscal function (budgeting, purchasing and property control, accounting and pre-auditing, and treasury management), previously scattered in a haphazard fashion over nine agencies, into three: the Division of Public Works and Supply, the Division of the Budget, and the Division of Auditing.

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[23]Interim Committee of Twenty-five, *Final Report of Committee on State Reorganization* (1941), p. 49.
[24]*Constitution of the State of New Jersey, passim.*
[25]Lloyd M. Short "State Administrative Reorganization," *The Book of the States, 1945–1946.* (Chicago: The Council of State Governments, 1945), p. 141.
[26]*Loc. cit.*
[27]Lloyd M. Short, "State Administrative Reorganization, 1945–1947," *The Book of the States 1948–1949.* (Chicago: The Council of State Governments, 1948), p. 168.

SOUTH DAKOTA[28]

In 1943, South Dakota's fiscal integration consolidated the collection of major excises, formerly scattered over three departments, into a division of licensing in the Department of Finance. Still greater coordination was achieved by appointing as director of licensing the director of taxation, who administers all the other important taxes through the Division of Taxation.

CALIFORNIA[29]

Although the 1909 Session of the California Legislature rejected two reorganization plans, two years later Governor W. D. Stevens' consolidation plan was adopted. Four departments, Finance, Education, Institutions, and Public Works, joined by the Department of Agriculture, created in 1919, became the five major governmental divisions. Fifty-eight of the existing 112 agencies were consolidated in these five departments. Further major reorganizations took place in 1927, when four new departments were established: Industrial Relations, Natural Resources, Public Health, and Social Welfare. Thirty-nine administrative agencies still remained outside these nine departments. Reorganization between 1927 and 1939 consisted largely of creating additional departments in order further to consolidate independent agencies. Four additional departments were added in 1929: Professional and Vocational Standards, Penology, Investments, and Military and Veterans' Affairs. Two new major departments, the Department of Justice and the Department of Corrections, were established in 1944. The Department of Justice, under the Attorney General, combined the Office of the Attorney General, the State Bureau of Criminal Identification, and the Division of Narcotic Enforcement, the latter two being transferred from the Department of Penology. The Department of Corrections supplanted the Department of Penology. Thus, as of 1944, the California administrative structure had achieved a relatively high degree of consolidation and integration as indicated by the standards of good administrative organization.

THE SINGLE ADMINISTRATOR AS OPERATING HEAD

The relative merits of the single administrator versus the board have not yet been settled. There is virtually no disagreement as to the superiority of the single administrator over the administrative board. The confusion in many States is due to the failure to distinguish between boards which advise and determine general policy and boards which actually carry out day-to-day operations. As a result, administrative boards continue to exist in many States.

MINNESOTA[30]

The Minnesota Reorganization Act of 1939 substituted for the Commission of Administration and Finance a single-headed Department of Administration responsible for the staff and service functions hitherto handled by the Commission. A further improvement was the establishment of a Department of Taxation headed by a single

[28]James W. Martin, "Tax Administration and the Control of Expenditures," *The Book of the States, 1945–1946*. (Chicago: The Council of State Governments, 1945), p. 211.
[29]Bollens, *op. cit.*, p. 11.
[30]*Ibid.*, pp. 25–30.

administrator and an independent Board of Tax Appeals to replace the three-member Tax Commission. This change illustrates an area in which a single administrator is more desirable, namely, operation, and an area in which a board is more desirable, namely, adjudication.

VIRGINIA[31]

The unusual situation in Virginia presents a case in which the Governor, rather than a board, is held responsible, through his appointed director, for the administration of the merit-system law. In giving the Governor discretion to establish an unpaid Committee on Personal Administration, the Virginia Legislature recognized the distinction between the administrative and the advisory functions.

OTHER STATES[32]

In Michigan the Board of Tax Administration has been supplanted by a Department of Revenue headed by a single director. In California, the power of the Board of Control over public institutions was transferred to the Director of the Division of Public Institutions in the Department of Social Security. Contrary to the general trend, however, the 1945 Georgia Constitution added three new boards, Veterans' Service, Corrections, and State Personnel, to the five which had been established as constitutional offices in 1943. Unlike the Virginia Legislature, the framers of the Georgia Constitution have refused to accept the principle that boards should be not be established to perform essentially administrative functions.

GUBERNATORIAL STAFF AND SERVICE AIDS

MICHIGAN[33]

In 1943, the Michigan Legislature created a Department of Business Administration in the Governor's office. This staff agency was charged with the duty of making investigations for, and recommendations to, the Governor concerning efficient and economical management of the State administrative system. Its director, appointed by and serving at the pleasure of the Governor, operates as an important and essential arm of the executive department.

RHODE ISLAND[34]

The Rhode Island Administrative Act of 1939 created a Department of Coordination and Finance. Included as members of the department staff were a Budget Officer, a Purchasing Agent, and a Personnel Budget Examiner. Provision was also made for a research staff, appointed by the Governor, to "carry on studies of State-wide interest to provide information and material relative to the governmental, social, and economic conditions of the State."[35] The staff was further required to carry on such studies as requested by the Governor.

CALIFORNIA[36]

In California, administrative analysis is not under the direct supervision of the Governor. Instead, it is located in an administrative

[31]Lloyd M. Short, "State Administrative Reorganization," *op. cit.*, p. 144.
[32]Lloyd M. Short, *op. cit.*, pp. 167–168.
[33]Lloyd M. Short, "State Administrative Reorganization," *op. cit.*, p. 142.
[34]Bollens, *op. cit.*, p. 34.
[35]Rhode Island Administrative Act (1939), sec. 19, as cited in Bollens, *op. cit.*
[36]Bollens, *op. cit.*, p. 15.

division in the Department of Finance. This division, created in 1942 and staffed with administrative analysts, studies departmental organization and operation and makes recommendations for improvement.

Although there is a gradually increasing realization of the need for staff and service aides, relatively few steps have been taken toward putting these concepts into practice.

THE INDEPENDENT AUDIT

WISCONSIN[37]

Wisconsin has recently attempted to rationalize the auditing functions of the various officials. The Budget Director is made responsible for budgeting, pre-auditing, and accounting. The post-audit, however, falls within the jurisdiction of the State Auditor. As a result, overlapping has been eliminated and responsibility more clearly delineated.

RHODE ISLAND[38]

The Rhode Island Administrative Act of 1939 seeks to insure the complete independence of the audit. Therefore, section 74 provides that "said accountant or accountants shall be entirely independent of the State administration whose affairs they are called upon to audit." To achieve this, the statute requires that the auditing personnel be hired by the finance committee of the House of Representatives.

NEW JERSEY[39]

The 1947 New Jersey Constitution seeks to endow the position of State Auditor with both continuity of existence and complete independence of the executive branch of the government. To secure this, Article VII, sec. 6, establishes a State Auditor and provides that he be appointed by the Senate and General Assembly in joint meeting and directly responsible to the Legislature.

An independent audit is an essential element of a sound administrative system. Recognizing this, many States, including those illustrated in the preceding discussion, have sought to assure such independence. Most have done this by statute; some, however, have considered the independence of the audit to be so fundamental that they have included in their constitutions provisions therefor.

THE GOVERNOR'S CABINET

COLORADO[40]

To coordinate the work of the departments, the 1941 Colorado Administrative Code established a Governor's Council consisting of major elected and appointed administrative officers. At the Governor's request, each council member who is also a department head is required to report to the governor on the problems and policies connected with his department. Monthly meetings are held at which matters involving general problems of administrative policies and procedures, interdepartmental relations, and cooperation are discussed.

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[37] Vera Briscoe and James W. Martin, "Finance Management," *The Book of the States, 1948–1949*. (Chicago: The Council of State Governments, 1948), p. 177.

[38] Bollens, *op. cit.*, p. 35.

[39] *Constitution of the State of New Jersey*, Article VII, sec. 6.

[40] *Governmental Research Notes*, vol. 8, No. 2. (Berkeley: Western Governmental Research Association), April 1948, p. 1.

NEW JERSEY[41]

As yet there is no Governor's cabinet in New Jersey. The new reorganization program fulfilling the constitutional mandate provides a basis for the establishment of one by making available a limited number of department heads as policy-making aides.

Where major administrative officials are still elected and cannot be formally coordinated, the Governor's cabinet has tended to evolve as an institutional device for coping with this problem. This evolution is still in its early stages but can be expected to develop more rapidly with the increasing complexity of government and consequent need for coordination.

SUMMARY

The experiences of the State discussed in this section clearly indicates the validity of the principles of sound administrative organization as heretofore enumerated. No longer are they merely theoretical standards; they have worked in actual practice. By the ever-increasing frequency with which they are being applied to meet the highly complex needs of government management, they are constantly proving their worth in the highly practical arena of politics.

EVALUATION OF THE NEVADA ADMINISTRATIVE ORGANIZATION

A proper evaluation of the Nevada administrative organization requires an examination of the existing structure and of the criteria by which its efficiency can be measured. Such an examination indicates the problem which Nevada must face in order to improve its governmental system. This problem of effective executive management reduces to the following components: the diffusion of authority, the lack of functional integration, single administrators versus boards, the inadequacy of executive assistance, the proper role of the audit, and the coordination of elected and major appointive officers.

DIFFUSION OF AUTHORITY

Article IV, sec. 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.

This diffusion of authority is further aggravated by the statutory creation of additional elective, administrative officials, namely, the Inspector of Mines, the Superintendent of State Printing, and the members of the Board of Fish and Game Commissioners.

[41] Joint Legislative Committee on State Government Reorganization, *Progress Report to the People of New Jersey on the Administrative Reorganization Program Under the State Constitution of 1947.* (Mimeographed pamphlet of June 21, 1948), p. 4.

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. This diffusion can readily be seen in Figure 2 on page 36a, which shows the multitude of agencies for which the Governor has some responsibility. The problem is not peculiar to Nevada; the Legislatures of many other States have established innumerable boards which perform closely related functions.

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.

An incident resulting from the diffusion of authority may be illustrated by a question which arose over expenditures for the maintenance and improvement of the executive mansion. The Governor is allowed $3,600 a year as a "maintenance fund." Prior to the incident, he had always used that money as he saw fit for the operation of the executive mansion. It had been spent for such items as repairs, upkeep, fuel, and servants' wages; and no one had questioned the Governor's discretion regarding the use of the fund. The question arose over the proper interpretation of the word "maintenance," the purpose for which the fund was established. The Controller, in delaying certain payments for fuel and wages, contended that "maintenance" money could be used *only* for repair and upkeep. The Governor, on the other hand, asserted that the money was available for any expenditure connected with the executive mansion. The matter was finally resolved in favor of the Governor when the Attorney General upheld his interpretation.

Another question arose over the legality of a proposed expenditure by the Board of Control for the improvement of the executive mansion. This board, which must approve capital expenditures over $50, had set aside a certain amount of its fund for such repairs. The Controller, however, refused to issue a warrant allowing the expenditure. He took the position that use of the Board of Control Fund for improvements on the executive mansion was improper. He believed that money for these repairs could come only from the maintenance fund. An impasse was avoided when it was pointed out to the Controller that the Board of Control had already approved the proposed expenditure. While these incidents are not in themselves of great significance, they nevertheless demonstrate how a serious crisis could easily result from the diffusion of authority presently existing in Nevada.

LACK OF FUNCTIONAL INTEGRATION

As the services performed by State government become interrelated to an ever-increasing degree, the practice of creating separate agencies to perform allied functions gives rise to progressively greater inefficiencies.

Such a situation exists primarily in the two areas of (1) conservation and reclamation, and (2) agriculture. In the first area, related functions are performed by the Soil Conservation Committee and districts, Reclamation and Settlement Board, the State Engineer, the

Planning Board, the State Fire Warden, and the Colorado River Commission. The Soil Conservation Committee and districts[42] are charged with the carrying out of plans for control and prevention of soil erosion. The Reclamation and Settlement Board[43] is primarily concerned with the use of water for power and irrigation. The State Engineer[44] is responsible for the adjudication of disputes over water rights. Over-all plans for State improvement and development of natural resources through conservation and irrigation are the responsibility of the State Planning Board.[45] As State Fire Warden,[46] the Surveyor General is charged with the preservation of forest areas from the hazards of fire. Most of the functions performed for the State as a whole by the above agencies are carried on in the Colorado River area by the Colorado River Commission.[47] The description of the duties of the above authorities indicates how closely related are their responsibilities.

In the area of agriculture, related functions are performed by (1) the Agricultural Association Districts, (2) the Livestock Show Board, (3) the Agricultural Society, (4) the State Apiary Commission, (5) the Board of Sheep Commissioners, (6) the Board of Stock Commissioners, and (7) the State Range Commission. The prime responsibility of the Agricultural Association Districts[48] is the conduct of an annual district fair. Likewise, the Livestock Show Board[49] is charged only with the duty of holding a livestock show at Elko. The Agricultural Society[50] was established "to encourage and promote the interest of agriculture, horticulture, mechanics, manufactures, stock raising, and general domestic industry," and to conduct a State fair. Control and suppression of diseases of bees is vested in the State Apiary Commission.[51] The Board of Sheep Commissioners[52] and the Board of Stock Commissioners[53] are vested with control of all matters pertaining, respectively, to the sheep industry and the cattle, horse, and hog industry. Policies applicable to grazing use of publicly owned lands are the responsibility of the State Range Commission.[54] As in reclamation and conservation, the description of these duties performed by the above agencies in agriculture indicates how closely related are their responsibilities. It is significant to note that not only are the duties within each of the above areas closely related, but also the broader problems of both agriculture and conservation are interdependent in a State as arid as Nevada.

The creation of independent agencies, each of which operates in a small segment of a broad field, preclude the development of an over-all perspective, since they are insulated from contact with each other. There is no single agency responsible for policy as a whole in the area of conservation, reclamation, and agriculture.

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[42] N. C. L., 1931–1941 Supplement, sec. 6870.04.
[43] N. C. L., 1929, sec. 5561.
[44] *Ibid.*, sec. 7390.
[45] N. C. L., 1931–1941 Supplement, sec. 6975.01.
[46] State of Nevada, Statutes of 1945, chapter 149.
[47] N. C. L., 1931–1941 Supplement, sec. 1443.01.
[48] N. C. L. 1929, secs. 328, 329, 330; 1943–1945 Supplement, sec. 327.
[49] N. C. L. 1929, secs. 3903, 3904.
[50] *Ibid.*, secs. 310–314.
[51] *Ibid.*, secs. 460, 461.
[52] *Ibid.*, sec. 3871.
[53] N. C. L., 1931–1941 Supplement, sec. 3827.
[54] N. C. L. 1929, sec. 5574.

BOARDS VERSUS SINGLE ADMINISTRATOR

Experience in other States illustrates some of the problems resulting from the establishment of administrative boards. Several such incidents have also arisen 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[55] 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, along with inadequate maintenance funds.

An example of administrative inaction as a result of the board form of organization is presented by a recent incident[56] in the operation of the Health Department. Though the Board of Health is charged with responsibility for the conduct of the Health Department, the Secretary to the board is the actual operating head of the department. In order to administer a more effective over-all program, the Secretary asked the board to place under his jurisdiction the Division of Maternal and Child Health Services, which had hitherto been operating independently of him. The board agreed that the Secretary's proposal was sound and that something should be done about it. Repeatedly the Secretary requested the board to take action in the matter, but none was forthcoming. Convinced of the futility of his efforts to spur the board into action, the Secretary resigned. The loss to the State was twofold: first, maternal and child health services remained uncoordinated with the health program as a whole; and, second, the State lost one of the best health officers it had ever had.

Another instance[57] in which the administrative board proved undesirable occurred in the Highway Department. The department is supervised by a three-man board composed of the Governor and two other elective officials. This board appoints the chief administrator, who serves as operating head of the department. While in office, the department head had incurred the opposition of citizens in various parts of the State, and there was some public demand for his removal. Though the Governor himself favored his removal, he was powerless to accomplish it. He could not, by himself, discharge the official, and he could not persuade either of the other two members of the board to vote with him. It was not until after the next election, when the personnel of the board was changed, that the official was removed.

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[55] Information obtained in confidence, and the source, although known and reliable, cannot be disclosed.

[56] Conference with Mr. Art Suverkrup, former editor of the *Carson City Appeal*, August 5, 1948, with the stipulation that no names be disclosed.

[57] Conference with J. E. Springmeyer, Legislative Counsel.

The effect of the board form of organization in this instance was a lack of regard for the wishes of the Governor and a period of administration not under his direct control. Regardless of the merits or demerits of this particular case, the Governor should have had this power since the ultimate responsibility was his.

By establishing boards only where they will contribute affirmatively to better administration, the recommendations in this report seek to prevent the inaction illustrated here and its resulting damage.

STAFF AND SERVICE ASSISTANCE

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.

The same Legislature for which this report has been prepared will receive a request for a deficiency appropriation by the State Department of Education.[58] Although there have been no large, unanticipated capital expenditures and no glaring examples of waste, the deficiency request, nevertheless, it is estimated, will be for $241,000. The prime cause appears to have been a failure to estimate accurately the potential school population. In all fairness, it must be noted, however, that school population is subject to unforeseeable increases or decreases. In order that an appropriation request be approved under an adequate budget system, the accuracy of the underlying facts upon which the estimates are based would be subject to careful, continuous scrutiny.[59] 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.

Another illustration of damage resulting from lack of adequate staff assistance to the Executive is presented by the recent discharges in the Welfare Department. After charges of mismanagement[60] in the operation of the department were made by a social worker, the supervisor ordered the transfer of the employee, without adequate notice and with the knowledge that the transfer would be unacceptable. When, as anticipated, the transfer was refused, the supervisor immediately ordered her discharged. The consequent public investigations resulted in the removal of all the principals involved in the affair, and hence were at least a partial vindication of the charges. The lack of adequate, continuing staff assistance prevented the alleged mismanagement from being discovered and eliminated before it reached the proportions of a public scandal.

THE ROLE OF THE AUDIT[61]

Nevada's auditing system raises three major problems: (1) the confusion of responsibility for the pre-audit between the Auditor, as Secretary to the Board of Examiners, and the Controller; (2) the

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[58]Conference with members of the Education Survey Committee, August 5, 1948.

[59]Chapter V discusses this problem in greater detail with reference to budgetary control and allocation as a part of continuous staff and service supervision.

[60]Conferences with J. E. Springmeyer, Legislative Counsel, *passim*.

[61]The audit function is discussed here only in its organizational role. Its place in financial administration is covered in Chapter V.

location in the same individual of pre-audit and post-audit duties (as Secretary of the Board of Examiners, the Auditor makes a pre-audit; as Auditor, he makes a post-audit); and (3) the appointment by the Governor of the official responsible for the post-audit.

Where two offices perform substantially the same function and the division of responsibility between them is confused, each tends to rely upon the other for the detection of discrepancies. In the past, the substantial performance of the pre-audit has tended to shift back and forth between the Controller and the Secretary of the Board of Examiners, depending upon which official had, at the particular time, the more qualified assistants.[62]

An organizational pattern which vests pre-audit and post-audit duties in the same individual is undesirable from the point of view of a complete check upon the expenditure of funds. This is due to the fact that one of the functions of a post-auditor is to recheck the claims approved by a pre-auditor. This recheck is lacking in Nevada.

Before a claim is approved and a warrant issued, it is the duty of the Controller to ascertain whether an appropriation has been made for the stated expenditure, and, if so, whether the money has already been spent; this is the purpose of the pre-audit. After the money has been spent, it is the duty of the Legislature to ascertain (a) whether money has been appropriated for the stated expenditure, and, especially, (b) whether the actual expenditure conforms to the stated expenditure. This check is the purpose of the post-audit. Although the post-audit is a legislative function, in Nevada the official performing it is appointed by the Governor. This improper allocation of functions reduces legislative control over the actual expenditure of appropriations.

LACK OF COORDINATION AMONG ELECTED AND MAJOR APPOINTIVE OFFICIALS

There is in Nevada no institutional device for achieving coordination of policy among the elected and major appointed officers. Each department head establishes his policies without examining their relation to, and consistency with, the policies of the other agencies. As a result, two departments may strike out in opposite directions though dealing with the same subject matter. Differences in viewpoint are not resolved at the top level before they degenerate into public feuds. When a serious controversy between two major officials becomes public knowledge, the entire administration appears to bad advantage in the eyes of the voters.

With regard to the distribution of Federal money connected with the Boulder (Hoover) Dam Project, for example, a serious dispute arose between the Controller and Treasurer, both independently elected officers.[63] The issue was whether the Treasurer could pay over the twenty percent allocated to Clark County without first securing a warrant from the Controller. Nevada Compiled Laws 1929, section 7534, provides that "He (the state treasurer)* * * shall disburse the

[62]This information was disclosed by a reliable source who requested that his name be withheld.
[63]Conference with Mr. Dan Franks, State Treasurer, August 5, 1948.

public moneys upon warrants drawn upon the treasury, and not otherwise." The Controller relied on this section and, therefore, insisted that his warrant was required before the $60,000 due to Clark County could lawfully be paid. The State Treasurer relied on chapter 141, section 1, of the 1941 Statutes of Nevada as not only authorizing, but affirmatively requiring, immediate payment to Clark County without the necessity of securing a warrant from the Controller. Chapter 141, section 1, reads as follows:

> If and when said Boulder canyon project adjustment act becomes effective, and whenever and as often as any payments are made to the treasurer of the State of Nevada, the said treasurer shall accept the same and shall immediately pay out of any such payments so received, to the county treasurer of Clark County, State of Nevada, twenty percent (20%) of said sum, and the balance of any such payments shall be placed by said treasurer in the general fund of the State of Nevada.

The Treasurer's emphasis on this later statute and his interpretation of it were supported by the Attorney General in an opinion dated February 13, 1942. Not content with this, however, the Controller secured private counsel and received from him an opinion supporting his (the Controller's) stand. The impassé continued until the Legislature took steps to settle the dispute. Had proper coordination facilities been available at the executive level, the controversy, with its resulting damage to the prestige of the administration as a whole, could probably have been resolved.

Any evaluation of an administrative organization implies the existence of criteria by which its effectiveness can be judged. Examination of the present structure has revealed certain basic problems. These are not entirely peculiar to Nevada; similar problems, which have been discussed previously, are being faced and solved in other States. Through their experience, practical standards have evolved. The present evaluation has been based upon these standards because (1) they have evolved out of the actual practice of administration; (2) they have been tested and have proved themselves; (3) they are designed to meet the same problems found to exist in Nevada. The recommendations which follow are based on the preceding evaluation and, in addition, are tailored to meet the particular and fundamental requirements for effective executive management in Nevada.

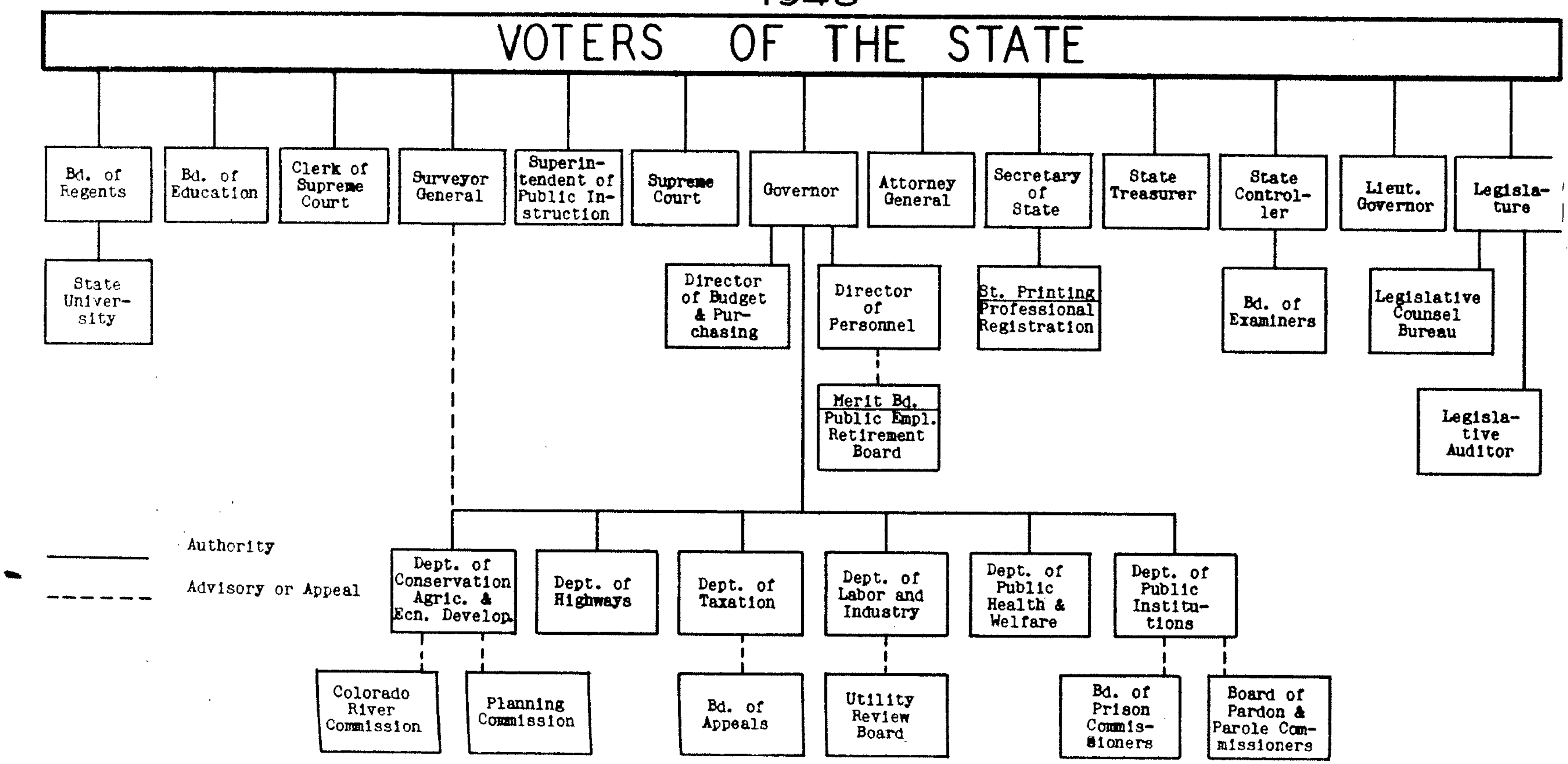
RECOMMENDATIONS WITHIN EXISTING FRAMEWORK[64]

This report recognizes the difficulty of securing extensive constitutional revision. The major emphasis, therefore, is on recommendations which can be effectuated by the Legislature within the existing framework. However, the report does not eliminate the *possibility* of constitutional revision, and therefore additional changes, designed to complement those recommended to the Legislature, are offered for the consideration of a constitutional convention.

[64]Figure 2 indicates the proposed administrative organization. Table 10 in Appendix B indicates the offices under the proposed statutory changes, the existing agencies retained, and the existing agencies abolished. See this for details not mentioned in the text.

FIGURE 2
PROPOSED ADMINISTRATIVE ORGANIZATION OF THE STATE OF NEVADA
(WITHOUT CONSTITUTIONAL CHANGE)

1948



THE OFFICE OF THE GOVERNOR

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 will, 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.

DIRECTOR OF BUDGET AND PURCHASING[65]

As budget officer, this official 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 their 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[66] will be centralized under the direction of this officer. His duties will consist of (1) the calling for bids; (2) the letting of contracts; (3) the purchase of standard supplies and equipment; (4) the supervision of store facilities in conjunction with the proposed Department of Public Institutions.

DIRECTOR OF PERSONNEL[67]

This officer will replace the Merit System Supervisor as operating head of the organization for personnel administration. Unlike the Merit System Supervisor, who is appointed under the merit system by the State Merit Board, the Director of Personnel will be appointed by the Governor subject to the provisions of the proposed merit system. His duties will be expanded to include supervision of the proposed State-wide merit system.

ADVANTAGES OF STAFF ASSISTANCE

The establishment of a Director of Budget and Purchasing and a Director of Personnel will enable the Governor to exercise closer

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[65]A more extensive discussion of the role of the Director of Budget and Purchasing will be discussed in Chapter V on *"The Administration of Finance."*

[66]Exceptions to this are the Highway Department, the Department of Employment Security, and the proposed Department of Public Institutions. These two existing departments presently purchase in sufficiently large quantities to effect all possible economies, and it is anticipated that the proposed Department of Public Institutions will do likewise. However, each of these agencies will appoint a departmental purchasing officer to work closely with the central purchasing office.

[67]The role of the Director of Personnel will be discussed in greater detail in Chapter IV, on *"Personnel Administration."*

supervision over the entire administrative organization. For example, the Director of Budget and Purchasing will be responsible for assisting the various departments in estimating their future needs. The present deficit in the Department of education is the result of an inaccurate estimate of potential school population, and hence of a request for an insufficient appropriation. At present, the Legislature is in an impossible position; either it must grant the deficiency request or it will force the schools to close altogether. There is need for a qualified budget director whose job it is to obtain every possible fact, and to do extensive research, in order to obtain budget estimates of maximum accuracy, and thereby guarantee that appropriated amounts will last throughout the biennium. Annual legislative sessions would simplify the budgeting process also.

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 Statewide merit system are themselves illustrative of functional integration. In this manner, the foregoing recommendations will aid in the solution of the problems discussed in the evaluation.

THE OFFICE OF THE SECRETARY OF STATE

The Office of the Secretary of State will be retained substantially intact. The Secretary of State, however, will no longer continue to act as ex officio motor vehicle commissioner, the duties of which office will be transferred to the proposed Registry of Motor Vehicles in the Department of Taxation. The proposed plan will assign to the Secretary of State a general supervisory control over the printing office. Instead of being elected, as at present, the State Printer will be appointed by the Secretary of State subject to the provisions of the proposed merit system. A Division of Professional Registration is also established. The Secretary of State will coordinate the activities and procedures of the various professional licensing agencies.

Removal of the function of motor vehicle registration from the office of the Secretary of State will promote integration by enabling all functions relating to motor vehicles to be consolidated in the same office. Establishment of the State Printer as an appointive officer under the merit system will offer greater assurance than the present elective system that the services of a qualified printer will be obtained. His appointment by, and responsibility to, the Secertary of State will reduce the demands on the Governor. Through the division of professional registration, the responsibilities for licensing will be more closely integrated.

THE OFFICE OF THE ATTORNEY GENERAL

The Attorney General will continue to perform his present duties. In addition, a small Bureau of Investigation will be created in his office to assume the duty of conducting criminal investigations, now being performed by the State Police, which organization is hereby abolished. The State Police now operates in the area of criminal investigations and law enforcement. Such functions have been traditionally exercised by local authorities, and rightfully so. State police organizations have been created primarily as highway patrols. In view of the fact that efficiency demands that all motor vehicle regulation including highway patrol be centralized, there is no necessity for a State Police organization of the type now existing in Nevada.

THE OFFICE OF THE CONTROLLER

To the Controller's responsibility as Commissioner of Insurance will be added the duties of Bank Examiner. He will be made Secretary of the Board of Examiners and thus be charged with complete responsibility for the pre-audit. Supervision of county budgets will be transferred from the jurisdiction of the Tax Commission to that of the Controller.

Problems involved in the regulation of banking and insurance are so closely related that it is uneconomical to have separate offices responsible for each. Since the Constitution established both the office of the Controller and the Board of Examiners as agencies for fiscal control, duplication and confusion of responsibility will be eliminated by making the Controller the Secretary of the Board of Examiners and thus clearly fusing responsibility for the pre-audit. Since the proposed Department of Taxation will be primarily a collection agency, supervision of county budgets will be more appropriately a function of the Controller.

THE OFFICE OF THE TREASURER

The organization and duties of the Treasurer will remain as presently constituted.

THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

All duties now being performed by the Department of Education will be retained. In addition, this department will be given responsibility for the duties now being performed by the State Textbook Commission, the Vocational Education and Vocational Rehabilitation Board, and the Bureau of Immigration. These latter boards will be abolished. As a result, the maze of independent boards will be reduced and educational responsibilities consolidated under a single administrative head.

THE OFFICE OF THE SURVEYOR GENERAL

The Office of the Surveyor General remains as presently constituted, but will be required to work closely with the new Department of Conservation, Agriculture, and Economic Development. Because this official is independent and no qualifications can be set for this office under the Constitution, it was deemed unwise to consolidate this office with the Department of Conservation, Agriculture, and Economic Development.

THE DEPARTMENT OF CONSERVATION, AGRICULTURE, AND ECONOMIC DEVELOPMENT

A Department of Conservation, Agriculture, and Economic Development will be established under the authority of the State Engineer.

All agencies concerned with conservation, reclamation, and agriculture will be abolished and their duties transferred to this department.[68] It will be organized into the three major divisions of conservation, agriculture, and economic development. To aid the State Engineer in the formulation of over-all policy, advisory boards of conservation and agriculture will be created. The present Planning Board will be transferred to this department, where it will act in an advisory capacity. The department and the Colorado River Commission will cooperate closely on all matters of joint concern.

The Department of Conservation, Agriculture, and Economic Development will replace nineteen independent boards and commissions, the functions of which will be consolidated under the administration of a single operating head. In Nevada, progress in agriculture is dependent upon advances in conservation and reclamation. All three are necessary for the economic development of the State. Thus, over-all planning for the future requires that these activities be carried on by a single department.

THE DEPARTMENT OF PUBLIC INSTITUTIONS

This department will be established for the more efficient business management of the various State institutions, such as the State Prison, State Orphans' Home, State Hospital for Mental Diseases, and School of Industry. The proposed department will operate as a central purchasing and maintenance agency for these institutions. Associated with this duty will be the supervision of store facilities in conjunction with the Director of Budget and Purchasing. It also will assume responsibility from the Board of Control for the repair and maintenance of the Capitol building and grounds.

The advantages accruing from the creation of this department are readily discernible. Instead of the individual purchasing now carried on by each of the institutions, the department will purchase in quantity for all of them. The total saving resulting therefrom will be considerable. Centralized maintenance will also result in a lower unit cost for a particular service. When each institution has its own maintenance staff, as at present, the most efficient use of time and labor is not achieved. The maintenance staff of one institution may be completely idle at the same time that the staff of another is overburdened. The greater over-all cost resulting from the inefficiencies in such a system will be eliminated by the establishment of a central maintenance staff under the new Department of Public Institutions. As regards the care of the Capitol building and grounds, responsibility therefor will be placed in a single official rather than an administrative board. 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.

THE DEPARTMENT OF HIGHWAYS

This department will continue to perform substantially the same duties as at present. However, the function of issuing drivers' licenses will be transferred to the proposed Registry of Motor Vehicles

[68]See Table 10 in Appendix B for the complete listing.

in the Department of Taxation. Further, jurisdiction over both Planning and State Parks will be transferred to the Department of Conservation, Agriculture, and Economic Development. The Highway board will be abolished and the Governor is given the power to appoint the State Highway Engineer.

The duties being transferred from the Highway Department are not essentially highway functions but merely appendages. Transfer of the responsibility for the licensing of drivers permits the integration in the proposed Department of Taxation of all functions relating to motor vehicles. Planning and authority over State Parks have never really belonged in the Highway Department. They were placed there only because that department had extensive funds as a result of the constitutional earmarking. Their transfer to the Department of Conservation, Agriculture, and Economic Development will represent a more rational allocation of functions, in that it will enable them to play their proper role in an over-all program for the economic development of Nevada.

Abolition of the Highway Board will be another case in which an ex officio board is replaced by a single department head directly responsible to the Governor. This change is recommended not only in this department but in others as well, in order to preclude the possibility of the recurrence of the unfortunate situation described in the evaluation; that is, no longer will it be impossible for the Governor to effect the removal of a nonelected department head when he desires it.

THE DEPARTMENT OF PUBLIC HEALTH AND WELFARE

This department, under a single director appointed by the Governor, will exercise the duties now being performed by the State Board of Health and the Board of Relief, Work Planning, and Pension Control, both of which will be abolished.

Two major advantages will be achieved through this consolidation. First, the costly inaction often practiced by administrative boards will be eliminated. For example, had there been no multi-headed board administering the Health Department when the Secretary requested jurisdiction over Maternal and Child Health Services, the inexcusable delay which culminated in the resignation of this exceptionally able health officer would not have occurred. Second, the interrelated functions of health and welfare are combined under a single department. Not only does this change permit the development of a more effective over-all program, but it also reduces the number of top-level administrative officials whom the Governor must personally supervise.

THE DEPARTMENT OF TAXATION

This department will be essentially the old Tax Commission. Under the former organization, the Secretary of the Tax Commission, appointed by it, served as the operating head. Under the proposed organization, the director of the department will be appointed by, and will be responsible to, the Governor; all operating responsibilities will be lodged in him. All major taxes now being collected by the Tax Commission will be collected by the new department. The valuation division will remain as an essential function of the department.

The collection of important revenues not now within the jurisdiction of the commission, namely, drivers' license, motor vehicle registration, and carrier license fees, will be transferred to the new Registry of Motor Vehicles under the department. The Registry will be charged with the establishment of a highway patrol, which will be required to cooperate closely with the Bureau of Investigation created under the Attorney General. The majority of the inspectors now with the Public Service Commission will be transferred to the Registry to serve as a nucleus for this patrol.

The former Tax Commission, however, will be retained as a Board of Equalization and a Board of Appeals. As a Board of Equalization, it will make the original assessment on utility and railroad property and will apportion to the counties their respective shares. In addition, it will adjust inequitable assessments. As a Board of Appeals, it will review denials of applications for licenses.

The Department of Taxation will be established with a single official as operating head because the evaluation indicated serious defects characteristic of the commission form of organization. Appellate procedure will be set up in order to provide restrictions on the otherwise unbridled discretion of the director. The transfer of functions as recommended above incorporates in the department all responsibilities relating to motor vehicles and, in so doing, finally completes the gradual process of transferring to this department the collection of all major revenue. Over-all functional integration will, therefore, be achieved.

THE DEPARTMENT OF LABOR AND INDUSTRY

The Department of Labor and Industry will incorporate the functions now being performed by the Department of Employment Security and the Industrial Commission, both of which will be abolished. In addition, the old Public Service Commission will be placed, for housekeeping purposes, within the department as the Bureau of Public Utility Regulation. The head of this bureau will be appointed by, and directly responsible to, the Governor. As a further safeguard, there will be established a Utility Review Board, the major function of which will be to review, on appeal, the reasonableness of the rates set by the director of the bureau. Although most of the Public Service Commission inspectors will be transferred to the Registry of Motor Vehicles, a sufficient number will be retained with the new Bureau of Public Utility Regulation to enable it adequately to perform its functions.

Consolidation of the related areas of labor and industry under a single department head will reduce the number of administrative officials whom the Governor must personally supervise. Establishment of a Bureau of Public Utility Regulation under a single director, instead of the present three-man Public Service Commisson, will eliminate another administrative board. In order to achieve all the advantages of the board form of organization, however, without at the same time hampering actual operations, a Utility Review Board will be created.

THE LEGISLATIVE COUNSEL BUREAU

With the establishment in the office of the Governor of the Director of Budget and Purchasing, it is anticipated that the Legislative Counsel will no longer be required to exercise *continuous* investigation of the administrative department. Nevertheless, he will continue to serve as "watch dog" for the Legislature, gathering such information as is required by the Legislature for the formulation of public policy. Freed from the duty of continuous investigation, the counsel will be able even more effectively to aid the Legislature in the performance of its proper functions.

THE LEGISLATIVE AUDITOR

The Legislature will be empowered to appoint a Legislative Auditor to make a post-audit of the receipts and expenditures of the executive branch. 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. For example, in the event that money is appropriated for an automobile for the Tax Commission, and the voucher states that it was spent for the automobile, the Legislative Auditor will check to see that the automobile is actually in the hands of the agency which had the authority to purchase it. Because it is impossible to catch such a violation of the law in a pre-audit, this final check will be the particular duty of the Legislative Auditor. 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.

RECOMMENDATIONS REQUIRING CONSTITUTIONAL CHANGE[69]

All consolidations and integrations possible within the existing framework have been recommended. Further steps toward effective executive management are impossible without prior constitutional revision.

ABOLITION OF THE ADMINISTRATIVE, CONSTITUTIONAL OFFICES

Further centralization of executive responsibility requires the abolition of the independent nature of the major constitutional offices. The only elected executive official will be the Governor, who will have power of appointment over the major administrative officers, namely, the heads of the Department of Law, the Department of Finance, the Department of Conservation, Agriculture, and Economic Development, and the Department of Education. The duties now being performed by the Secretary of State, the State Controller, and the State Treasurer will be handled by the Department of Finance. The Legislature must, however, establish qualifications for each of these offices.

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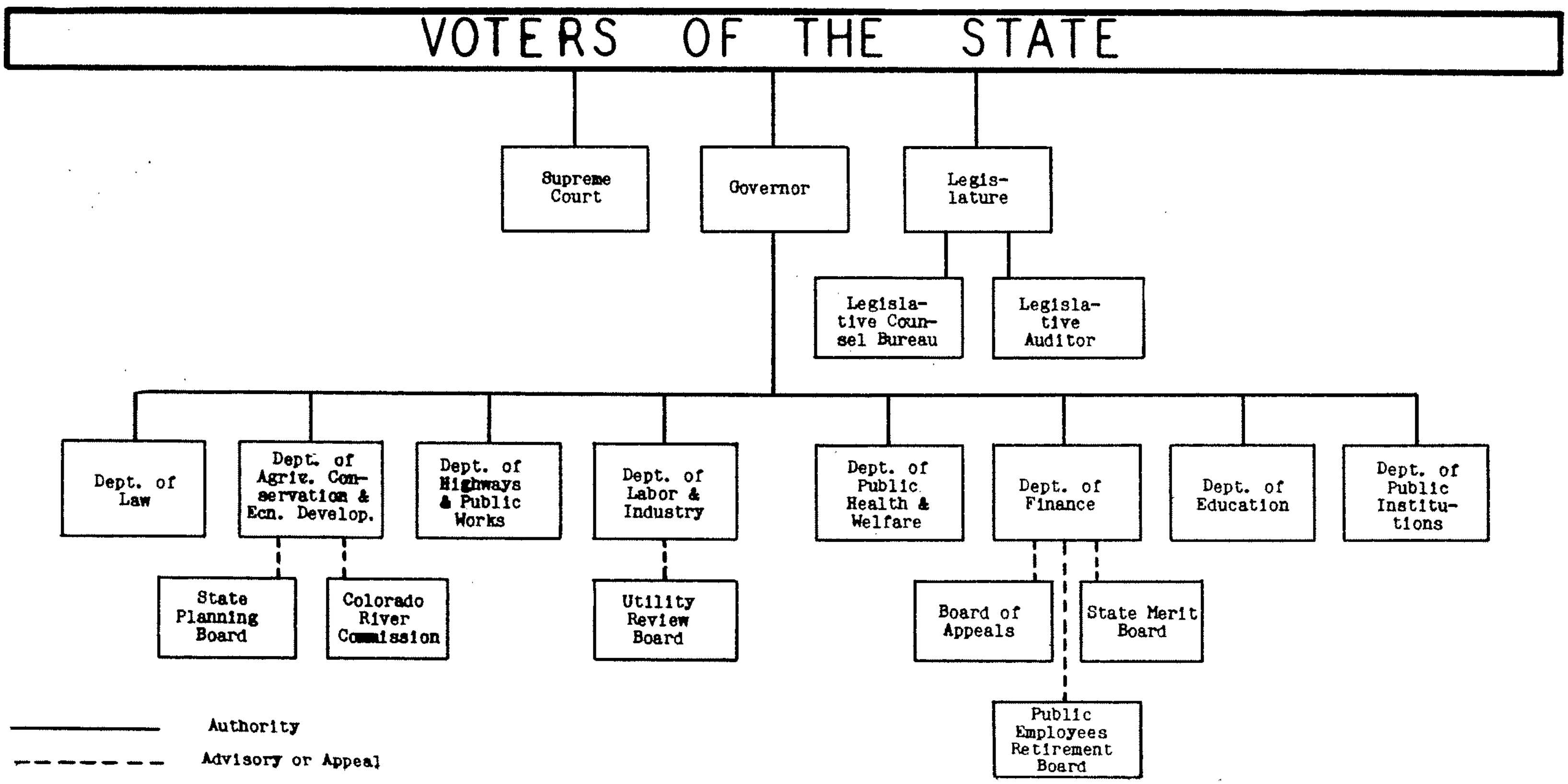
[69]Figure 3 indicates the proposed organization. Table XI in Appendix B indicates the offices under the proposed constitutional changes, the existing agencies retained, and the existing agencies abolished. See this for details not contained in the text.

FIGURE 3

PROPOSED ADMINISTRATIVE ORGANIZATION OF THE STATE OF NEVADA (WITH CONSTITUTIONAL CHANGE)

1948



THE DEPARTMENT OF FINANCE

The Department of Finance will have two major responsibilities. It will serve as (1) an agency for central fiscal control, and (2) the Executive Office of the Governor. The Director will operate in effect as a State Manager. The seven major divisions within the department will be charged with (1) budgeting and pre-auditing; (2) personnel; (3) disbursements; (4) taxation; (5) contracts; (6) records and accounting; (7) administrative management.

CONCLUSIONS

Through examination of the administrative system, certain basic defects in structure and organization became apparent. Thereupon attention was turned to the experience of other States and to the standards which there evolved to meet problems similar to those found in Nevada. In the light of these standards as tested by experience, the situation here was analyzed. The resulting evaluation indicated the basic directions which administrative reform must take to meet the particular problems of Nevada. Hence, the recommendations which followed have been designed along the lines suggested in the evaluation in order to meet the fundamental requirements for effective and responsible government management in Nevada.

CHAPTER IV

PERSONNEL ADMINISTRATION

INTRODUCTION

Chapter III establishes an organization for the more effective executive management of the State government. An organization, however, without loyal and qualified persons to administer it is of little value. The basic purpose of a personnel program is the acquisition of capable and intelligent individuals and the placement of each in the position for which he is best suited.

Legislation by itself can accomplish little for the State. Its ultimate effect is determined primarily by the manner in which it is administered. At this point each State employee becomes significant as a segment of the administrative process. Legislative policy may be nullified by the manner in which each employee, in doing his job, gives meaning to it. And yet, in the absence of a complete and State-wide personnel system, the Legislature has no way of insuring that its policies will not be destroyed as a result of administration by incompetents. Through the establishment of a merit system, appointments based on political affiliation rather than ability are eliminated. Able individuals are sought through a recruitment program, placed in their appropriate position through proper classification, paid uniformly for the same work, and retained through security provisions, such as tenure during good behavior, and retirement benefits. Once this program is established, the Legislature will be able to concern itself solely with the administration of a single law in order to insure that all other laws are executed by highly competent officials. Therefore, the next step is to examine the essentials of a positive personnel program.

THE ESSENTIALS OF A POSITIVE PERSONNEL PROGRAM

THE MERIT SYSTEM

The objective[1] of a personnel system is to secure the swift and equitable execution of the laws by positively seeking to attract and retain capable personnel. A merit system is necessary in order most effectively to achieve this objective. Recognition of this fact is evident from the ever-increasing adoption of Statewide civil service systems.[2] For example, Alabama and Rhode Island in 1939 adopted State-wide merit systems. In 1940 Louisiana followed suit. In 1941 Kansas and Indiana continued the trend. With Virginia in 1942, Oregon in 1945, and Missouri in 1946, a total of twenty-two States were brought under comprehensible civil service systems. Eight of these States have considered a merit system so necessary that provisions for it were incorporated in their Constitutions. These are

[1]This represents a change from the view that a personnel agency is merely a device for "keeping the rascals out."

[2]See Table XII in Appendix D for all States under a State-wide or departmental merit system.

California, Colorado, Georgia, Louisiana, Michigan, Missouri, New York, and Ohio.

General agreement can be obtained among authorities as to what is necessary for the implementation of a personnel program; namely, a well-designed organization and the adequate execution of specific functions.

THE ORGANIZATION[3]

The most effective exercise of the responsibility for promoting a positive personnel program requires that careful consideration be given to the type of organization established. The gradual trend has been away from the multi-headed administrative commission toward the advisory commission and the department of personnel headed by a single director. Originally, a secretary to the commission served as the administrative head of the civil service. Now, on the other hand, the tendency is toward a single director of personnel appointed by the Governor to serve as top operating official and to be assisted by an advisory board.

This latter type of organization is recommended by the National Civil Service League, the Civil Service Assembly of the United States and Canada, and the National Municipal League. It preserves the major advantages of both a commission and a single administrator. The commission is retained in an advisory capacity (1) to serve as a link between the people and the administrator, and (2) to enable all points of view to be presented in determining policy. The director is established in order to facilitate swift and efficient administrative action.

This trend can also be illustrated by a comparison of the forms of organization in various States. It is significant to note that virtually all States which, in the early years, established civil service systems, created a multi-headed commission which administered the system through a personnel officer appointed by it. This was the case in New York in 1883, Massachusetts in 1885, Illinois in 1905, Colorado in 1907, New Jersey in 1908, and California and Ohio in 1913. Those systems which were established later tended to prefer that the operating director be appointed by the Governor and hence be independent of the commission. This development was foreshadowed as early as 1905, when Wisconsin, in establishing its service, provided that the administrative head be appointed by the Governor. This was followed by Maryland in 1921. Large-scale adoption of this form of organization began in 1937, when Connecticut provided for appointment of the executive officer by the Governor with the advice and consent of the Senate. New Mexico, Rhode Island, and Tennessee gave the trend further impetus in 1939. In 1942, for the first time, Virginia clearly placed responsibility for personnel administration in the Governor by naming him State Personnel Officer. In 1946, Missouri, under its new Constitution, also placed responsibility on the Governor for the appointment of the personnel director, who was required to be named from a three-man list certified by the Personnel Advisory Board.

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[3]Civil Service Assembly of the United States and Canada, "State Civil Service Systems," *The Book of the States, 1948–1949* (Chicago: The Council of State Governments, 1948), p. 195.

The trends toward improvement of personnel administration, namely, the adoption of a merit system covering all State agencies, and the establishment of a personnel director as a responsibility of the Governor and independent of the State Merit Board, indicate the direction in which Nevada must look for the modification of its personnel practices.

FUNCTIONS OF A PERSONNEL PROGRAM

M. M. Mandel[4] sets forth as follows the duties which should be performed by a personnel office: recruitment; examinations; placement; training, which includes pre-entry, orientation and in-service training; and employee relations, which includes unionization and the establishment of grievance procedures.

Mosher and Kingsley[5] list the following as functions of the personnel agency: classification, recruiting, selection, certification, probation, service ratings, transfers, promotion, reinstatement, training and education, attendance, separations, discipline, appeals, compensation, pay roll certification, pension and retirement systems, grievances and suggestions, health and welfare, working conditions, rules and regulations, research, and an annual report.

J. M. Pfiffner's[6] list of the essentials of a personnel program includes recruitment and selection; position classification; placement; compensation plan, including wage levels and standardization; efficient use of service ratings; retirement, disability, and death benefits; training, upgrading, and turnover; employee relations—morale, employee cooperation, safety, health, welfare, attendance, hours of work, leaves; and personnel research—formulation of rules and regulations, investigation of the operation of the basic law, and research in personnel methods.

The authorities cited above agree that the basic components of a personnel program may be classified as follows:

1. Recruitment, Testing, and Training.
2. Classification and Pay Plans.
3. Employee Relations and Morale.
4. Promotions, Transfers, and Discharges.
5. Retirement.

RECRUITMENT, TESTING, AND TRAINING

The first step in the improvement of the public service is the recruitment of able and industrious employees. To function effectively, any organization must have capable individuals in its employ. Therefore, particular attention must be devoted to the attraction of desirable applicants through publicity which emphasizes the prestige value of government employment, its security provisions, and its opportunities for advancement.

Competitive tests are the most reliable means of ranking candidates. The principal steps in the examination process are (1) determination of the qualifications required for the particular job; (2) determination of the best methods of ascertaining the presence of the desired

[4]M. M. Mandel, "Personnel Standards," F. M. Marx, editor, *Elements of Public Administration* (New York: Prentice-Hall Inc., 1946), pp. 544–576.

[5]William E. Mosher and J. Donald Kingsley, *Public Personnel Administration*, (New York: Harper and Brothers Publishers, 1946), *passim*.

[6]J. M. Pfiffner, *Public Administration* (New York: Ronald Press, 1947), pp. 233, 244.

qualities; (3) preparation of the examination; (4) standardization and validation of the proposed examination;(5) the conduct of the examination; (6) the evaluation of the results.

The tests consist of several components, (1) the written test, to determine aptitude and potential capacity; (2) education and experience evaluation; (3) personal interview for the more responsible positions in order to estimate the intangibles; (4) performance tests for secretaries, clerks, and stenographers. Each of these components is weighted appropriately in computing final scores.[7]

> In any personnel policy worthy of the name, training is bound to occupy a most important place. In significance it probably ranks next to recruitment so far as the quality of service and output are concerned. Until recently, however, training was one of the most neglected aspects of public employment.[8]

The most important element of an adequate training program is the development of an over-all training policy. That policy provides for the necessary pre-entry training, in-service training, training for promotions, and a training program for the trainers themselves.

The importance of formal recruitment, testing, and training programs is indicated by the attempts of various States to improve their existing techniques and methods in these areas. In recruitment, for example, greater use is being made of radio as a means of publicity. Indiana prepares regular radio bulletins. California has conducted a series of regular weekly broadcasts of general information. Similar, but less systematic, efforts have been made in New York, Michigan, New Jersey, and Illinois.[9]

In testing, New Jersey has experimented with a social intelligence test developed by the Bureau of Public Personnel Administration.[10] In training, Arkansas has developed an excellent manual on oral interview procedure in order to aid interviewers. Training programs are now being formally established in California and Michigan under full-time training officers, while in Illinois the Civil Service Commission has now been made directly responsible for training.

CLASSIFICATION AND PAY PLANS

A position-classification plan is perhaps the most essential single element in any program of personnel management.

> The working out of an equitable pay plan, a recruiting program, policies with reference to transfers, promotions, demotions, and reinstatements, a training program, and a service rating plan depends upon the establishment of a well-conceived scheme of position-classification.[11]

Position-classification includes a careful analysis of the skills and abilities required for adequate performance of a particular position. It also includes a precise description of the duties and responsibilities which accompany the position. Through this analysis and descrip-

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[7]Mosher and Kingsley, *op. cit.*, p. 165.
[8]*Ibid.*, p. 271.
[9]Mosher and Kingsley, *op. cit.*, p. 133.
[10]*Ibid.*, p. 197.
[11]Public Administration Service, *Merit System Installation* (Chicago: Public Administration Service, 1941), p. 15.

tion, positions in the same general area are placed in the same class and are graded according to the difficulty of the work involved and the degree of responsibility assumed. Persons performing substantially similar duties can thus be placed in the same class and the same grade.

Without this, no compensation plan can be developed. Salary based primarily on the grade held by a particular employee, with periodic increases within the same grade. The maximum salary for one grade is the minimum for the next higher grade. The resulting uniformity of classification and compensation for similar work, though performed in different departments, is a significant factor in building and maintaining employee morale. So important have most States considered position-classification that the basic law establishing the civil service system affirmatively requires it. Even though New Hampshire has no Statewide merit system, it nevertheless found it necessary to create a position-classification system.[12]

EMPLOYEE RELATIONS AND MORALE

Whether a man works in private or public business, the state of his morale will often determine the quality of his work. While his morale is of course affected by all manner of circumstances, attention is given in this section to a complete and fair employer-employee relations policy. This requires safeguards against arbitrary action on the part of supervisory personnel through the establishment of grievance procedures including the adjustment of disputes over working conditions. It is also the function of the personnel agency to promote morale by aiding each employee to achieve a sense of participation in the work of the agency.

PROMOTIONS, TRANSFERS, AND DISCHARGES

A promotion, transfer, and discharge policy is designed to maintain an organization as a vigorous and progressive entity. The purpose of promotions is to encourage incentive by granting appropriate recognition for outstanding work. The organization also benefits by making the best use of its talent. Insofar as possible, a higher position should be filled by promotion from the ranks. If too many of the top positions are filled from outside the organization, morale suffers. A far-sighted recruitment program eliminates the need of going outside the organization to fill most supervisory posts because it selects people who not only can do the particular job for which they were initially hired, but are also capable of advancement.

A transfer policy is necessary for several reasons. It permits the organization to retain the services of qualified individuals who are not able to work with particular colleagues. Transfers from one type of work to another permit the organization to correct any possible mistakes which may have been made in the original recruitment and classification process.

Under a merit system, a carefully considered discharge policy is of the utmost importance. It is designed to prevent employees from

[12]*The Book of the States, 1943–1944* (Chicago: The Council of State Governments, 1943–1944), p. 216.

becoming careless and incompetent merely because they are on tenure, while at the same time preserving that degree of security necessary to attract and retain desirable individuals. In addition, a complete separation policy must provide proper safeguards against arbitrary discharge.

A most valuable tool in the application of a promotion, transfer, and discharge policy is found in the proper use of an employee-rating system. This requires a training program for the supervisory officials who rate their subordinates. Otherwise each supervisor will set different standards by which he rates his employees. A properly standardized and validated service-rating system should be given considerable weight in making promotions, transfers, and discharges. By informing him of his shortcomings, a service rating can also be of value to the employee who wishes to improve his work. It is obvious that California, with forty different service-rating forms, each designed for a particular occupation, has recognized the value of service rating. Alabama's employee-guidance report offers another variation through which effort is made toward assisting personnel in self-improvement.

RETIREMENT

In order to compete with progressive private business, public employment must also provide retirement benefits for its workers. Since positions in the public service are not as a rule highly paid, knowledge that he will be provided for in his old age is needed to induce a prospective employee to accept such a post. In the absence of a retirement system, many aged employees are retained on the pay roll, primarily because they have no other means of support. The cost to the State is high, both in money and in reduction of incentive on the part of ambitious younger employees seeking advancement. The most desirable method of financing a retirement system, from a point of view of the taxpayers, is on an actuarily sound basis through contributions by both the State and the employee. The retirement system should be closely integrated in administration with the rest of the personnel program. Though slow in gaining popularity among the States, retirement plans have been adopted in twenty States since 1940.[18]

PROBLEMS IN THE NEVADA PERSONNEL SYSTEM

The State merit system originated in 1937 under the impetus of the Federal Social Security Act. This Act required that the States participating in their program establish a merit system for the employees administering it at the State level. The Merit Examination Board, created as a result of this requirement, was given jurisdiction over the Unemployment and Compensation Division and the State Employment Service. In 1940 administrative action extended the coverage of the merit system to old-age assistance and child welfare services with the board being designated as the Joint Merit System Council. In 1941 the Unemployment Compensation Division and the Employment Service were incorporated into the newly created Department

[18] A. A. Weinberg, "Retirement Planning for Employees," *The Book of the States, 1948–1949* (Chicago: The Council of State Governments, 1948), pp. 210–215.

of Employment and Security, which was also placed under the merit system.

The year 1945 saw the further extension of the merit system, which now included the Employment Security Department, the Department of Health, and the Old-Age Assistance and Child Welfare Divisions of the State Welfare Department. A State Merit Board succeeded the Joint Merit System Council. Nevada is presently operating under the provisions of this law.

COVERAGE OF THE MERIT SYSTEM

The merit system should be extended upward, outward, and downward to include all positions in the executive branch of the government except those which are policy-determining in character.[14]

This recommendation well applies to Nevada at the present time. The State's merit system covers only those employees required by the Social Security Act to be under a merit system in order to qualify for Federal grants-in-aid. These agencies are the Employment Security Department, the Department of Health, the Old-Age Assistance and Child Welfare Divisions of the State Welfare Department. They include only about one-sixth of the State's employees. For example, the Highway Department, with approximately six hundred workers, is beyond the scope of the system.

Without a merit system, a department head in a State as small as Nevada is virtually at the mercy of every office seeker. This is true because of the highly political nature of the State, which means that every would-be employee has some degree of personal or political influence. This problem, not particularly pressing at the moment, becomes extremely acute when jobs are scarce. A merit system eliminates this pressure from a department head because tests and minimum qualifications are required by law. When he is asked for a job, he can refer the applicant to the Merit Board for examination of his qualifications while at the same time not specifically refusing him the position. The mere fact of an examination is enough to deter most such applicants, while many of those who actually take the examination fail and are thus automatically ineligible for employment. If the applicant is among the top three, it is then within the discretion of the department head whether to employ him. Denial of employment as a result of this screening process can legitimately offend no one.

Associated with a State-wide merit system are the other benefits which stem from a centralized personnel program, namely, recruitment and retention of highly competent personnel through position-classification plans, qualifying examinations, the encouragement of incentive, and security provisions.

ORGANIZATIONS PERFORMING PERSONNEL DUTIES

STRUCTURE OF THE MERIT SYSTEM

> * * * the civil service administration should be reorganized into a central personnel agency under a single head and a

[14]The President's Committee on Administrative Management, *Administrative Management in the Government of the United States* (Washington: U. S. Government Printing Office, 1937), p. 7.

nonpartisan citizen board appointed to serve as a watch dog of the merit system.[15]

The Nevada merit system organization follows the pattern originated in New York in 1883 and Massachusetts in 1885; that is, a multi-headed board, appointed by the Governor, which in turn names the operating director.[16] This form is the result of the negative philosophy of excluding incompetents; the commission, therefore, was at that time the fairest device for screening applicants and hence was established to administer the program. With the change in philosophy toward a positive personnel program, a new form of organization was required. In many States a single director, appointed by the Governor, was established to administer the program with the aid and advice of a citizens' advisory board. Such a change makes the Governor more immediately responsible for a personnel program which affirmatively seeks, in accordance with the principles of good personnel management as cited above, to attract and retain the best available talent for the public service.

The Nevada State Merit Board has neither the organization nor the powers necessary for the development of an affirmative personnel program. In addition to the fact that the commission form of organization does not lend itself to effective personnel management, the present structure in Nevada is open to the further criticism that the present Merit System Supervisor is also the Chairman of the State Merit Board. This would appear to be contrary to the intent of the Legislature in creating the position of Merit System Supervisor under the authority of the State Merit Board. Under the present system, the same person as chairman of the State Merit Board exercises control over himself as Merit System Supervisor. This irregularity in the top-level administration of the merit system does little to further the respect of State employees for the State Merit Board or for the merit system as a whole. In addition, the Merit System Supervisor has not taken a formal, competitive examination for his position, since none was required under the 1939 law, and the provisions of the 1945 law are in conflict on the matter.

Management of a progressive personnel program requires the services of a full-time director. The Merit System Supervisor in Nevada is only a part-time employee, who devotes no more than half his time to this position. Under such circumstances, it is well-nigh impossible for the personnel agency adequately to carry out those responsibilities which an affirmative program requires.

ALLOCATION OF DUTIES WITHIN THE MERIT SYSTEM

The duties of the Merit System Supervisor under the State Merit Board are set forth as follows:

> To outline examination procedures; to administer the tests, score papers, and establish the list of eligibles; to control the registers and make certifications therefrom; to certify pay rolls; to prepare budgetary estimates for merit system maintenance; to enforce merit principles in selection

[15]The President's Committee on Administrative Management, *loc. cit.*
[16]Civil Service Assembly of the United States and Canada, *loc. cit.*

> of personnel; to aid in developing policies of personnel administration, and to act as a review tribunal advising on dismissals, demotions, disciplinary actions, etc.[17]

Many personnel functions are delegated to the operating agencies:

> Preparation, installation, and administration of classification and compensation plans; rules governing promotions, transfers, salary advances, leaves, etc.; the initiation of in-service training programs; the maintenance of efficiency records; and the enforcement of disciplinary measures.[18]

Though these functions are performed by the agencies, "the board generally has the right to approve, and in all cases the technical staff of the board is ready to act in a consultative capacity."[19] Many functions which must be performed by the personnel agency if it is to carry out effective an over-all personnel policy have been assigned to the operating departments. This is a result of that philosophy which holds that the primary duty of a personnel agency is to screen applicants for public employment. This philosophy is now considered out of date, as indicated by the establishment in other States of an increasing number of organizations capable of promoting affirmative personnel administration as an instrument of effective executive management. This change in philosophy toward positive responsibility for the attraction and retention of qualified personnel renders obsolete the present allocation of functions in Nevada between the State Merit Board and the operating agencies.

THE PUBLIC EMPLOYEES' RETIREMENT BOARD

Prior to 1947, only certain classes of public servants enjoyed the benefits of a retirement system, namely, public-school teachers and the employees of the University of Nevada. Their retirement system was financed by employer and employee contributions plus a special tax levied by the State. Instead of altering the existing systems, the 1947 Legislature merely added a new plan to cover all other State employees, together with those local-government employees who elect to come under the plan. Unless two-thirds of the employees of a political subdivision vote to remain outside the system, all the employees of that county or municipality are automatically included. The law further requires consent by the public employer to participation in the plan. Included also are provisions which seek to promote the integration of the existing retirement systems into the new plan.

Administration of it is placed under the jurisdiction of a five-man board appointed by the Governor. The board in turn names an Executive Secretary to act as operating administrator for the system. Although it is too early to evaluate the effectiveness of this organization, the board appears to be carrying out its functions ably. The work of the Retirement Board should, however, be integrated with that of the merit board. This is made difficult simply because the retirement board is located in Carson City, whereas the merit board is located in Reno.

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17 *Annual Report of the Nevada State Merit Board, 1947*, p. 2.
18 *Loc. cit.*
19 *Loc. cit.*

THE HIGHWAY DEPARTMENT PERSONNEL ORGANIZATION

Although the Highway Department has over six hundred employees, its personnel organization consists of an engineer of personnel and a small staff. He is responsible to the Assistant Highway Engineer for Supervision. Among his personnel duties are the hiring (as distinguished from affirmative recruitment) of new employees, the application of the classification scheme to them, and the conduct of employee relations to a limited degree. The Highway Department represents the best illustration of the personnel organization of the largest non-merit operating department. From the point of view of the essentials of a personnel system, its program falls far short of adequacy.

RECRUITMENT, TESTING, AND TRAINING

Merit System. Any recruitment program is likely to run into serious difficutly during a period of prosperity because of the low wage scale suffered by the State and the resulting scarcity of available personnel. Although the merit board operates recruiting facilities for the departments under the system, several of these departments have found it necessary in the past few years to recruit their personnel directly. In the past two years, the Health Department, which hired nineteen additional employees, recruited seventeen of them itself.[20] This tends to indicate that the State Merit Board is not carrying out a very vigorous program of seeking to attract capable people into the public service. If the Health Department is able to secure qualified employees by direct recruitment, the Merit Board should have been able to secure equally qualified employees. Admittedly, health department workers are more likely to have personal contact with others in the field of health and hence may be better able to recruit. However, the central personnel agency should seek qualified health personnel by maintaining close contact with schools of public health and professional societies in the field. If it is unable properly to perform its duty of affirmative recruitment, the whole personnel program suffers accordingly. Classification plans, promotion systems, morale-building devices, and all the other functions of a personnel office become considerably less valuable in the absence of an effective recruiting system. The present system of central recruiting falls far short of producing results which would enable the operating departments to cease their own recruiting functions.

The Merit Board uses the tests recommended by the Federal Social Security Board in selecting applicants for employment within the agencies covered by the system. A continuing reevaluation of the tests is recommended to insure that they remain valid. An adequate staff should concern itself with the development of a complete set of tests particularly applicable to Nevada.[21]

No formal training program, either pre-entry or in-service, is required by the Merit Board, although some of the operating agencies do carry on an independent program.

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[20]Conference with Mr. John Sullivan, Personnel Officer, State Health Department, August 12, 1948.

[21]No detailed analysis of the testing procedure used by the State Merit Board has been made in this report.

Nonmerit Agencies. There are no recruitment, testing, or training programs carried on by the nonmerit agencies. Although they hire many people, there is no affirmative recruitment program to unearth the best available talent.

CLASSIFICATION AND PAY PLAN

Merit System. Because the individual departments establish their own compensation plans for the various grades and classes of employees, serious and unjustifiable discrepancies in salary ranges have resulted. The specifications for clerk-stenographer are exactly the same for all the merit-system departments, yet the salary range is different in the Employment Security Department, the Division of Child Welfare Services, and the Division of Public Assistance, both of the latter being in the State Welfare Department.[22] In the Employment Security Department, the salary for clerk-stenographer ranges from $200 to $250 per month for a forty-hour week. In the Division of Public Assistance, however, the salary ranges from $190 to $240 a month. The salary in the Division of Child Welfare Services is different from either of these. It ranges from $175 to $225.

A similar discrepancy in salary ranges exists for secretaries. In the Employment Security Department salaries range from $225 to $285, in the Division of Public Assistance from $215 to $275, and in the Division of Child Welfare Services from $200 to $260, all for the same work week.

One of the major purposes of a classification plan is to establish the framework for a uniform pay scale, providing the same pay for the same work week.

The classification system adopted by the operating departments achieves uniformity in the description of the positions which are common to them all. This uniformity is the result of cooperation among them in drawing up the specifications. Similar cooperation and consultation appears to have been lacking in drawing up the pay plans, as indicated by the different salary ranges for the same position. This has been done in spite of rule V, section 1 of the "Regulation for Personnel Administration," which states that "where common registers are employed, the classes of positions concerned shall, as far as practical, have the same salary ranges.[23] The risk of such discrepancies is always present when compensation plans are drawn up individually by each department instead of by a central personnel agency. Different salaries for the same job make it difficult for the agencies paying lower salaries to compete with the others in the recruitment of personnel. These discrepancies have already created a serious morale problem, which brought about a salary survey by the Legislative Counsel. As a result, the degree of discrepancy was reduced somewhat, but inequities have not been altogether eliminated.

Nonmerit Agencies. The Highway Department is the only nonmerit agency which has a complete classification plan, adopted in accordance with the recommendations of the American Society of Civil Engineers. Although the plan itself is excellent, it is not closely

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[22]See *Regulation for Administration of Merit System* (Compilation of Statutes and Rules and Regulations), *passim.*
[23]*Regulations for Merit System*, p. 8.

followed in the assignment of positions. For example, there are no employees with clerical classifications;[24] such employees are classified as "engineering aides" in order that they may be paid more than the legal amount paid those doing similar work in other departments. Such a policy enables the Highway Department to recruit personnel when other departments are unable to do so. Further, it has enabled them to entice employees away from other departments. These practices do little to promote the morale of all State employees.

Another problem is the lack of uniformity in the work week. At the present time, the length of the week varies from thirty-three hours to forty hours to forty-eight hours, depending upon the department. Although some variation may be necessary, efforts should be made to achieve a work week of uniform length.

PROMOTIONS, TRANSFERS, AND DISCHARGES

Merit System. The final authority over, and responsibility for, promotions, transfers, and discharge policies rests not with the Merit Board but with the operating departments. This has hindered the growth of a uniform program. An attempt to assure uniformity of promotion is made by requiring examinations for advancement to the next higher grade.

The fact that each department operates, for personnel purposes, virtually as an independent unit is an obstacle to the development of an over-all interdepartmental transfer policy. Where a reduction in force is made within a department, no opportunity exists for determining whether there are vacancies available in other departments to which employees may be transferred. This defect may cause the State unnecessarily to lose the services of a highly competent worker.

Under the merit system, an employee may be discharged only for cause, and, in such an event, adequate provisions are made to protect him from arbitrary action. He has the right of appeal to the Merit Board on the question of whether the discharge was for cause. This right of appeal promotes uniformity in the interpretation of what actions constitute just cause for discharge. The concept of just cause does not apply to any reduction in force. However, the regulations provide that a formula be established by which the order of separations is to be determined. Since the first such reduction is now taking place in the Employment Security Department, the formula is in the process of being developed.

In the promotion, transfer, and discharge of personnel, service ratings should play an important part. This has not been the case in Nevada, possibly because the form has not been used properly, and hence the results have not been especially reliable. In the Health Department, virtually all the employees have in the past been graded as "excellent," so that recently no ratings have been made at all. Out of 102 employees in the Employment Security Department as of June 1948, fifty-three were rated as "excellent," while none were rated as either "below average" or "unsatisfactory." The Merit Board has done little to encourage the appropriate maintenance of these records.

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[24] *Qualifications–Salaries–Titles for State of Nevada, Department of Highways Personnel* (October 1947), p. 2.

Nonmerit Agencies. In none of the nonmerit agencies are there any formal procedures and regulations concerning promotions, transfers, or discharges. Even in the Highway Department, where there is an Engineer of Personnel, completely adequate procedures and regulations do not exist to promote equality of treatment. For example, promotions are made solely on the basis of recommendations, without the further requirement of an examination. Transfers are handled in a highly informal manner. Discharges are made by the operating heads without any formal right of appeal.

EMPLOYEE RELATIONS AND MORALE

Merit System. The regulations establish no formal machinery for handling employee relations and maintaining morale. The mere existence of a merit system, with its incentive and security provisions, is itself an important factor in the development of morale. However, a complete personnel program should include provisions for positive action toward maintaining an *esprit de corps* through personal consulting, educational encouragement for advancement, and the arrangement of outside activities, such as picnics, dances, ball games, and the like. Although these activities are carried on to some extent within each department, they are not institutionalized, that is, there is no central organizational direction behind it.

Although many factors affect the rate of turnover in an organization, it is, nevertheless, a good indication of the state of morale. The rate of turnover should be sufficient to prevent stagnation, but not so great as to reflect dissatisfaction with the organization.

> A turnover not exceeding 10 or 12 percent would by most be regarded as desirable for the purpose of bringing in fresh blood and preventing the hardening of caste; if, on the other hand, the annual turnover reaches 20 or 30 percent, one may fairly assume that employment conditions are bad.[25]

In the past two years the turnover in the merit agencies has averaged 30.5 percent per year. The breakdown among the individual agencies over the two-year period averages as follows: Division of Public Assistance, 20 percent; Division of Child Welfare Service. 40.5 percent; Department of Health, 22.5 percent; and Department of Employment Security, 34.5 percent.

TABLE I

Average Rate of Turnover, Merit Agencies, 1946-1948

Department	Total employees at present	Number employed two years or less	Rate of turnover for 2-year period	Rate of turnover average per year
Division of Public Assistance	25	10	40%	20 %
Division of Child Welfare Services	11	9	81%	40.5%
Department of Health	42	19	45%	22.5%
Department of Employment Security	120	83	69%	34.5%
Average	198	121	61%	30.5%

Source: Taken from salary survey made by Legislative Counsel Bureau, 1947.

Despite the existence of a postwar full employment period, these figures indicate that much remains to be done toward building an *esprit de corps.*

[25] Walter K. Sharp, *The French Civil Services; Bureaucracy in Transition,* as quoted in Mosher and Kingsley, *op. cit.,* p. 341.

As has been mentioned previously, the differences in salaries paid for the same work causes a morale problem. Steps should be taken as soon as possible to relieve this unfortunate situation.

Nonmerit System. There are no formal channels in the nonmerit agencies for developing morale and employer-employee cooperation. Existing informal devices, such as the suggestion box, coke fund, and annual picnic, all of which exist in the Highway Department, should be used as the basis for the further formal expansion of a program of improved employee-employer relations and morale.

RETIREMENT

In the retirement system, there is no distinction between merit and nonmerit employees, since the same provisions apply to both. The 1947 law applies to all State, city, and county employees except those who already have an established system. If two-thirds of the employees of a particular city or county choose not to participate, the plan does not apply to them. The law also provides that the public employer must agree to participate in the plan. Methods are established by which the existing retirement systems are to be integrated with the new plan.

On the whole, Nevada's retirement provisions are more generous than those of most States. Effective in 1949, employees may retire at the age of sixty, after twenty years of service. Police and fire employees may retire at fifty-five after twenty years of service. Most States require that one be sixty-five, with a record of twenty-five or thirty years of service, before retirement benefits become available. The law intended that the plan be actuarily sound in that contributions were to be based upon an estimate of future liabilities. Once every five years, an actuary was to evaluate the financial soundness of the plan. The Attorney General has ruled, however, that the rates need not be based on the recommendations of an actuary; otherwise, the intent of the Legislature to establish a retirement system could not be accomplished. Actuarial requirements would result in rates which would make it impossible to set up the system.[26]

It is difficult to have an effective retirement system without also having a merit system. Examination of employment records illustrates this by the fact that only one percent (1%) of the present employees of the State have been in service long enough to be eligible for retirement even if the system had been inaugurated twenty years ago.[27]

RECOMMENDATIONS[28]

These recommendations, based on an examination and analysis of the preceding problems, are presented in an attempt to solve them. Solution of them will promote more effective government management

[26]The desirability of an actuarily sound retirement system is not within the scope of this report.

[27]Conferences with Harry S. Allen, Director of the Nevada Taxpayers Association, *passim.*

[28]In this section, *A Model State Civil Service Law,* prepared and published by the National Civil Service League, the Civil Service Assembly of the United States and Canada, and the National Municipal League, is adapted to the problems found in Nevada.

by providing the Governor with the qualified personnel necessary to administer the system as reorganized in Chapter III.

COVERAGE OF THE PERSONNEL SYSTEM

The merit system will be extended to cover all State employees except the following:

1. The State Legislature and other popularly elected officers.
2. Members of boards and commissions and heads of departments, appointed by the Governor, other than the director of personnel.
3. One principal deputy and one private secretary for each board or department head other than the civil service commission and the director of personnel.
4. Not more than three assistants in the office of the Governor.
5. Judicial, military, or temporary technical personnel.
6. Officers, members of the teaching staff, and student employees of the University of Nevada.

ORGANIZATION OF THE PERSONNEL SYSTEM

The organization will consist of (1) a State Merit Board of three members appointed by the Governor; (2) a director of personnel, in the office of the Governor, who shall be experienced in the field of personnel administration and in sympathy with the application of merit principles in public employment. He is to be appointed by the Governor subject to the provisions of the merit law; (3) a public employees' retirement board consisting of the State Merit Board ex officio, the Governor as representative of the employer, and a representative of the employees.

The duties of the State Merit Board will be (1) to represent the public interest in the improvement of personnel administration; (2) to advise the Governor and director on personnel problems; (3) to make any investigation which it may consider desirable concerning the administration of personnel and to make recommendations to the director; (4) to approve rules and regulations prescribed by the director; (5) to serve as a board of appeals; and (6) to serve on the retirement board.

The duties of the director will be(1) to apply and carry out the merit law and the rules adopted under it; (2) to act as Secretary of the Merit Board; (3) to establish and maintain a roster of all State employees containing the class title, the salary, and other pertinent data; (4) to develop programs for the improvement of employee effectiveness, including training, safety, health, counseling, and welfare; (5) to assist the operating department in the development of effective personnel administration; (6) to prescribe rules for the classified service which shall have the effect of law. These rules include provisions for position classification, pay plan, open competitive examinations, promotions policy, the appointment of the persons standing among the highest three on the appropriate eligible list, a probation period, temporary appointments, maintenance and use of service records, separations, and other conditions of employment; (7) certification of pay rolls; and (8) the administration of the retirement program.

The present staff of the Public Employees' Retirement Board, consisting of two clerks and the executive secretary, will be transferred to the office of the Director of Personnel. With the transfer to this office of the personnel now employed by the State Merit Board, Nevada will be able to carry on, at no additional cost, a more complete personnel program than can be achieved by the present independent agencies.

THE APPOINTMENT OF THE DIRECTOR OF PERSONNEL

The appointment of the director by the Governor is based upon the philosophy which holds that a positive and complete program is the responsibility of the personnel office. To carry out this responsibility, the director must have the prestige and authority of the Chief Executive behind him. Through a personnel director in the executive office, the Governor can more adequately fulfill his responsibility for the development of an affirmative personnel program.

RESPONSIBILITIES OF THE PERSONNEL SYSTEM

Recruiting, Testing, and Training. The Statewide recruiting program will make it unnecessary for operating departments to concern themselves with the problem of obtaining qualified personnel. This will be one of the major duties of the Director of Personnel. Opportunities in the State service will be publicized as widely as possible through such media as radio, newspapers, and announcements in post offices, court houses, and other public places. As a means of attracting potential top-level executives, the director will maintain close contact with universities and professional societies.

Once a complete classification plan is drawn up, a series of tests will be developed to examine an applicant's qualifications for any position in the classified service. Though all available testing sources should be used, the examinations will be adapted to the particular requirements existing in Nevada. Special emphasis will be placed on the development of personality tests for the higher administrative posts.

A formal training program should be an essential function of the Nevada personnel system; yet none exists at present. Arrangements will be made with the University of Nevada for the development of a pre-entry training program for persons interested in the Nevada public service. Once employed, an applicant will be given more detailed and specific training in the duties of the position for which he was hired. In order to fill as many higher-ranking positions as possible from the lower levels of the service, the Personnel Director will develop a comprehensive program of training for promotions. Thus, every State employee will have the opportunity to rise as high in the service as his capabilities will permit.

Classification and Pay Plan. The present classification plan will be extended by the State Merit Board to cover any additional positions to which it may be applicable. Specifications will be developed for new positions not now covered. In the resulting comprehensive scheme, every position in the classified service will have its class title, description of duties, and grade.

The central personnel office will be responsible for the development of a uniform pay plan applicable to all positions under the merit system. Under the present arrangement, all merit system departments install their own pay plans, with the result that salaries for the same position vary from one department to another. A uniform pay plan as developed by the director of personnel will relieve this serious and unfortunate situation.

Promotions, Transfers, and Discharges. In spite of the screening process to be carried on by the personnel office, some misfits will inevitably slip through. A one-year period of probation is a safeguard against permanent admission of unsuitable candidates. It is also a check on hasty or ill-timed promotions. Proper use of the service rating is an invaluable aid in recommending promotions, transfers, and discharges. By pointing out shortcomings, it helps employees to improve themselves and thus render themselves more eligible for promotion. The risk of discharge resulting from a poor service rating reduces the possibility of an uncooperative or incompetent individual's remaining in the service.

Employee Relations and Morale. The coverage of the present grievance procedure will be extended to include all departments which will be brought under the merit system. The Director of Personnel will work closely with departmental personnel officers in the formulation of a positive morale program. This might include the establishment of a suggestion box and funds for various social activities. It *should,* however, include the encouragement of health and welfare programs, such as group health insurance.

Retirement. The present retirement system represents an important step toward the establishment of a complete personnel program. It is considered so vital that it is retained, although, as presently constituted, it is not actuarially sound. In order that it be sound, prohibitive rates would be required. Nonetheless, the plan is financially solvent because the turnover of personnel is so high that only a limited number of employees remain long enough to retire.

Conclusions. In his relations with the operating departments, the Director of Personnel will act in a staff capacity. He will have power only to advise and recommend. Since he is an "extension of the Governor's personality" and is located in the executive office, his suggestions will have the authority of the Governor behind them. He will be the person primarily responsible for the formulation of the entire personnel program. Through his control over the director and hence over the program, the Governor will possess one instrument essential to effective executive management.

CHAPTER V

THE ADMINISTRATION OF FINANCE

Some integration of fiscal functions is a necessary condition for effective government management. The alleged problem of adequate controls, however, is more apparent than real. The final investigation and authorization of budgetary requests is primarily the duty of the Legislature. On the other hand, the executive is responsible for the formulation of the budget and the supervision of expenditures as appropriated. Once this division of responsibility is achieved, integration of the financial duties of the executive can be carried out consistently with ultimate legislative control.

The administration of finance is treated in greater detail, apart from the general administration, because of its importance to the operation of every department and thus to the total organization and functioning of the State government. Furthermore, where money is involved, greater and more specific safeguards are necessary to eliminate any opportunity for mismanagement of funds. At present, there is no indication of any intentional misuse of funds. However, many financial practices which have become well-established in Nevada raise serious questions as to their desirability. After analysis and evaluation, this chapter recommends the elimination of such practices and the installation of those desirable methods and procedures now lacking in Nevada.

THE MAJOR FISCAL AGENCIES AND THEIR DUTIES[1]

There are five major agencies concerned with various phases of financial administration, namely, the offices of the Controller, Treasurer, and Auditor, the Board of Examiners, and the Tax Commission.

THE CONTROLLER

The Controller is the chief disbursing officer of the State. No money can be paid out of the treasury except on a warrant approved by him. However, old-age benefits and unemployment compensation are paid directly by the Department and the Treasurer. In addition, the Highway Department and Public Service Commission have revolving funds out of which the former pays its salaries and the latter pays its travel and incidental expenses.

The Controller must set up books of accounts showing all transactions between the State and the departments, institutions, counties, and Federal government. An account is kept for every department and State institution, showing the amount of its legislative appropriation and the amount dedicated to it from its special tax source. As claims are submitted, the Controller pre-audits them, draws the warrants, and deducts the amount from the balance of the particular

[1]See Chapter III for appropriate constitutional and statutory citations dealing with each of the following offices.

department. He may, however, refuse to issue a warrant for any expenditure which he considers illegal. No provision is made for the deduction of encumbrances[2] from the total amount available for expenditure by a department. This is left entirely to the departments themselves. The books are not set up so as to limit the amount of the appropriation which a department may spend in a given period. That is, there are no allocation[3] controls.

After receiving claims from the Board of Examiners, the Controller performs an informal pre-audit. He looks over the claims and disallows obviously unauthorized ones. Because of the informality of the pre-audit, it is possible for a warrant to be drawn and authorized for payment though there is no money in the account on which it is authorized.

Due to the lack of a machine-accounting system, the Controller's office is overburdened at frequent intervals.[4] During these periods the office is unable to cope with the demands for its services. Since all checks drawn in the Controller's office are individually typed, the office has arranged with the Highway Department to have old-age assistance checks written by the latter's IBM machines. With the possible expansion of the Basic Magnesium Project resulting in an increased pay roll, the Controller expects that the drawing of these pay checks will be transferred to the Project because of the inability of his office to handle them promptly enough. Unless the Controller's office can be more adequately equipped to cope with the State's expansion, it could gradually lose many of its major fiscal-control functions.

THE TREASURER

The Treasurer is the custodian of the public funds. He deposits them to the credit of the State in open account, subject to check without notice, in any State or National bank in Nevada. The depository bank handles State transactions without charge. All funds deposited by the State must be secured by bonds valued at 10 percent more than the amount deposited. The Treasurer is also the custodian of Federal grant-in-aid funds and trust funds for such purposes as Old-Age Assistance, Unemployment Compensation, and State Retirement and disability benefits.

THE AUDITOR

Though responsible to the Governor, the Auditor has the duty of conducting a post-audit of all moneys received by the executive departments. As actually performed, the post-audit amounts merely to a balancing of the books. This check consists of a comparison of the office copies of the receipts with the total amount deposited in the treasury. Since most receipts are not numbered, the Auditor has no way of knowing whether the office copies of the receipts represent the total number issued. No spot check of original receipts issued is made in order to ascertain whether the amount on the original corresponds to the amount on the office copy.

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[2]*Encumbrances* are liabilities which have been incurred but are not yet payable.
[3]*Allocations* are the amounts apportioned to the departments for a given period.
[4]Conference with Mr. Donald Riddell, Deputy Controller, August 20, 1948.

No post-audit of expenditures is conducted by any agency. There is no check to determine whether money requested for a particular purpose has actually been spent for that purpose. For example, if the Legislative Counsel Bureau had received approval for the purchase of a desk, there would be no verification made to see whether the desk had actually been purchased. Although an annual inventory might be one form of control, a comparison would have to be made between it and the purchase orders. On other expenditures, such as salaries, travel, and noninventory supplies, the only effective control is through a spot-check after the expenditure has been made.

THE BOARD OF EXAMINERS

The Board of Examiners, as a constitutional board consisting of the Governor, Attorney General, and Secretary of State, must examine and approve all claims against the State before they may be paid. By statute, the Auditor is made Secretary of the Board of Examiners and thus is given day-to-day responsibility for the examination and approval of claims. In practice, this pre-audit consists essentially of a mathematical computation by a clerk in the Auditor's office.

THE TAX COMMISSION

The Tax Commission is the chief collection agency of the State. It collects major taxes on liquor, gambling, cigarettes, gasoline, and property. Some of these are paid directly to the commission, while others are gathered locally and then turned over to it. Its duties include the initial valuation and classification of all interstate and intercounty property, such as railroads, power companies, motor transport companies, livestock, and motor vehicles. As a Board of Equalization, it reviews the tax rolls of the counties and has the power to raise or lower and thus "equalize" and establish the cash value of the property. In addition, it has the power to examine county budgets.

The commission consists of seven members, including the Governor as chairman. One of the others is by law the appointive member of the Public Service Commission and is the one who devotes all his time to the public service. One is versed in the classification of land and its value, one in livestock, one in mining, one in business, and one in banking. Each of the commissioners appointed by the Governor must be actively engaged in the occupation which he represents.

The Secretary of the Tax Commission is charged with the preparation of the budget. His duty is to compile the appropriation requests as they are submitted by the departments. He consults with the Governor, who then takes personal charge. After estimated expenditures have been computed, the future income from the various excise taxes is calculated. The difference, which must be raised by the property tax, determines the tax rate and the proportion of income to each fund.[5]

[5]The following funds are partially supported by the property tax levy: Contingent University Fund, University Public Service Division Fund, Public School Teachers' Permanent Fund, Bond Interest and Redemption Funds, Old-Age Assistance Fund, Board of Control Repair Fund, University of Nevada Retirement Plan, General Fund. See chap. 279, Stats. 1947.

OTHER TAX COLLECTION AGENCIES

Several other State agencies also collect revenue. The Secretary of State collects incorporation fees and, as Motor Vehicle Commissioner, he receives automobile registration fees. Responsibility for the collection of income from the issuance of drivers' licenses rests with the Drivers' License Division of the Highway Department. The State Bank Examiner collects all charges for licenses enabling banks to do business within the State. Additional premium taxes and license fees are collected from insurance companies by the Controller in his capacity as Insurance Commissioner. Numerous specialized taxes and fees are collected by the appropriate regulatory agencies.

STANDARDS OF FINANCIAL ADMINISTRATION AS APPLIED IN VARIOUS STATES

In order to assure greater safeguards in the handling of finances, many States provided for the independent election of the major fiscal officers. The resulting disintegration became more serious as the States' fiscal problems became more complex. For example, as additional sources of revenue were made available, new agencies were created to tap them; hence, a multitude of agencies devloped to operate in the financial area. The existence of this host of offices gave rise to inefficiencies which led to demands for improvement. Experimentation resulted in the development of standards which have now become generally accepted and applied in various States.

FINANCIAL ORGANIZATION

Scope. A complete organization should be responsible for the performance of all essential financial functions, such as the preparation, adoption, and execution of the budget, the collection and custody of revenue, disbursement, purchasing, accounting, and auditing. Most States perform these functions to some extent, but usually not through a separate financial organization. The State of New York, however, is one of the few which provides effectively for the performance of them all.

LEGISLATIVE AND EXECUTIVE FINANCIAL FUNCTIONS

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. The only serious confusion has been with respect to the function of checking on the execution of the budget. In most such cases, this post-audit has been performed by an officer appointed by the Governor. 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. A significant step toward remedying the situation has been taken by Texas. In 1943 it was provided that the auditor be chosen by the

State Legislature through a joint legislative committee, the choice of said auditor to be subject to Senate approval.[6] In Tennessee, the Legislature appoints the Comptroller, whose sole function is the conduct of the post-audit.[7]

FISCAL CENTRALIZATION

> The private consulting agencies which make surveys and formulate recommendations for the reorganization of governmental units favor, almost unanimously, the integrated department of finance. * * * The unified department of finance would contain bureaus or divisions charged with carrying on the principal financial activities of the government. It would be headed by a single officer, either a director of finance or the Comptroller, responsible directly to the chief administrative officer. It is said that such an arrangement is directed by sound practical considerations and experience, not by doctrinaire theory. Executive authority is strengthened; and there is a resulting tendency to eliminate red tape, prevent losses through bad management, and curtail extravagant expenditures on the part of the operating departments. Cooperation of formerly independent units facilitates that degree of coordination essential to planned expenditure.[8]

For some time, the payment of funds has been centralized to a considerable extent. Only recently, however, has there been a drive to centralize the receipt of funds. In 1937 Kentucky established a Department of Finance and placed under its jurisdiction budgeting, accounting, purchasing, and personnel.[9] Illinois in 1943 passed a far-reaching tax administration statute.[10] A newly created Department of Revenue replaced the Tax Commission, which had operated independently though nominally under the Department of Finance. The Department of Revenue also assumed the tax duties formerly handled directly by the Department of Finance.

FISCAL DUTIES

"The activities included in financial administration are (1) accounting and internal audit, (2) the collection, disbursement, and custody of governmental funds, (3) budgeting, (4) purchasing and storing, (5) assessing, and (6) post-auditing."[11]

> *Accounting and Internal Audit.* Accounting systems serve financial management by (a) providing information concerning revenues and expenditures in prior years which may guide budget planning; (b) furnishing information for current control of expenditures; and (c) supplying data for

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[6]James W. Martin, "Tax Administration and the Control of Expenditures," *The Book of the States, 1945–1946* (Chicago: The Council of State Governments, 1945), p. 217.

[7]*The Book of the States, 1939–1940* (Chicago: The Council of State Governments, 1939), p. 70.

[8]John M. Pfiffner, *Public Administration* (New York: The Ronald Press Company, 1946), pp. 354, 355.

[9]*The Book of the States, 1939–1940, loc. cit.*

[10]Martin, *op. cit.*, p. 211.

[11]C. H. Chatters and I. Tenner, *Municipal and Governmental Accounting* (New York: Prentice-Hall, Inc, 1940), p. 24.

reports to finance officials, the governors, and the public.[12]

One of the most important duties of the chief accounting officer is the establishment of uniform accounting methods and forms. A uniform accounting system enables each department to be seen in its proper perspective within the entire financial structure. Another important duty is seeing that the State receives all funds to which it is entitled and that all receipts are properly accounted for. An adequate accounting system should be able to provide an accurate statement of the financial condition of the State at any given time.

The internal audit, or pre-audit, consists of a check on the legality of a requested expenditure and on the availability of funds to meet it. When a claim is presented, an effective pre-audit will see whether money has been appropriated for the particular purpose and, if so, whether it has already been spent or committed.

Under the leadership of Governor Frank Murphy, Michigan in 1937 sponsored a number of reforms, including the installation of a comprehensive budget and accounting system.[13] During the past two years, Arkansas, Indiana, Missouri, Oklahoma, and Vermont were among the States which have made major revision in their accounting systems.[14] In 1942, Louisiana established a Department of Finance, which had as one of its prime responsibilities the conduct of an effective internal audit.

COLLECTION, DISBURSEMENT, AND CUSTODY OF FUNDS

Among the duties involved in the collection, disbursement, and custody of funds is the maintenance of transaction records. This agency is responsible for receiving and depositing daily all cash turned over by other departments or by the public, recording the amount and source of each receipt, and promptly reporting all receipts to the appropriate accounting officer. Disbursements should be made only after a careful pre-audit followed by the warrant of the chief accounting officer.

The centralization of disbursements was followed by a trend toward the centralization of collections. Minnesota in 1939 consolidated tax collections.[15] In 1941 Michigan established a Department of Revenue and transferred the administration of certain taxes from other State agencies to the new department.[16] As part of its major fiscal reorganization of 1941, Colorado created a Department of Revenue to serve as a central collection agency.[17] Maine in 1945 transferred the collection of most State taxes from the Treasurer to the Bureau of Taxation. In 1947, the collection of the inheritance tax was also transferred to the bureau.[18] Under the provisions of the "*Financial Reorganization Act of 1947*," the Indiana Legislature created a Department of Revenue. Progress was made toward unified tax

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[12]Vera Briscoe and James W. Martin, "Finance Management," *The Book of the States, 1948–1949* (Chicago: The Council of State Governments, 1948), p. 182.

[13]*The Book of the States, 1939–1940, loc. cit.*

[14]V. Briscoe and J. W. Martin, *op. cit.*, p. 182.

[15]Lloyd M. Short, "State Administrative Reorganization," *The Book of the States, 1945–1946*, pp. 142, 143.

[16]*Loc. cit.*

[17]J. C. Bollens, *Administrative Reorganization in the States Since 1939* (Berkeley: University of California Bureau of Public Administration, 1947), pp. 19–21.

[18]Briscoe and Martin, *op. cit.*, pp. 176, 177.

management by placing under it the administration of the gross income, inheritance, intangibles, store license, and motor fuel taxes.[19]

BUDGETING AND POST-AUDITING

Proper bugeting requires the following activites:

1. The call for estimates. This includes the preparation of complete and detailed forms by the budget office for the use of the departments in presenting their appropriation requests.

2. The review of estimates submitted. This includes the holding of hearings at which each department must justify its requests to the budget officer.

3. The formulation of the budget document. This includes a statement of the financial policy of the present administration, total estimates of revenue and expenditures of all[20] executive agencies, together with supporting schedules, and the drafts of appropriation bills necessary to enact the budget into law.

4. The submission of the budget to the Legislature. This includes consultations with legislative committees on explanation of the budget and in support of the requests.

5. The authorization of the budget. This includes the passage of the appropriation bill embodying the budget as amended by the Legislature.

6. The execution of the budget. This includes the requirement by the budget officer that each department submit to him a work program of its proposed operations for the next biennium based upon its legislative appropriation. The budget officer will then allocate quarterly to each department a proportion of its appropriation sufficient to enable it to carry out its program. Finally, he will see to it that the work program is carried out. In his relations with the departments, he may recommend changes looking toward more efficient administration.

7. The post-audit. This includes an audit of all executive transactions, both revenue and expenditure, by an officer independent of the executive and directly responsible to the Legislature. It is his duty to check the internal audit and to see whether actual expenditures conform to those stated on the claims.

In its fiscal reorganization of 1941, Colorado placed The Division of Budgets in the Executive Department and provided that the division head be appointed by the Governor. He was given the duty of studying the organization and administration of departments, institutions, and agencies, investigating work duplication, formulatng plans for better and more effectve management of departments, and providing the Legislature with monthly or quarterly estimates of income and cost figures on current operations.[21] In this same reorganization Colorado made provision for a post-audit by an official independent of the executive.[22]

In the Wyoming budgets prior to 1945, little attention was given to funds other than direct appropriations. In the 1945–1946 and

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[19] *Loc. cit.*

[20] Effective budgeting requires that all expenditures be approved by the budget officer. Earmarked funds and continuing appropriations prevent this.

[21] Bollens, *loc. cit.*

[22] *Loc. cit.*

1947–1948 biennial budget reports, however, complete coverage of maintenance income, grants-in-aid, and earmarked funds was incorporated.[23] Nebraska, Utah, and Michigan also report improvements in compiling budget information which have made their documents more complete in coverage.[24]

Like Colorado, Tennessee, and Texas, Rhode Island has also sought to preserve the independence of the auditor. The Rhode Island Administrative Act of 1939 requires that personnel performing post-audits are to be hired by the finance committee of the House of Representatives and that "said accountant or accountants shall be entirely independent of the state administration whose affairs they are called upon to audit."[25]

PURCHASING AND STORING

Purchasing and storing are so closely related that they are here treated together. The activities associated with centralized purchasing include the calling for bids where purchases are made through competitive bidding, the approving of the best bid, the placing of the order, the testing of the materials for conformity with specifications, the maintenance of proper storage facilities, the maintenance of perpetual inventory records, the keeping of records of vendors, commodities, and prices, and the studying of market conditions with a view to taking advantage of favorable prices.[26]

> A survey of state purchasing activities indicates a definite trend toward scientific purchasing methods, and a more rational organization of state purchasing agencies.
>
> The theory of centralized purchasing is accepted in business and in state and federal government as an axiom for economical and efficient administration. Forty-two of the forty-eight states have developed centralized purchasing systems of three types. In no less than eighteen states, purchasing agencies function in a unified finance department which includes not only purchasing activities but also budgeting and accounting. The second general type of purchasing system appears in nine states where its operates under and reports to an administrative board. In the remaining fifteen states, the central purchasing agency either has separate departmental status, operates within the executive department, or is an independent office reporting to the governor.[27]

Louisiana, with a unified Department of Finance covering budgetary, accounting, and purchasing activities, illustrates the first type of central purchasing system.[28] In Michigan, the purchasing director is responsible to the Purchasing Committee, a division of the State Administrative Board. This organization illustrates the second type of central purchasing system.[29] In Georgia, the Office of Supervisor

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[23]Briscoe and Martin, *op. cit.*, p. 180.
[24]*Loc. cit.*
[25]*Rhode Island Administrative Act (1939)*, sec. 74, as cited in Bollens, *op. cit.*, p. 35.
[26]Chatters and Tenner, *op. cit.*, p. 26.
[27]"Purchasing in the States," *The Book of the States, 1948–1949* (Chicago: The Council of State Governments, 1948), p. 191.
[28]*Loc. cit.*
[29]*Ibid.*, p. 192.

of Purchases is an independent agency, with the head appointed by the Governor and confirmed by the Senate. Georgia illustrates the third type of organization for central purchasing.[30]

ASSESSING

Assessing involves the valuation of general property for taxation. Assessments for State property taxes are usually made by a State Tax Commission or a Department of Revenue. Its major duties are (1) the assessment of property subject to State taxation only, such as railroads and utilities; and (2) the equalization of assessed valuations of local property for State tax purposes. This agency is frequently given power to prescribe assessment regulations and to supervise local assessors. In many States it is also charged with the administration of all other States taxes.[31]

In Oregon, concern for local assessing is illustrated by some of the present duties of the State Tax Commission.

> The commission has been directed: (a) to promulgate regulations for assessing, (b) to carry on a continuous study aiming toward equalizing assessments, (c) to prescribe and require the use of forms for reports from local officials, and (d) to carry on an in-service training program for county assessors and tax collectors.[32]

SUMMARY

The standards discussed above have evolved to meet the problems characteristic of financial administration. Experience in various States has indicated their value with the result that they are being adopted with increasing frequency. They have contributed much to the improvement of financial administration and thereby to the improvement of executive management and effective legislative control.

THE EFFECTIVENESS OF NEVADA PRACTICES

The duties of a financial organization vary from State to State primarily in the volume of work done. Every State must collect revenue for its support, safeguard its funds, make disbursements to meet its expenses, maintain records of its accounts, and perform other allied duties. Since the functions are similar, the problems are basically similar. Therefore, Nevada can profitably utilize the principles of financial administration which are the product of the experience of other States.

COLLECTION, CUSTODY, AND DISBURSEMENT OF FUNDS

COLLECTION

Although the Tax Commission collects most of the State's general revenue,[33] four major types of taxes are collected by other departments. Auto drivers' license fees are collected by the drivers' license division of the Highway Department. Payments for auto licenses are

[30] *Ibid.*, p. 193.
[31] Chatters and Tenner, *op. cit.*, p. 27.
[32] Briscoe and Martin, *op. cit.*, p. 179.
[33] The Tax Commission collects the taxes on liquor, cigarettes, gambling, gaming, gasoline, and property.

made to the Secretary of State. The Public Service Commission collects the excise paid by common carriers for their licenses. Finally, along with his function of regulating insurance within the State, the Insurance Commissioner collects the tax on premiums.

Collection of funds by many different agencies makes impossible the use of the most efficient techniques. For example, in the regulation of motor vehicles, a machine-accounting system would provide faster and more accurate records. Under the existing organization, separate machines would be needed to maintain the records of the drivers' license division, the Public Service Commission, and the Motor Vehicle Department. These duplicate machines would be needed, not because there is sufficient work to keep them all busy, but only because the three agencies with motor vehicle duties are independent of one another. With the consolidation of these motor vehicle functions into a single office, consideration could then be given to eliminating duplication of records and work.

At present, the Motor Vehicle Department licenses commercial vehicles. When these same vehicles are used as common carriers, they are separately licensed by another department, the Public Service Commission. Under a consolidated motor vehicle department, methods could be developed to integrate these licensing functions with all the other duties connected with the licensing of motor vehicles. This would result in a more efficient service to the public. No longer would an owner-operator of a truck have to deal with three separate agencies to secure a driver's license for himself, a license to operate the truck, and a license as a common carrier.

One of the disadvantages of decentralized collection is that State funds are handled by many different people. To protect the public moneys, every agency with collection duties should institute a comprehensive system of controls over the personnel doing the actual collecting. Though the total is large, many payments are received in small amounts by the individual departments, and hence they deem it unnecessary to install complete controls.

In all but a few offices, the present system of receipts provides no assurance that the amount on the office copy of a receipt is the amount actually paid in and that office copies have been made of all payments. Although the possibility of alteration of office copies is always present, no spot-check has yet been instituted to detect actual alterations and to discourage possible ones. Additional blank receipts are easily obtainable; hence, it is easy for an employee to issue an original receipt, destroy the office copy, and pocket the money.

CUSTODY

In accordance with good practice, the custody of State funds is centralized in the Office of the Treasurer. However, revenues are not paid to the Treasurer directly by the public, but are paid to the appropriate tax collection agencies, who turn them over to him. Those departments which collect large amounts usually turn in their money daily. Since they are not required to do so, the frequency with which funds are delivered to the Treasurer is entirely within the discretion of the individual department heads. Departments collecting small amounts prefer to accumulate them over a period of time and deposit them in a lump sum. While these funds remain with the departments, they are not protected to as great an extent as if they were in the Treasury.

One means of protecting funds in the Treasury has been the required monthly money count. The Governor, Secretary of State, Attorney General, Superintendent of Banks, and Chairman of the Industrial Commission meet with the Treasurer and actually count all the money and securities in the Treasury. It is suggested that the State look into the possibility of holding the money count quarterly. It is believed that this would provide an equally effective check and would eliminate much time-consuming labor.

In seeking additional safeguards, the Legislature has provided that the Treasurer be bonded in the amount of $200,000 with the State's own bonding agency. However, this safeguard is valueless since the money which would be used to pay any losses is itself in the custody of the Treasurer.

DISBURSEMENT

In form, disbursement is centralized because the Controller is charged by law with the issuance of warrants prior to the payment of money. In practice, however, this does not apply to the writing of all checks. The Highway Department writes its pay roll checks on its own IBM machines. Although it subsequently submits to the Controller a detailed list of the claims paid, it is then too late for the Controller to prevent the payment of improper ones. The Public Service Commission pays claims for such items as travel expenses out of its Revolving Fund without prior clearance from the Controller. The decentralization of disbursements is further promoted by the recent agreement between the Controller and the Highway Department whereby the latter is to write the Old-Age Assistance checks on its mechanical equipment. There is some expectation that the expansion of the Basic Magnesium Project will result in the project's being permitted to write its checks without prior clearance through the Controller.

The most important single reason for the increasing decentralization of the disbursement function is the inability of the Controller's office to handle promptly the greater volume of work resulting from the growth of the State. At present, there is no utilization of machine-accounting techniques which save both time and labor, and hence money. It is only during the past few years that a check-signing machine has been used; prior to that, both the Treasurer and Controller had to sign all checks by hand.

ACCOUNTING AND THE INTERNAL AUDIT

Accounting. One purpose of an accounting system is to provide a comprehensive picture of the financial condition of the State at any given time. Because of a lack of uniformity in the records of various departments, it is impossible to obtain a clear and complete view of Nevada's financial status. The classification of expenditures and the terminology, as contained in the appropriation bill, should determine the form of the budget document and the Controller's report. This is not the case in Nevada; therefore, the Legislature does not have all the information necessary for complete control.

The budget document contains only a single request for the total salaries of a particular department. The money is not appropriated in this lump sum, however, but on the basis of a specific amount for each employee. Although the report of the Controller is intended to indicate the manner in which the money was spent, it, like the budget document, merely presents the total amount spent for salaries without showing the amount spent to pay each employee. If the total spent for salaries corresponds to the total appropriated, there is no way of knowing, from the reports, whether the department has complied with the detailed provisions for salaries. Although the Legislature may appropriate $3,000 each for two officials, the department may pay one $4,000 and the other $2,000 without the violations ever appearing in a public report.

As presently constituted, the accounting system does not present fiscal information in such a manner as to be readily available to, and easily understood by, the Legislature and other interested citizens. There is no single source containing information tracing the budget history of every expenditure by a department. No chart, such as the following, is prepared to present this data:

TABLE II

Form for Budgetary History of Expenditures

Items Department A	Amount requested by the department	Amount Recom-mended by Governor	Amount Appro-priated by Legislature	Amount spent
Salaries	$15,000	$15,000	$12,000	$12,000
A	6,000	6,000	5,000	5,000
B	5,000	5,000	4,000	4,000
C	4,000	4,000	3,000	3,000
Office expense	3,000	2,500	2,500	2,450
Travel expense	2,000	1,500	1,000	1,000

Such information would be of invaluable assistance to the Legislature in determining the State's fiscal policy and in making appropirations.

The prime purpose of an accounting system is to serve as an instrument of financial control and through it to promote effective government management and legislative supervision. As indicated above, the confusion in the maintenance of records prevents the Nevada accounting system from serving as such an instrument. By revealing irregularities, complete files would enable the Legislature to take steps to prevent their recurrence. Even more important, an adequate accounting system could be used to prevent those irregularities from occurring in the first place. Nevada makes no provision for controls which would accomplish this purpose. A department's appropriation is not required to be apportioned over the biennium; therefore, the total amount could be spent in the first six months with the result that the department would be forced to cease operations for the remainder of the biennium.

No encumbrance registers are maintained. Therefore, a department head, entering into a contract not payable for six months, could, in the meantime, spend the total amount available to him for that class of expenditure. When payment was demanded on the original contract there would be no funds. The possible legal complications could result in considerable inconvenience and embarrassment to the State.

The Internal Audit. Another means of effective fiscal control is the internal audit, or pre-audit, which insures that all expenditures will conform to the requirements of the appropriation bills. Nevada sought to establish still further safeguards by creating two separate agencies, the Board of Examiners and the Office of the Controller, to check the claims before they were paid. The desired results, however, have not been achieved. The existence of two agencies performing essentially similar functions has made it difficult clearly to focus responsibility, and has tended to encourage each agency to rely unduly upon the other for detecting improper items which it had inadvertently approved. In practice, the audit by the Board of Examiners consists merely of a check, by a clerk in the auditor's office,[34] on the mathematical accuracy of the claims submitted. Although the Controller's audit is informal, he will probably detect a deficiency in available funds but will disallow an illegal expenditure only if he happens to notice it. Further evidence of the failure of this arrangement to provide the expected dual safeguards is presented by the fact that the burden of performing the audit has tended to shift back and forth between the Board of Examiners and the Office of the Controller, depending upon the quality of the personnel. The two major defects in the Nevada internal audit are (1) the division of responsibility for the pre-audit and, (2) the lack of thoroughness with which it is conducted.

The inadequacy of Nevada's financial records and accounting system makes it well-nigh impossible for the evecutive to control most effectively the execution of the budget. It creates difficulty for the Legislature in making appropriations intelligently and in ascertaining whether the departments comply with the detailed requirements laid down in the appropriation.

BUDGETING

In form, the Nevada budget process follows standard procedures. Early in December, the forms on which the budgetary requests are to be made are distributed to the departments by the Budget Officer. They must be filled out and returned to him by December 31. They are then examined by the Budget Officer and the Governor, who may require further evidence to support the requests. After the expenditures have been determined, the nonearmarked receipts are estimated. The rate of the property tax is set to raise an amount sufficient to meet this difference. On the basis of these figures, the budget document is formulated and informally presented to the Legislature by the twentieth day of the session. At the same time, an appropriation bill, drawn up by the Budget Officer, is introduced in each house. The Legislature considers the requests, makes any changes it considers desirable, and enacts the appropriation bill.

Preparation of the Budget. The value of the entire budget is seriously impaired by the fact that there is inadequate staff assistance in the preparation of it. The Secretary of the Tax Commission is

[34]The Auditor is secretary to the Board of Examiners.

also the Budget Officer. He spends two months each biennium in compiling the estimates and has little or no power to make changes. His weak position is due to the fact that (1) preparation of the budget is merely one of his additional duties, and (2) he is not located in the Governor's office and hence does not have the prestige of the Chief Executive's authority.

In the examination of budget requests, there are no procedures for careful scrutiny of the estimates, or of the underlying facts upon which the estimates are based. Regular hearings at which the departments justify their requests in detail are not required. However, hearings are held occasionally for the investigation of particular items. In the past, Nevada was able to operate satisfactorily under these conditions. As Nevada has grown and as its problems of financial management have become more complex, it has become increasingly inefficient for the State to continue to operate in this manner.

This is illustrated by the situation in which the Legislature now finds itself as a result of the casual and informal examination of the budget request of the Department of Education for the fiscal year 1947–1948. In requesting its appropriation for the biennium, the department seriously underestimated the future school population, and hence the amount of their expenditures. As a result, the Legislature must grant it a sizable deficiency appropriation or the schools will have to close. Adequate procedures for careful scrutiny might have discovered and corrected this error before the budget had been presented to the Legislature. Then the Legislature would have known the *total* cost of education for the biennium and thus could have decided upon either the increased amount or a lower pupil-teacher apportionment.

The existence of many independent, constitutional officers further weakens the Governor's budgetary control. Although the Governor has the authority to amend the budget estimates of these officials, he has been reluctant to use it because of their independent status. Reductions in their requests have been made infrequently, and even then not in sizable amounts. Table III presents the number and amount of reductions made by the Governor in his recommended budgets for the last three bienniums.

TABLE III

Comparison of Departmental Requests and Budgetary Recommendations of Major Constitutional Officers, 1944-1949

Department	Requested 1948-1949	Recommended 1948-1949	Requested 1946-1947	Recommended 1946-1947	Requested 1944-1945	Recommended 1944-1945
Governor	$44,600	$44,600	$39,990	$39,990	$38,600	$38,600
Lieutenant Governor	4,950	4,950	3,750	3,750	3,750	3,750
Secretary of State	38,681	38,681	35,481	35,481	34,401	34,401
Attorney General	38,440	38,440	33,744	33,240	35,000	35,000
State Controller, Insurance Commissioner	53,160	51,960	50,760	50,760	44,600	44,600
State Treasurer	34,480	34,480	33,268	32,620	31,800	31,800
Surveyor General	20,740	20,240	19,688	19,040	18,200	18,200
Superintendent of Education, Administration	29,680	28,180	22,840	22,840	21,050	20,825

The Budget Document. The Nevada budget document is not an official communication from the Governor to the Legislature. Since it is informally presented, it is not even entered in the legislative journals. This creates the impression that it is merely an information pamphlet containing a compilation of the requests of the individual departments rather than *the Executive Budget*. This impression is further heightened by the absence from the budget document of a comprehensive statement of the administration's fiscal policy.

Besides being unofficial, the document is incomplete. With respect to expenditures met from special tax sources, the budget contains only a list of the expenditures for the preceding biennium. No recommendations are made by the Governor as to the amount which should be allowed them for the next biennium. For example, the Motor Vehicle Department receives for administrative expenses five percent (5%) of the income from auto license fees. This flat rate makes it unnecessary for the department to justify its expenditures either to the Governor or the Legislature. Although their expenditures appear in the budget, they serve no useful control purpose. Of the money spent by the State in each biennium, approximately eighty-eight percent (88%) comes out of special funds, over which there is virtually no budgetary control.[35] Lack of budgetary control over earmarked funds prevents the Governor from recommending an appropriate division of the public moneys among the various services performed by the State. Thus, he may be unable to carry out the program on the basis of which he was elected.

Besides being incomplete, the budget is not presented in logical and understandable form. There are no summary tables which present an over-all statement of the State's estimated income from the various sources and its estimated expenditures for various purposes. Ready comparisons are impossible because of the lack of sufficient cross-

TABLE IV

The Percent of Total State Expenditures From Special Funds, 1937-1947 (in Thousands)

Year	Amount spent from General Fund	Amount spent from Special Funds	Total of General and Special Funds	Percent of total States expenditures from Special Funds
July 1, 1946, June 30, 1947	$1,745	$14,916	$16,661	89.54
July 1, 1945, June 30, 1946	1,239	9,843	11,082	88.82
July 1, 1944, June 30, 1945	1,190	10,002	11,192	89.36
July 1, 1943, June 30, 1944	972	10,678	11,650	91.57
July 1, 1942, June 30, 1943	1,004	12,541	13,545	92.58
July 1, 1941, June 30, 1942	938	10,077	11,015	91.48
July 1, 1940, June 30, 1941	1,047	8,637	9,084	95.08
July 1, 1939, June 30, 1940	928	8,466	9,394	90.12
July 1, 1938, June 30, 1939	1,009	8,724	9,733	89.63
July 1, 1937, June 30, 1938	844	8,583	9,427	91.04

reference tables permitting any desired breakdown. The only way in which one can find even the total amount requested for the executive establishment is to add up the individual requests of all the departments, boards, institutions, and other agencies.

To complete this unfortunate picture, the budget estimates are not as detailed as the appropriation bill which embodies them. If anything, the budget should be more detailed than the corresponding appropriation bill. In short, the budget is unofficial, covers only a small portion of the State's expenditures, and presents its information poorly and in insufficient detail. As such its value is strictly limited.

[35]See Table IV.

Authorization of the Budget. A desirable aspect of the State's budget process is the restriction on the power of the Legislature to increase a budget request. Any increase must state specifically and separately the purpose for which the additional amount is to be used.[36] This is a wise restriction, for no department should receive an amount greater than the Governor recommends unless the Legislature decides that specific services of that department are to be expanded. A major defect, however, in the budgetary system is the fact that the Governor's budget is so incomplete that the 1947 Legislature found it necessary to appropriate more than twice the amount of the Governor's budget for items not even contained therein.

As with the Executive, it is virtually impossible for the Legislature to develop an over-all fiscal policy. Since the budget document is so confused and incomplete, the Legislature must decide its financial policy on the basis of inadequate information. The lobbying by department heads in order to maintain or increase their particular appropriation prevents the Legislature from achieving an over-all financial view of the administrative structures. Legislative fiscal control is rendered impossible by the practice of earmarking special tax sources and creating continuing appropriations for particular purposes. As a result of this practice, in the 1945–1947 biennium, the Legislature controlled through appropriations only 7.7 percent of the total State expenditures.[37] As long as earmarked funds and continuing appropriations are continued, legislative control over these amounts is circumvented.

Execution of the Budget. Nevada has no formal procedures for the execution of the budget. There is no way for the Chief Executive to insure that the departments will carry out the purposes for which the money was appropriated. Under the existing circumstances, a

TABLE V

The Percent of Total State Expenditures Appropriated by the Legislature, 1937-1945 (in Thousands)

Biennium[1]	Total appropriated by Legislature	Total spent by State	Percent of total State expenditures appropriated by the Legislature
1945–1947	$2,136	$27,742	7.7
1943–1945	2,005	22,842	8.8
1941–1943	1,610	24,561	6.5
1939–1941	1,475	19,078	7.7
1937–1939	1,374	19,159	7.1

department can spend legally its entire biennial appropriation within the first six months, although clearly this is never the intent of the Legislature. Even if the Governor could remove a department head who had acted in such a manner, the appropriation would have already been dissipated before the facts would, in the normal cause of events, have come to his attention. Where it is not within his power to remove a department head, he is completely helpless even though his administration bears some of the responsibility for the action.

[36]The Legislature can, however, reduce a request at any time for any reason.
[37]See Table V.

There is no machinery by which the Governor can coordinate the activities of the departments toward carrying out the intent of the Legislature. Each department carries on its operations without reference to the activities of related departments. Some plan their work programs for the entire biennium; others operate on a day-to-day basis.

In the event that revenues fall short of expectations, there is no central officer with the power to hold back a portion of each department's appropriation to prevent a deficit. Furthermore, because there are no central records of departmental commitments, he would be unable accurately to determine how much of each department's appropriation he could legally withhold.

The State of Nevada has a budget system in name only. In practice it is not a statement of financial policy; it is not a complete and well-organized record of receipts and expenditures; it is not an effective guide for legislative appropriations; and, finally, it is not an adequate instrument of fiscal control. This is not due to the neglect of any particular individual, but rather to the inability of the organization to keep pace with the rapid increase in the number and complexity of the State's financial problems.

POST-AUDITING

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 major shortcoming, however, in the present post-auditing system is that it is concerned with receipts and not expenditures. His audit of receipts consists only of a comparison between the amount deposited in the Treasury and the total amount shown on the office copies. There is no spot-check of the receipt in the hands of the individual to determine whether the office copy has been altered or destroyed. The auditing of receipts, therefore, becomes merely a balancing of the books. Since there is no audit of expenditures, the Legislature has no way of knowing whether claims submitted represent actual expenditures. Even though there is no spot-check to determine whether the actual expenditure conforms to the alleged one, a comparison of claims with the annual inventory list might reveal any irregularities in purchases of equipment. The only way to detect certain other discrepancies is to follow up the claims with a detailed investigation.

Nevada manages as well as it does, not because of the effectiveness of its post-audit, but because of the integrity of its employees. However, there is no certainty that Nevada will be as fortunate in the future.

PURCHASING, STORING, AND CENTRAL SERVICES

PURCHASING

Nevada has no organization for central purchasing. The Highway Department and the Department of Employment Security, however, do their purchasing, to some extent, on a scientific basis. In order to secure the most favorable prices, they purchase in quantity and call for bids. Other departments do not do this because they are not large enough to require such quantities of supplies as would enable them to purchase in bulk. Therefore, they must buy all their supplies in small quantities at a higher unit cost. The State institutions, however, which together use large quantities of the same supplies, purchase separately and sometimes at retail prices. A detailed investigation by the State would undoubtedly reveal that the savings resulting from wholesole purchasing would be considerable. 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 ten percent (10%) to fifteen percent (15%) of the total amount of annual purchases can be saved by an efficient centralization.[38]

Another unfortunate aspect of the existing situation is that there is no central place where a department can secure complete and impartial information as to the type of equipment best suited to its needs. For example, there are numerous types of recording devices available such as Soundscribers, Recordacs, and a variety of wire recorders. One may be best for recording conferences; a second may be best for simple dictation; a third may be best if it is desired to retain the original recording indefinitely. An office desiring to make such a purchase should have available complete and accurate information on the advantages and disadvantages of each type of equipment. Competing salesmen are not the most reliable sources of such information.

The present dispersed method of purchasing makes it extremely difficult to eliminate the possibility of rebates to the individuals who do the purchasing for each department. This is not to say that such practices necessarily exist at present; however, there is no assurance that they will not arise in the future as the State develops. It is much easier to establish controls over a single purchasing officer than over the multitude of individuals presently performing such duties. Careful public scrutiny, which is not the case at present, will be directed toward the activities of a central purchasing officer and will immediately reveal any apparent irregularities.

Contrary to popular 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.

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[38]Russell Forbes, *Governmental Purchasing* (New York: Harper and Brothers, 1929), p. ----.

Central Services. Two major improvements are needed in the present mail service. At present, a custodian picks up the mail from the post office, takes it back to the capitol, sorts it, and delivers it. No facilities are available for outgoing mail. Each department must buy its own stamps, which are often lost or can be used for personal letters. The mailing of a package requires a special trip to the post office. Interoffice communications go through the regular mail channels even though the custodian could make an additional trip each day and deliver it without cost. This means that a letter from the first floor to the second floor of the capitol goes, in the normal course of events, to the Carson City post office, where it is picked up by the custodian, taken back to the capitol, and then delivered. This same custodian could serve as a central mail clerk, who would pick up and meter outgoing mail, and deliver incoming and interoffice mail.

Every State office has its own private telephone with the exception of the Highway Department and the Employment Security Department, which have their own switchboards. Each of these phones costs the regular rate of $4.50 per month, whereas an extension under a central switchboard costs only $1 per month. The two switchboards now being paid for could be replaced by a single, larger one for all State offices. The employees now operating the existing switchboards could operate the new one. Thus, the savings realized by using extensions would be retained. A central switchboard could also be used to reduce the number of personal calls. Additional services, such as the taking of messages, could also be performed. These advantages are not now being received by the State, although the cost of its present telephone system is higher than necessary.

ASSESSING[39]

The State has taken a very excellent step forward in engaging a tax valuation consultant to conduct a survey for the purpose of reassessing all property in the State. Nevada has adopted the highly desirable practice of establishing procedures for review and equalization of county assessment. It has also eliminated the confusion resulting from local assessment of intercounty and utility property. This is performed by the Tax Commission, which then allots the apporopriate proportion to each county.

RECOMMENDATIONS

The financial problems which exist in Nevada have also created serious difficulties in other States. Some of the steps taken by those States to cope with their problems have already been mentioned. Unless Nevada wishes to find itself with the same tax burden as now exists in many of the States which have taken no action, it must take steps to set its own house in order.

WITHOUT CONSTITUTIONAL CHANGE

COLLECTION OF FUNDS

A Department of Taxation will be established, headed by a single

[39]No detailed evaluation of assessing has been made, since Mr. C. S. White, the Tax Valuation Consultant, is making an exhaustive study in this area.

director appointed by the Governor. The Secretary of the Tax Commission, who is presently its operating head, will become the director of the new Department, while the members of the Tax Commission will constitute the new Board of Appeals. This board will equalize assessments and reviews utility valuations. This organizational change will locate the administrative responsibility in the hands of one individual while retaining a board in the area where it is most effective.

Collection of all major taxes will be centralized in this department. This will reduce considerably the number of people responsible for the handling of public money. Elaborate controls will then be feasible. One specific control recommended is the prenumbering of all receipts. This will make it possible to account for every receipt and hence prevent the possibility of office copies being destroyed and the money not turned in.

The additional fees to be collected by the department are those for (1) auto licenses, (2) auto drivers' licenses, and (3) carriers' licenses. These will be coordinated in a Registry of Motor Vehicles under the department. These three revenue sources are so similar that records for all of them can be handled expeditiously by a single installation of machine equipment.

CUSTODY OF FUNDS

With the collection of all major revenues vested in a single department, it can make a daily deposit with the Treasurer of all its receipts without inconvenience. Even departments collecting small amounts will turn them in daily. Once the money is in the Treasury, it can be more adequately safeguarded. It is also suggested that the State look into (1) the advisability of placing restrictions on the Treasurer's control over the money which bonds him; and (2) the necessity for a monthly money count.

DISBURSEMENT AND THE INTERNAL AUDIT

The Controller will replace the Auditor as Secretary of the Board of Examiners, thus concentrating in one official the entire responsibility for the pre-audit. No longer will one office be able to rely upon the other as a check on its own oversights. Neither will it be possible for each office to make any mistake as to the extent of its participation in, and responsibility for, an adequate pre-audit. This organizational change will not by itself result in a complete pre-audit. Institutionalized procedures are necessary through which the Controller can determine, before making out the warrant, (1) whether the claim falls within a classification for which money has been appropriated; and (2) whether funds are still available within that classification. Where earmarked funds are involved, however, the Legislature does not appropriate directly, and hence establishes no classifications which can be used to determine the legality of expenditures made by an agency supported by such funds. Unless the breakdown of estimates in the budget is made legally binding on these agencies, a complete pre-audit of their expenditures is impossible.

It is recommended that centralized disbursement in Nevada be made a reality. Checks are now written outside the Controller's office primarily because it is not equipped to handle promptly the increasing number of payments. On such checks, no pre-audit is possible because they have been paid before the individual records are delivered to the Controller. The answer lies in the utilization of machine equipment.

ACCOUNTING

The most desirable solution for the accounting problems now existing in Nevada is the installation of a complete machine-operated system. One advantage of such a system is that it requires uniform and integrated records to be kept by each department. This is accomplished by the use of standard punch-card forms. Today all mathematical computations are subject to human errors; with the use of a machine system, human errors are virtually eliminated by a series of cross-reference controls. Under the present set-up, the establishment and maintenance of an encumbrance register, without which any accounting system is incomplete, would be a tremendous undertaking. With a machine system, the maintenance of such a register will become merely a routine part of the day's operations. At present, the Annual Report of the Controller takes as long as six months to prepare. Under a machine-accounting system, the necessary information will be available almost immediately. An extremely important advantage of such a system is that it will permit a comprehensive picture of the State's financial position at any time to be readily obtained upon request.[40]

BUDGETING

In Chapter III, a Director of Budget and Purchasing was created. He was placed in the office of the Governor in order to give him the prestige necessary for the most effective performance of his duties. He is to coordinate the fiscal activities of the State. He will prepare and formulate the budget document. As such, he must establish forms which will give him sufficient information concerning the detailed operations of the various departments. He must scrutinize carefully all budget estimates and be prepared, if requested, to aid in drawing them up. He must hold hearings at which the department heads are required to support their estimates. On the basis of the sum total of information acquired, he will make recommendations which the Governor should consider very seriously. The facilities of the machine-accounting system will be utilized to prepare a clear, complete, and detailed budget document. This document will be an official communication from the Governor to the Legislature and will contain a statement of the Executive's fiscal policy, summary tables with supporting schedules understandable by all, and a draft appropriation bill embodying the budget. Above all, it must contain a complete breakdown of *all* estimated expenditures to be made by the State, including those from funds which are necessarily earmarked. Thus, expenditures from earmarked funds will be budgeted in the same manner as expenditures from the General Fund.

[40]The information which this system would quickly have made available would have been of invaluable aid in the making of this survey.

The Legislature should consider the budget as a whole and hence not permit individual department heads to lobby before it. The Director of Budget and Purchasing will defend all departmental budget requests. In order to regain its legitimate control over expenditures, the Legislature must abolish administrative-expense funds, continuing appropriations, and the earmarking of taxes. In the case of administrative-expense funds, for example, the cost of collecting a particular tax is not necessarily a specified portion of the amount collected. The budgetary problems of such collection agencies are no different from those of the other departments and their requests should be just as carefully scrutinized. In the case of highways, the Constitution itself requires the earmarking of taxes. This, however, is not necessary to take full advantage of the Federal grant-in-aid provisions since the separate highway fund can be appropriated from the General Fund.

The budget officer will supervise the execution of the budget. In the performance of these duties, he will have power to require that departmental work programs be drawn up in the light of the legislative appropriation. On the basis of this, he will allocate quarterly to each department a proper portion of its appropriation. In order to exceed its allotment for the period, a department will have to secure the prior approval of the budget officer. Any encumbrances, though not payable until a subsequent period, will nevertheless be charged to the period in which they are incurred; this fact will have to be considered in the preparation of the work program.

PURCHASING

The budget officer is also the purchasing officer. His location in the office of the Governor will give his recommendations considerable weight although he will not have the authority to tell a department what it can purchase. He will provide central information, purchase in bulk, seek to obtain the most favorable prices, and check the goods to determine whether they conform to specifications. It is expected that, through these techniques, he will save the State considerable money.

CENTRAL SERVICES

A central mail room and a central switchboard will be established and placed under the jurisdiction of the Department of Public Institutions. The same individual who now delivers the incoming mail will collect and meter outgoing mail. This will do away with the need for stamp and special trips to the post office to mail packages. He will also collect and deliver interoffice mail.

The central switchboard will replace the private telephones now being used by most offices and the switchboards being used by the Highway Department and Department of Employment Security. The present departmental operators will be transferred to the central switchboard. This change will result in better service at lower unit cost.

POST-AUDITING

Since the audit is a legislative function, the auditor will be appointed by the Legislature, and hence be independent of the executive. The conduct of a complete post-audit will be his sole function. He will audit all receipts by comparing treasury deposits with the total of all the office copies. In addition, he will make spot-checks of receipts issued to individuals to determine whether office copies have been altered or destroyed. With respect to expenditures, he will review the pre-audit and then ascertain whether the money was actually spent for the purpose stated in the claim as pre-audited. 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.

REQUIRING CONSTITUTIONAL CHANGE

DEPARTMENT OF FINANCE

A Department of Finance will be established to consolidate all the major fiscal functions except the post-audit. It will include the functions of collection of funds and assessment of property now being performed by the Tax Commission, custody of funds now being performed by the Treasurer, and disbursement of funds now being carried out by the Controller. The offices of the Controller and Treasurer and the Tax Commission will be abolished as independent entities. Budgeting, purchasing, accounting, and the pre-audit will be centralized in this department.

EARMARKED TAXES

The constitutional requirement that income from gasoline taxes, drivers' license fees, and auto license fees be used exclusively for the construction, maintenance, and repair of highways will be repealed. The Legislature will then have a free hand in establishing a highway policy that will not of necessity require a disproportionate share of the State's annual revenue. Federal grant-in-aid provisions will be met by appropriating for a separate highway fund, a *budgeted amount* from the General Fund.

SUMMARY

The preceding recommendations are designed to establish sound fiscal management in Nevada. It is the responsibility of the Legislature to formulate fiscal policies and check on their execution. The continuing administration of the financial organization, however, is the responsibility of the Executive. Together with the positive personnel program, a wise use of these financial powers will enable the new organizational establishment to bring about effective government management.

CHAPTER VI

THE IMPLEMENTATION OF THIS REPORT

This report cannot by itself achieve effective government management in Nevada. What it does is to establish the necessary framework. Even the enactment of the report as a whole cannot accomplish the task. What is needed is a detailed and continuing implementation of each recommendation as it is adopted by the Legislature.

The first step to be taken by the Legislature is the creation, in the office of the Governor, of a Director of Budget and Purchasing and a Director of Personnel. As each subsequent recommendation is adopted, the Budget Officer and the Legislative Counsel will work jointly to put it into effect. Through consultation with the agencies affected, they will establish the detailed procedures necessary to make a reality out of the paper consolidation 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.

Even after all the recommendations have been enacted by the Legislature and implemented through the joint cooperation of the Budget Officer and the Legislative Counsel, continuing supervision will still be necessary to adapt this structure to the changing needs of a growing State. Such a gradual adaptation will eliminate any future need for over-all administrative reorganization.

The long-term recommendations envisage constitutional revision. After the statutory recommendations have been installed, the Legislative Counsel and the Budget Officer will be instructed to make a detailed investigation of the advisability of future constitutional revision as a means of further improving the administrative structure.

Prompt adoption and implementation of the recommendations contained in this report is necessary if Nevada is to retain its enviable status of "one sound State." No longer can the State afford the luxury of inefficiency without turning to new sources of revenue, such as sales taxes, income taxes, and inheritance taxes. Because a small population must support a large area, the impact of poor management upon every citizen is more pronounced.

The purpose of this reorganization is not solely the achievement of economy and efficiency as ends in themselves. Although they are important by-products of reorganization, much more is at stake. Effective and responsible government management is essential if the State of Nevada is to continue to serve the needs and wishes of its people.

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APPENDIX "A"

Major State Reorganizations Completed and Proposed

TABLE VI

THE STATUS OF REORGANIZATION OF STATE GOVERNMENTS

Extensive Reorganizations

State	Date
California	1921
Colorado	1933
Georgia	1945
Idaho	1919
Illinois	1917
Indiana†	1933
Kentucky	1934
Maryland	1922
Massachusetts	1919
Minnesota	1939
Missouri	1945
Nebraska	1919
New Jersey	1947
New York	1925
Ohio	1921
Pennsylvania	1923
Rhode Island	1935
Tennessee	1923
Vermont	1923
Virginia	1927
Washington	1921

Partial* Reorganizations

State	Date
Alabama†	1939
Connecticut	1937
Lousiana†	1942
Maine	1939
Michigan	1941
North Carolina	1941
South Dakota	1941
Wisconsin	1939

Proposed Reorganizations

State	Date
Alabama	1932
Arizona	1933
California	1941
Colorado	1939
Delaware	1918
Florida	1943
Indiana	1935
Iowa	1933
Louisiana	1942
Massachusetts	1921
Michigan	1943
Mississippi	1932
Montana	1943
Nevada	1924
New Hampshire	1932
North Dakota	1942
Oklahoma	1935
Oregon	1927
South Dakota	1941
Texas	1933
Wyoming	1933

*Dates indicate last dates at which a major change was made.

†Also listed in proposed reorganizations.

TABLE VII

MAJOR DEPARTMENTS IN STATES EXTENSIVELY OR PARTIALLY REORGANIZED, WITH DATE OF THE REORGANIZATION

1. Alabama
1939[1]

1. Finance.
2. Revenue.
3. Industrial Relations.
4. Conservation.
5. Highways.
6. Public Welfare.
7. Commerce.
8. Personnel.
9. Corrections and Institutions.

2. California
1921

1. Finance.
2. Education.
3. Agriculture.
4. Public Works.
5. Institutions.
6. Industrial Relations.
7. Natural Resources.
8. Public Health.
9. Social Welfare.
10. Investment.
11. Professional and Vocational Standards.
12. Military and Veterans' Affairs.
13. Corrections.
14. Justice.

[1]Partial reorganization with single executive heads appointed by Governor. Approximately 100 separate agencies remain.

3. Colorado
1933[2]

1. Executive.
2. Finance and Taxation.
3. Auditing.
4. Law.
5. Education.
6. State.
7. Treasury (1941).

4. Connecticut
1937[3]

*1. Finance and Control.
2. Taxation.
3. Public Safety.
4. Military.
5. Education.
6. Public Welfare.
7. Health.
8. Industrial Relations.
9. Highways.
*10. Public Works.
11. Agriculture.
12. Parks and Forests.
13. Fisheries and Game.
14. Banking.
15. Insurance.
16. Public Utilities Commission.
17. Professional and Vocational Licensing.

[2]Each department corresponds to the elective State official and contains from ten to sixteen divisions.

[3]Listed as proposed; those marked by (*) were the only ones provided.

5. Georgia
1931[4]

1. Audits and Accounts.
2. Veterans' Service.
3. Public Health.
4. Forestry and Geological Development.
5. Revenue.
6. Law.
7. Industrial Relations.
8. Board of Control of Eleemosynary Institutions.
9. Board of Regents.
10. Board of Education.
11. Secretary of State.
12. Commissioner of Agriculture.
13. Public Service Commission.

1945

14. Budget.
15. Veterans' Service Board.
16. Board of Corrections.
17. Personnel Board.

6. Idaho
1919[5]

1. Agriculture.
2. Finance.
3. Immigration.
4. Labor and Statistics.
5. Law Enforcement.
6. Public Investment.
7. Public Works.
8. Reclamation.
9. Public Assistance.
10. Public Health.
11. Charitable Institutions.

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[4]As modified in 1945.
[5]As modified in 1921, 1941, 1944, and 1947.

7. Illinois
1917[6]

1. Finance.
2. Agriculture.
3. Public Works and Buildings.
4. Public Welfare.
5. Labor.
6. Mines and Minerals.
7. Public Health.
8. Insurance.
9. Registration and Education.
10. Conservation.
11. Public Safety.
12. Department of Revenue.

8. Indiana
1933[7]

1. Executive.
2. Audit.
3. Treasury.
4. Public Works.
5. Law.
6. Commerce and Industry.
7. Education.
8. State.
9. Public Welfare.

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[6]As modified in 1919, 1925, 1941, and 1943.
[7]As modified in 1936 and 1947.

9. Kentucky
1934[8]

1. Executive.
2. State.
3. Law.
4. Treasury.
5. Agriculture, Labor and Statistics.
6. Education.
7. Military Affairs.
8. Finance.
9. Revenue.
10. Highways.
11. Welfare.
12. Health.
13. Industrial Relations.
14. Business Regulation.
15. Conservation.
16. Library and Archives.
17. Mines and Minerals.

10. Louisiana
1942[9]

1. Public Works.
2. Institutions.
3. Highways.
4. Occupational Standards.
5. Public Safety.
6. Finance.

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[8]As modified in 1936. There are also six independent agencies provided for.
[9]Partial reorganization. The constitutional amendment on which the Louisiana reorganization Act of 1940 (providing for 20 departments) was based was invalidated in the case of Graham v. Jones (198-La.-507). The 1942 reorganization Act established the departments listed. In the case of each of the departments created in 1942 the function of various State agencies which were transferred to new departments by the 1940 Act are transferred to the departments established in 1942. The 1940 plan is listed in the section of proposed reorganization plans.

11. Maine
1931[10]

1. Finance.
2. Health and Welfare.
3. Sea and Shore Fisheries.
4. Education.
5. Audit.
6. Institutional Service.

12. Maryland
1922[11]

1. Executive.
2. Finance.
3. Law.
4. Education.
5. Agriculture and Regents of University of Maryland.
6. Militia.
7. Welfare.
8. Charities.
9. Health.
10. Public Works.
11. Motor Vehicles.
12. Natural Resources.
13. Public Utilities.
14. Industrial Accidents.
15. Labor and Statistics.
16. State Employment and Registration.
17. Inspector of Tobacco.
18. Board of Censors.
19. Racing Commission.

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[10]Partial consolidation only, as modified in 1939. Act does not affect twenty or more agencies.
[11]As modified in 1941, the Natural Resources Board coordinates activities of all agencies concerned with conservation, including the regrouping in 1941 into five agencies: Tidewater Fisheries; Game and Inland Fish; State Forests and Parks; Geology, Mines, and Water Resources; and Research and Education.

13. Massachusetts
1919[12]

1. State.
2. Treasury.
3. Audit.
4. Law.
5. Agriculture.
6. Conservation.
7. Banking and Insurance.
8. Corporations and Taxation.
9. Education.
10. Civil Service and Registration.
11. Industrial Accidents.
12. Labor and Industries.
13. Mental Health.
14. Corrections.
15. Public Welfare.
16. Public Health.
17. Public Safety.
18. Public Works.
19. Public Utilities.
20. Metropolitan District Commission.

14. Michigan
1921[13]

1. Agriculture.
2. Conservation.
3. Labor and Industry.
4. Public Safety.
5. Welfare.
6. Corrections (1937).
7. Public Assistance (1937).
8. Revenue (1941).
9. Department of Business Administration (1943).

[12]A Commission on administration and finance was created in 1922.

[13]Partial reorganization which consolidated thirty-three administrative agencies, with further reorganization in 1937, 1941, and 1943.

15. Minnesota
1925[14]

1. Administration and Finance.
2. Conservation.
3. Dairy and Food.
4. Agriculture.
5. Highways.
6. Education.
7. Health.
8. Commerce.
9. Labor and Industry.
10. Public Institutions.
11. Taxation.
12. Rural Education.
13. Drainage and Waters.
14. Social Security.
15. Public Examiner.

16. Missouri
1945

1. State Auditor.
2. Secretary of State.
3. Attorney General.
4. State Treasurer.
5. Department of Revenue.
6. Department of Education.
7. Department of Highways.
8. Department of Conservation.
9. Department of Agriculture.

No more than five others.

[14]As modified in 1939 and 1941.

17. Nebraska
1919[15]

1. Agriculture.
2. Trade and Commerce.
3. Public Works.
4. Labor.
5. Public Welfare.
6. Public Health.
7. Banking.
8. Insurance.
9. Road Irrigation.
10. Racing.
11. Liquor Control.
12. Aeronautics.
13. Compensations.
14. Feeble-minded.
15. Public Library.
16. State Assistance.
17. Old-Age Pension.

18. New Jersey
1947

1. Governor.
2. Secretary of State.
3. Attorney General.
4. State Auditor.

Plus sixteen departments but not more than twenty total.

[15]As modified in 1929, 1933, and 1935. This reorganization did not affect the constitutional administrative officers and constitutional boards.

19. New York
1925[16]

1. Executive.
2. Audit and Control.
3. Taxation and Finance.
4. Law.
5. State.
6. Public Works.
7. Conservation.
8. Agriculture and Markets.
9. Labor.
10. Education.
11. Health.
12. Mental Hygiene.
13. Charities.
14. Correction.
15. Public Service.
16. Banking.
17. Insurance.
18. Civil Service.

20. North Carolina
1930[17]

1. Executive.
2. Finance.
3. Justice.
4. Health.
5. Highways and Public Works.
6. Agriculture.
7. Education.
8. Conservation and Development.
9. Labor.
10. Institutions.
11. Local Government Finance.
12. Banking and Insurance.
13. Public Utilities Commission.
14. Motor Vehicle Commission.

[16]Constitution amended in 1925 to provide for reorganization. Departments established by the Legislature in 1926.

[17]Partial, also listed as proposed. Only reorganization was: Department of Banking, Department of Labor, and Local Government Commission created in 1931. Motor Vehicle Commission was created in 1941.

21. Ohio
1921[18]

1. Finance.
2. Commerce.
3. Highways.
4. Public Works.
5. Agriculture.
6. Health.
7. Industrial Relations.
8. Education.
9. Public Welfare.
10. Liquor Control.
11. Water Supply.
12. Natural Resources.
13. Soil Conservation.

22. Pennsylvania
1923[19]

1. State.
2. Justice.
3. Treasury.
4. Auditor General.
5. Public Instruction.
6. Internal Affairs.
7. Military Affairs.
8. Agriculture.
9. Forests and Waters.
10. Labor and Industry.
11. Health.
12. Highways.
13. Welfare.
14. Property and Supplies.
15. Revenue.
16. Mines.
17. Banking.
18. Insurance.
19. Civil Service.
20. Parole.

[18]As modified in 1927, 1933, and 1941.
[19]As modified in 1927 and 1941.

23. Rhode Island
1935

1. Executive.
2. State.
3. Law.
4. Treasury.
5. Public Welfare.
6. Public Works.
7. Taxation and Regulation.
8. Education.
9. Labor.
10. Agriculture and Conservation.
11. Public Health.

24. South Dakota
1925[20]

1. Finance.
2. Agriculture.
3. Oil and Gas Board.

[20]Partial reorganization which consolidated nine administrative agencies in the Department of Finance, and eighteen agencies in the Department of Agriculture. Oil and Gas Board added in 1941.

25. Tennessee
1923[21]

1. Finance and Taxation.
2. Administration.
3. Agriculture.
4. Highways and Public Works.
5. Education.
6. Institutions.
7. Public Health.
8. Insurance and Banking.
9. Labor.
10. Conservation.
11. Public Welfare.

26. Vermont
1923[22]

1. Finance.
2. Public Welfare.
3. Health.
4. Highways.
5. Agriculture.
6. Education.
7. Public Service.
8. Aeronautics.
9. Mental Defectives.

[21]As modified in 1937 and 1939. Department of Administration abolished in 1939 and its function transferred to Governor.
[22]As modified in 1941.

27. Virginia
1927[23]

1. Taxation.
2. Finance.
3. Highways.
4. Education.
5. Corporations.
6. Labor and Industry.
7. Agriculture and Irrigation.
8. Health.
9. Conservation and Development.
10. Public Welfare.
11. Law.
12. Workmen's Compensation.
13. Corrections.
14. Mental Hygiene and Hospitals.

28. Washington
1921[24]

1. Public Works.
2. Business Control.
3. Efficiency.
4. Health.
5. Conservation and Development.
6. Labor and Industry.
7. Agriculture.
8. Licenses.
9. Fisheries and Game.
10. Highways.
11. Tax Commission.
12. Welfare.
13. Public Service.
14. Library.

[23]As modified in 1941.
[24]As modified in 1929 and 1935.

29. Wisconsin
1939[25]

1. Taxation.
2. Agriculture.
3. Public Welfare.
4. Motor Vehicles.
5. Securities.

[25]Partial. Reorganization Act of 1937 was repealed and the four departments then set up were abolished in 1939.

TABLE VIII

MAJOR DEPARTMENTS IN PROPOSED REORGANIZATION, WITH DATES OF THE PROPOSAL

1. Alabama[1]
1932[2]

1. Executive.
2. Military Affairs.
3. Justice.
4. Taxation.
5. Treasury.
6. Education.
7. Higher Education.
8. Health.
9. Welfare.
10. Highways and Public Works.
11. Agriculture.
12. Forestry.
13. Game and Fisheries.
14. Industry and Labor.
15. Business Regulations.
16. Local Government.

2. Arizona
1933

1. Records.
2. Justice.
3. Finance.
4. Education.
5. Corporations.

Bureaus

6. Governor's Office.
7. Institutions.
8. Military Affairs.
9. Health.
10. Conservancy.
11. Public Works.
12. Industrial Relations.
13. Husbandry.

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[1]See Adopted Proposal list.
[2]Department of Public Welfare created in 1935.

3. California
1941[3]

1. Governor.
2. Lieutenant Governor.
3. Auditor General.
4. Department of Law.
5. Department of the Treasury.
6. Department of Agriculture.
7. Department of Alcoholic Beverage Control.
8. Department of Education.
9. Department of Finance.
10. Department of Highways.
11. Department of Industrial Relations.
12. Department of Institutions.
13. Department of Investment.
14. Department of Military Affairs.
15. Department of Natural Resources.
16. Department of Personnel.
17. Department of Professional and Vocational Standards.
18. Department of Public Health.
19. Department of Public Safety.
20. Department of Revenue.
21. Department of Social Welfare.
22. Department of State.

4. Delaware
1918

1. State.
2. Finance.
3. Labor and Industry.
4. Health.
5. Public Welfare.
6. Agriculture.
7. Highways and Drainage.
8. Education.
9. Law.

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[3]Based on a report by Griffenhagen and Associates.

5. Florida
1943

1. Governor's Office.
2. Attorney General.
3. Treasurer.
4. Commissioner of Agriculture.
5. Superintendent of Public Instruction and Board of Education.
6. Comptroller.
7. Secretary of State.
8. Military Department.
9. Board of Health.
10. Board of Welfare.
11. Industrial Commission.
12. Conservation Department.
13. Department of Business Regulations.
14. Department of Professional Licensing and Examining.
15. Board of Control—Educational Institutions.
16. Commissioner of State Institutions.
17. Board of Administration.
18. Trustees, Internal Improvement Fund.
19. Road Department.
20. Parole Commission.

6. Indiana[4]
1935

1. Executive.
2. State.
3. Public Welfare.
4. Labor.
5. Utilities.
6. Highways.
7. Conservation and Agriculture.
8. Health.
9. Education.
10. Audit.
11. Treasury.
12. Inspection.

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[4]See Adopted Proposal list.

7. Iowa
1933[5]

1. Governor's Office.
2. Adjutant General.
3. Comptroller.
4. Auditor.
5. Treasurer.
6. Purchasing.
7. Justice.
8. Conservation.
9. Agriculture.
10. Labor.
11. Health.
12. Business Regulation.
13. Public Instruction.
14. Public Welfare.
15. Tax Commission.
16. Highway Commission.

8. Louisana[6] 1940

1. Finance.
2. State.
3. Treasury.
4. Revenue.
5. Agriculture.
6. Labor.
7. Conservation.
8. Mines.
9. Public Works.
10. Highways.
11. Education.
12. Public Welfare.
13. Public Health.
14. Banking.
15. Institutions.
16. Occupational Standards.
17. State Lands.
18. Public Service.
19. Public Safety.
20. Military Affairs.

[5]In addition to the departments listed, seven other boards and commissions are included, making a total of twenty-three administrative agencies.

[6]See list of Reorganization Proposals passed.

9. Massachusetts[6] 1921

1. Administration and Finance.
2. Public Welfare.
3. Public Safety.
4. Corporate Activities.
5. Public Works.
6. Agriculture and Conservation.
7. Public Health.
8. Labor and Industries.
9. Education.

10. Michigan[6] 1921

1. Education.
2. Agriculture.
3. Finance.
4. Law.
5. Public Works.
6. Safety.
7. Health.
8. Labor.
9. Trade and Commerce.
10. Welfare.

[6]See list of Reorganization Proposals passed.

11. Mississippi 1932

1. Executive.
2. Taxation.
3. Treasury.
4. Justice.
5. Education.
6. Health.
7. Welfare.
8. Highways.
9. Conservation.
10. Banking and Insurance.
11. Local Government.
12. Public Service Commission.

12. Montana 1943

1. State.
2. Legal.
3. Finance.
4. Revenue.
5. Conservation.
6. Highways.
7. Public Works.
8. Health.
9. Welfare.
10. Education.
11. Labor and Industry.
12. Commercial Supervision.
13. Public Service.
14. Liquor Control.
15. Public Safety.
16. Military Affairs.
17. Agriculture.
18. Occupational Standards.

13. New Hampshire 1932[7]

1. Executive.
2. Highway.
3. Education.
4. Welfare.
5. Health.
6. Conservation and Development.
7. Justice.
8. Business Regulation.
9. Public Service Commission.
10. Tax Commission.
11. State Treasurer.

14. North Dakota 1942

1. Treasury.
2. Taxation.
3. Finance.
4. Audit.
5. Personnel.
6. State.
7. Legal.
8. Education.
9. Public Welfare.
10. Public Health.
11. Agriculture.
12. Conservation.
13. Highways.
14. Industrial Relations.
15. Business Regulations.
16. Business Operation.
17. Public Safety.
18. Military and Veterans' Affairs.

[7]In addition to the departments listed, many boards and commissions would be retained as independent agencies, making a total of twenty-two administrative agencies.

15. Oklahoma 1935[8]

1. Adjutant General.
2. Board of Education.
3. Board of Public Welfare.
4. Board of Health.
5. Board of Agriculture.
6. Highway Commission.
7. Conservation Commission.
8. Game and Fish Commission.
9. Insurance Commission.
10. Corporation Commission.
11. Tax Commission.
12. Industrial Commission.
13. Department of Justice.
14. Bank Commission.
15. Commissioner of Labor.
16. Treasurer.
17. Auditor.
18. Comptroller.

[8]In addition to the agencies listed, other minor boards and commissions would be retained, making a total of twenty-seven administrative agencies.

16. Oregon
1927[9]

1. Agriculture.
2. Labor and Industry.
3. Finance.
4. Commerce.
5. Public Works.
6. Public Welfare.
7. Education.
8. State Police and Military Affairs.
9. Legal Affairs.
10. State.

[9]This plan was proposed by a member of the 1927 Legislature, and was defeated on a close vote in the House. A report by the Interim Commission on Governmental and Administrative Reorganization was submitted in 1937. The proposed reorganization affects only four departments.

17. South Dakota[10]
1921[11]

1. Finance.
2. Rural Credits.
3. Agriculture.
4. Highways.
5. Public Works and Property.
6. Industry and Labor.
7. Public Health.

18. Texas
1933

1. State.
2. Law.
3. Taxation and Revenue.
4. Finance and Administration.
5. Buildings and Grounds.
6. Education.
7. Public Welfare.
8. Public Health.
9. Public Safety.
10. Militia.
11. Labor.
12. Banking.
13. Insurance.
14. Livestock Sanitary Inspection.
15. Forests, Fish and Game.
16. Water Supply and Reclamation.
17. Highways.
18. Public Service.
19. General Land Office.

[10]In 1922 the New York Bureau of Municipal Research recommended reorganization into eleven departments. Report not available.

[11]See list of Reorganization Proposals passed.

19. Wyoming
1933

1. Finance.
2. State.
3. Law.
4. Education.
5. Military.
6. Public Welfare.
7. Highways.
8. Public Works.
9. State Police.
10. Public Lands.
11. Insurance.

APPENDIX "B"

Present and Proposed Administrative Agencies

TABLE IX

STATE OF NEVADA

MAJOR ADMINISTRATIVE OFFICERS, DEPARTMENTS, BOARDS, AND AGENCIES OF STATE GOVERNMENT, 1948

I—CONSTITUTIONAL Name and Legal Reference	How chosen	Term of office (years)	Annual compensation (dollars)	Composition of Boards
Governor— Art. V, 1–16; Sec. 7393–7406, N. C. L. 1929	Elective	4	7,600	
Lieutenant Governor— Art. V, 17–18; Sec. 7407, N. C. L., 1929	Elective	4	1,600 plus 17 per day—Legislature Session.	
Secretary of State— Art. V, 19–20; Sec. 7408–7433, N. C. L., 1929	Elective	4	4,800	(Also Motor Vehicle Commissioner).
State Controller— Art. V, 19; Sec. 7346–7389, N. C. L., 1929	Elective	4	4,800	(Also Insurance Commissioner).
State Treasurer— Art. V, 19; Sec. 7531–7546, N. C. L., 1929	Elective	4	4,800	(Also State Disbursing Officer).
Surveyor General— Art. V, 19; Sec. 7522–7530, N. C. L., 1929	Elective	4	4,800	(Also State Land Register).
Attorney General— Art. V, 19; Sec. 7307–7334, N. C. L., 1929	Elective	4	5,600	(Also Mineral Land Commissioner).
Superintendent of Public Instruction— Art. XI, 1; Sec. 5654–5655, N. C. L., 1929	Elective	4	4,800	(Secretary of State; Textbook Commission).
Board of Regents—University of Nevada— Art. XI, 4–8; Sec. 7727, N. C. L., 1931–1941 Supplement	Elective	4 overlapping terms	Expenses	5 members—one elected every 2 years.

Board of Pardons and Parole Commissioners— Art. V, 14; Sec. 11569, N. C. L., 1931–1941 Supplement	Ex officio	4	None	5 members—Governor, Attorney General, and 3 Justices of State Supreme Court.
Board of State Prison Commissioners— Art. V, 21; Sec. 11450–11452, N. C. L., 1929	Ex officio	4	None	3 members—Governor, Secretary of State and Attorney General.
Board of Examiners— Art. V, 21; Sec. 107, N. C. L., 1929	Ex officio	4	None	3 members—Governor, Secretary of State, and Attorney General.
II—STATUTORY				
Accountancy, State Board of— Sec. 250, N. C. L., 1929	Appointed by Governor	3 overlapping terms	10 per day and expenses	3 members.
Adjutant General's Department— Sec. 7241, N. C. L., 1929	Appointed by Governor	Indefinite	1,600	
Agricultural Association District No. 3, Board of Directors— Secs. 328, 329, and 330, N. C. L., 1929; and Sec. 327, 1943–1945 Supplement	Appointed by Governor	4	None	8 members.
Agricultural Association, District No. 4, Board of Directors— Secs. 328, 329, and 330, N. C. L., 1929; and Sec. 327, 1943–1945 Supplement	Appointed by Governor	4	None	8 members.
Agricultural Association, District No. 10, Board of Directors— Secs. 328, 329, and 330, N. C. L. 1929; and Sec. 327, 1943–1945 Supplement	Appointed by Governor	4	None	8 members.
Agricultural Society— Secs. 310–314, N. C. L., 1929	Appointed by Governor	4	None	15 members.
Apiary Commission, State— Sec. 460–461, N. C. L., 1929	Appointed by Governor	4	Transportation and expenses	5 members.

TABLE IX—*Continued*

Name and Legal Reference	How chosen	Term of office (years)	Annual compensation (dollars)	Composition of Boards
Athletic Commission, Nevada—Sec. 905, N. C. L., 1931–1941 Supplement	Appointed by Governor	4	None	5 members.
Apprenticeship Council—Sec. 506.01, N. C. L., 1931–1941 Supplement; Chap. 243, Stats. 1947	6 appointed by Labor Commissioner. 1 by the 6 Council members. 1 Vocational Education member without vote	3	Expenses	3 members — Employers; 3 members — Employees; 1 General Public; 1 Vocational Education without vote.
Auditor, State and Superintendent of Banks—Sec. 728, N. C. L., 1929; Sec. 747.49, 1931–1941 Supplement	Appointed by Governor	Indefinite	5,500	
Award, Board of, State of Nevada—Sec. 5538, N. C. L., 1929	Ex officio	4	None	3 members—State Controller, State Treasurer, and State Land Register.
Barbers' Health and Sanitation Board, State—Sec. 762, N. C. L., 1929	Appointed by Governor	2 overlapping terms	300 for Secretary and Treasurer, 10 for each meeting for other 2 members	3 members.
Chiropractic Examiners, Nevada State Board of—Sec. 1080, N. C. L., 1929	Appointed by Governor	3 overlapping terms	None	3 members.
Colorado River Commission of Nevada—Sec. 1443.01, N. C. L., 1931–1941 Supplement	Appointed by Governor	2 for 2 years, overlapping; 2 for 4 years, overlapping	10 per day actually on job	4 members and Governor.

Contractors' Board, State— Sec. 1474.01, N. C. L., 1931–1941 Supplement	Appointed by Governor	4	None	7 members.
Control, Board of— Sec. 6974, N. C. L., 1931–1941 Supplement	Ex officio	4	None	5 members—Governor, Secretary of State, State Controller, State Treasurer and Surveyor General.
Cosmetology, State Board of— Sec. 1862.03, N. C. L., 1931–1941 Supplement	Appointed by Governor	4 overlapping terms	None	3 members.
Defense, State Council of, of Nevada— Sec. 6917.01, N. C. L., 1943–1945 Supplement	Appointed by Governor	Indefinite	10 per day actual meeting	15 to 25 members.
Dental Examiners of Nevada, Board of— Sec. 2331, N. C. L., 1929. (Includes Dental Hygiene, Chap. 161, Stats. 1947)	Appointed by Governor	4 overlapping terms	10 per day actually employed on work	5 members.
Education, State Board of— Sec. 5650, N. C. L., 1931–1941 Supplement	At General Election	4	Travel and living expenses when attending meetings	7 members—Governor, Superintendent of Public Instruction and 5 lay members.
Embalmers, State Board of— Sec. 2665, N. C. L., 1929	Appointed by Governor	3 overlapping terms	Traveling expenses	3 members.
Employment Security Department— Sec. 2825, N. C. L. 1931–1941 Supplement	Appointed by Governor	Pleasure of Governor	Fixed by Governor	
Employment Security Department, Board of Review— Sec. 2825.25, N. C. L., 1931–1941 Supplement	Appointed by Governor	4	10 per day and expenses	3 members.

TABLE IX—*Continued*

Name and Legal Reference	How chosen	Term of office (years)	Annual compensation (dollars)	Composition of Boards
Employment Security Council—Sec. 2825.25C, N. C. L., 1931–1941 Supplement	Appointed by Governor	4	5 per day and expenses	4 Employer members; 4 Employee members; 1 Executive Director of Employment Security Department.
Engineer, State—Sec. 7390, N. C. L., 1929	Appointed by Governor	4	4,400	
Engineers, State Board of Registered Professional—Sec. 2870, N. C. L., 1931–1941 Supplement	Appointed by Governor	4 overlapping terms	None	5 members.
Finance, State Board of; Also Board of Investments—Sec. 6956, N. C. L., 1929; Sec. 6962, N. C. L., 1929	3 elected members; 2 appointed by Governor	4	10 per day and expenses	Governor, State Controller, State Treasurer and 2 other members.
Fire Control, Board of—Chap. 149, Stats. 1945	Ex officio	4	None	3 members — Governor, Forester Fire Warden, Director of Agricultural Extension Service.
Fish and Game Commissioners, State Board of—Chap. 101, Sec. 9, Stats. 1947	Elected by people	4	Expenses	17 members.
Health, State Board of—Sec. 5235, N. C. L., 1931–1941 Supplement	Appointed by Governor	4 overlapping terms	20 per day and expenses	Governor and 4 members.
Highways, Department of, Board—Sec. 5320, N. C. L., 1929; and Sec. 5322, 1943–1945 Supplement	Ex officio	4	None	Governor, Attorney General, and Controller.
Hoisting Engineers Examining Boards, District—Sec. 4276, N. C. L., 1929	1 ex officio; 2 appointed by engineers and mine operators in each district	Indefinite	10 per day and expenses	3 members — Inspector of Mines and 2 members.

Immigration Bureau, State— Chap. 88, Stats. 1887	Ex officio			
Industrial Commission Board— Chap. 168, Sec. 39, Stats. 1947	Ex officio	4	None	3 members—Governor, Attorney General and Inspector of Mines.
Industrial Commission, Nevada— Chap. 168, Sec. 39, Stats. 1947	2 appointed by Governor; 1 by Industrial Commission Board	4	Chairman, $150 per month; Labor Commissioner, $200 per month; third Commissioner, $250 per month	3 members.
Industry, Agriculture, and Irrigation, Commission of— Sec. 5476, N. C. L., 1929	Ex officio	4	None	Governor, State Engineer, and Surveyor General.
Inspector of Mines— Sec. 4208, N. C. L., 1929	Elective	4	4,800	
Insurance, Commissioner of— Sec. 3656.02, N. C. L., 1931–1941 Supplement	Controller ex officio	4	None	
Irrigation District Bond Commissioners— Sec. 8224, N. C. L., 1929	Ex officio	4 years. Governor and State Engineer indefinite. Bank Examiner	None	Governor, State Bank Examiner, and State Engineer.
Labor Commissioner— Sec. 2749, N. C. L., 1931–1941 Supplement; and Sec. 2689, 1943–1945 Supplement	Ex officio	4	1,500 additional salary to salary as Industrial Commissioner	1 member of Industrial Commission other than Chairman designated by Governor.
Legislative Counsel Bureau— Chap. 102, 1947 Stats.	Appointed by Legislature	2	Expenses	2 Senators and 2 Assemblymen.

TABLE IX—*Continued*

Name and Legal Reference	How chosen	Term of office (years)	Annual compensation (dollars)	Composition of Boards
Livestock Show Board, Nevada State—Secs. 3903, 3904, N. C. L., 1929	Appointed by Governor	1	None	3 members. Chairman is head of Department of Animal Husbandry at University of Nevada.
Medical Examiners of the State of Nevada, Board of—Sec. 4091, N. C. L., 1929	Appointed by Governor	4 overlapping terms	Expenses	5 members.
Merit Board—Chap. 212, Stats. 1945	Appointed by Governor	4	10 per day and expenses	3 members.
Military Auditors, State Board of—Sec. 4053, Rev. Laws 1912	Ex officio	4	None	Governor, State Controller, and Adjutant General.
Mining Board, Advisory, for the State of Nevada—Sec. 4313, N. C. L., 1943–1945 Supplement	Appointed by Governor	2	Expenses	7 members.
Motor Vehicle Commissioner—Sec. 4435.01, N. C. L., 1931–1941 Supplement	Ex officio	4	None	Secretary of State.
Nevada State Museum Board—Secs. 4690–4690.06, 1931–1941 Supplement; and Chap. 68, Stats. 1943	Appointed by Governor	4 overlapping terms	Expenses	3 members.
Nevada State Orphans' Home (See Board of Relief, Work Planning and Pension Control)—Sec. 7582, N. C. L., 1943–1945 Supplement	Appointed by Governor	4 overlapping terms	Expenses	7 members.
Nevada School of Industry Board—Secs. 6830–6840, N. C. L., 1929	Ex officio and appointed	4 overlapping terms	Expenses	Governor and 4 members.
Nevada State Hospital for Mental Diseases Board—Sec. 3507, N. C. L., 1943–1945 Supplement	Ex officio and appointed by Governor	4 overlapping terms	Expenses	Governor and 4 members.
Nevada State Prison, Warden—Secs. 11453–11501.05, N. C. L., 1929; and 1931–1941 Supplement	Appointed by Board of Prison Commissioners	Indefinite	3,600	

Nevada State Fair of Industry Show Board—Chap. 191, Sec. 2, Stats. of 1947	Appointed by Governor	4	Expenses	3 members—All from White Pine County.
Nurse Examiners; State Board of—Sec. 4757, N. C. L., 1943–1945 Supplement	Appointed by Governor	4 overlapping terms	None	3 Registered Nurses.
Optometry, Nevada State Board of Examiners in—Sec. 4967, N. C. L., 1929	Appointed by Governor	3 overlapping terms	None	3 members.
Osteopathy, State Board of—Sec. 4993, N. C. L., 1929	Appointed by Governor	3	None	3 members.
Park Commission of the State of Nevada, State—Sec. 5585.01, N. C. L., 1931–1941 Supplement	Appointed by Governor	5	Expenses	5 members including Highway Engineer.
Pharmacy, State Board of—Sec. 5044, N. C. L., 1929	Appointed by Governor	4	Expenses	5 members.
Planning Board, State—Sec. 6975.01, N. C. L., 1931–1941 Supplement	Ex officio and appointed	4 overlapping terms	Expenses	11 members—8 appointed by Governor; and Governor, State Engineer, and State Highway Engineer.
Police, Nevada State, Superintendent—Sec. 7434, N. C. L., 1929; and Sec. 7435, 1943–1945 Supplement	Appointed by Governor	Indefinite	3,900	
Printing Control, Board of—Sec. 7495, N. C. L., 1929	Ex officio	4	None	State Controller, State Printer, and Secretary of State.
Printing, Superintendent of State—Sec. 7471, N. C. L., 1929	Elective	4	4,800	

TABLE IX—*Continued*

Name and Legal Reference	How chosen	Term of office (years)	Annual compensation (dollars)	Composition of Boards
Publicity, State Board of— Sec. 270.02, N. C. L., 1931–1941 Supplement	Ex officio and appointed	4 indefinite for appointed officials	Expenses	Governor, Highway Engineer, State Printer, and two members.
Public School Teachers' Retirement Salary Fund Board— Sec. 6077.41, N. C. L., 1931–1941 Supplement	Ex officio	4	None	State Board of Education Ex Officio.
Public Employees' Retirement Board— Chap. 181, Sec. 4, Stats. 1947	Appointed by Governor	4	Expenses	5 members.
Public Service Board— Chap. 26, Stats. 1947	Ex officio	4	None	3 members—Governor, Lieutenant Governor and Treasurer.
Public Service Commission— Chap. 26, Stats. 1947	Ex officio and appointed	4	Chairman, 5,500; other appointed members, 2,750; Ex Officio member, 1,100	3 members — State Engineer and two members appointed by the Public Service Board.
Racing Commission, State— Sec. 6218, N. C. L., 1929	Appointed by Governor	4 overlapping terms	None	3 members.
Range Commission, State— Sec. 5574, N. C. L., 1929	Ex officio	4	Expenses	3 members—Governor, State Engineer and member of Tax Commission.
Real Estate Board of the State of Nevada— Chap. 150, Sec. 6, Stats. 1947	Ex officio and appointed by Governor	3 overlapping terms	Expenses	5 members—Controller and 4 members appointed by the Governor.
Reclamation and Settlement Board— Sec. 5561, N. C. L., 1929	Ex officio and appointed by Governor	4	10 per day for appointed members	Governor, State Engineer and 3 members—Attorney General is Legal Advisor.

Relief, Work Planning and Pension Control, The State Board of— Sec. 5151.01, N. C. L., 1931–1941 Supplement	Appointed by Governor	4 overlapping terms	Expenses	7 members.
Sheep Commissioners, State Board of— Sec. 3871, N. C. L., 1929	Appointed by Governor	4	500 each and expenses	3 members.
Soil Conservation Committee, State— Sec. 6870.04, N. C. L., 1931–1941 Supplement	Ex officio	Indefinite	None	Chairman and 3 to 5 members, Director of State Extension Service, Agriculture Experiment Director, Coordinator of Soil Conservation Service.
State Land Office— Sec. 5512, N. C. L., 1929	Ex officio	4	None	Surveyor General.
Stock Commissioners, State Board of— Sec. 3826, N. C. L., 1929; and 3827, 1931–1941 Supplement	Appointed by Governor	4	10 per day and transportation and expenses	3 members.
Tax Commission, Nevada— Sec. 6542, N. C. L., 1929	Ex officio and appointed by Governor	4 overlapping terms	Secretary, 5,500; 5 appointed members, 600 each and expenses	7 members — Governor, 5 members appointed by Governor and appointed member of Public Service Commission.
Textbook Commission, State— Sec. 5803, N. C. L., 1929	Ex officio and appointed by Governor	4 for appointed members	5 per day and expenses for appointed members	7 members State Board of Education and 4 members appointed by Governor.
Uniformity of Legislation, Board of Commissioners for the Promotion of— Sec. 6970, N. C. L., 1929	Appointed by Governor	3	None	3 members.
Veterans' Service Commissioner— Chap. 189, Stats. 1943	Appointed by Governor	2	4,200 and expenses	

TABLE IX—*Continued*

Name and Legal Reference	How chosen	Term of office (years)	Annual compensation (dollars)	Composition of Boards
Veterinary Medical Examiners, State Board of— Sec. 7791, N. C. L., 1929	Appointed by Governor	3 overlapping terms	Expenses	3 members.
Vocational Education and Vocational Rehabilitation Board— Secs. 6043–6055 and 7773–7778, N. C. L., 1929, as amended	Ex officio and appointed	Appointed members 4 years overlapping	Expenses of appointed members	9 members—State Board of Education ex officio and 2 members appointed by the Board of Education.
STATE INSTITUTIONS				
Advisory Board of Regents, University of Nevada— Chap. 268, Stats. 1947	Nominated by Board of Regents, appointed by Governor	4	Expenses	7 members.
Honorary Board of Visitors— Secs. 7760–7764, N. C. L., 1929	Appointed by Governor	2	Expenses	17 members and Chief Justice.
Public Service Division, University of Nevada	Appointed by Board of Regents	Indefinite	Determined by Regents	Composed of Bureau of Mines, Agriculture Extension Service, Agricultural Experiment Station, Weights and Measures and Hygienic Laboratory.
State Library Board— Sec. 7086, N. C. L., 1943–1945 Supplement	Ex officio	4	None	Governor, State Controller, and Secretary of State.
Nevada State Historical Society— Sec. 4680, N. C. L., 1929—Inc. January 31, 1923	Officers as chosen by the Society			

Source—Compiled by the author from the report of the Secretary of State, the Governor's records of appointments and boards, the statutes, and the Nevada Compiled Laws.

TABLE X

PROPOSED AGENCIES, AGENCIES ASSOCIATED WITH IT, AND AGENCIES ABOLISHED UNDER STATUTORY PLAN

Offices, Departments, Agencies Under Proposed Statutory Plan	Agencies Not Abolished But Associated With Proposed Organization	Existing Agencies Abolished and Functions Transferred
The Office of the Governor— Director of Budget and Purchasing Director of Personnel	Adjutant-General Merit Board Public Employees Retirement Board State Council of Defense Director, State Library State Board of Finance	State Board of Publicity State Library Board
The Office of the Secretary of State— Records Printing Professional Registrations	State Board of Accounting Nevada Athletic Commission Barber Health and Sanitation Board Board of Chiropracter Examiners State Board of Contractors State Board of Cosmetology State Board of Dental Examiners State Board of Embalmers Registered Professional Engineers Hoisting Engineers Examining Board State Board of Medical Examiners State Board of Nurses Examiners State Board of Optometry Examiners State Board of Osteopathy State Board of Pharmacy Real Estate Board Veterinary Medical Examination Board Nevada Historical Society Nevada State Museum	Supt. of State Printing Board of Printing Control
The Office of the Attorney-General— Bureau of Investigation		State Police
The Office of the Controller— Banking and Insurance Pre-audit County Budget Control	Board of Examiners	Board of Finance State Bank Examiner
The Office of the Treasurer— Custody of State Funds		
The Office of the Superintendent of Public Instruction	Public School Teachers' Retirement Salary Fund Board State Board of Education	State Textbook Commission Vocational Education and Vocational Rehabilitation Board of Immigration

TABLE X—*Continued*

Offices, Departments, Agencies Under Proposed Statutory Plan	Agencies Not Abolished But Associated With Proposed Organization	Existing Agencies Abolished and Functions Transferred
The Office of the Surveyor-General— Dept. of Conservation, Agriculture and Economic Development Division of Conservation Division of Agriculture Division of Economic Development	State Land Office State Planning Board Colorado River Commission State Bureau of Mines	Irrigation District Board Commission State Planning Board Advisory Mining Board State Engineer Reclamation and Settlement Board Soil Conservation Board Board of Award Industry, Agriculture and Irrigation Board Agricultural Association District No. 3 Agricultural Association District No. 4 Agricultural Association District No. 10 State Apiary Commission Fish and Game Commission State Board of Sheep Commissioners State Board of Stock Commissioners Livestock Show Board State Range Commission
Dept. of Public Institutions— Institutional Management	Board of State Prison Commissioners Board of Pardon and Parole Commissioners Nevada State Prison State Orphans' Home Nevada State Hospital for Mental Diseases Nevada School of Industry	Board of Control
Dept. of Highways and Public Works		Highway Board Park Commission
Dept. of Public Health and Welfare	State Orphans' Home	State Board of Health Board of Relief, Work Planning and Pension Control
Dept. of Taxation— Tax Collections Registry of Motor Vehicles Highway Patrol		Motor Vehicle Commission Drivers' License Division Contract Carrier Work of Public Service Division
(Board of Appeals,) (Utility Assessment and Equalization)		

Dept. of Labor—Industry— Division of Unemployment Compensation Employment Service Division of Industrial Insurance *Bureau of Public Utility Regulation (Utility Review Board)	State Racing Commission Board of Review, Employment Security	Industrial Commission Board Nevada Industrial Commission Inspector of Mines Commissioner of Labor Public Service Board Nevada State Finance Board Industry Show Board Apprenticeship Council Employment Security Commission Employment Security Department Veterans Service Commission
Board of Regents		Advisory Board of Regents Board of Honorary Visitors of the University
Lieutenant Governor		
Supreme Court—Clerk of Supreme Court		
Legislature	Legislative Counsel Bureau	Uniformity of Legislation Promotion Board
Auditor (Legislative)		State Board of Military Auditors State Auditor

*Independent.

TABLE XI

PROPOSED AGENCIES, AGENCIES ASSOCIATED WITH IT, AGENCIES ABOLISHED UNDER CONSTITUTIONAL PLAN

Offices, Departments, Agencies Under Proposed Constitutional Plan	Existing Agencies Not Abolished But Associated With Proposed Organization	Existing Agencies Abolished and Functions Transferred
The Office of the Governor	Adjutant General State Council of Defense Director, State Library	Lieutenant Governor State Library Board
Department of Law Bureau of Investigation		Attorney General Superintendent of State Police
Department of Conservation, Agriculture and Economic Development	Colorado River Commission State Bureau of Mines State Planning Board	Surveyor-General State Engineer Advisory Mining Board State Planning Board Reclamation and Settlement Board Soil Conservation Committee State Land Office Board of Award Agricultural Conservation No. 3 Agricultural Conservation No. 4 Agricultural Conservation No. 10 Agricultural Society State Apiary Commission State Board of Fish and Game Commission Commission of Industry, Agriculture and Irrigation Irrigation District Board Commissioners Livestock Show Board State Range Commission State Board of Sheep Commissioners State Board of Stock Commissioners

Department of Finance	Merit Board Public Employees Retirement Board State Board of Accountancy State Athletic Commission Barbers Health and Sanitation Board State Board of Chiropractic Examiners State Board of Contractors State Board of Cosmetology State Board of Dental Examiners State Board of Embalmers State Board of Registered Professional Engineers Hoisting Engineers Examining Board State Medical Examiners State Board of Nurses Examiners State Board of Examiners in Optometry State Board of Osteopathy State Board of Pharmacy State Real Estate Board Veterinary Medical Examiners Nevada State Historical Society Nevada State Museum	Secretary of State State Controller State Treasurer Board of Examiners Board of Control State Board of Finance Board of Printing Control Superintendent of State Printing Board of State Publicity Tax Commission
Department of Highways and Public Works		Highway Board Motor Vehicle Commission State Park Commission
Department of Public Institutions	Nevada State Prison State Orphans' Home Nevada State Hospital for Mental Diseases School of Industry Board of Parole—Parole Commission State Board of Prison Commission	
Department of Labor and Industry	Board of Review, Employment Security State Racing Commission	Nevada Industrial Commission Inspector of Mines Insurance Commissioner Labor Commissioner Public Service Board Public Service Commission Veterans Service Commissioners Employment Security Department Apprenticeship Council Employment Security Council Nevada State Fair Industry Show Board

TABLE XI—*Continued*

Offices, Departments, Agencies Under Proposed Constitutional Plan	Existing Agencies Not Abolished But Associated With Proposed Organization	Existing Agencies Abolished and Functions Transferred
Department of Public Health and Welfare		State Board of Health State Board of Relief, Work Planning and Pension Control
Department of Education		Superintendent of Public Instruction Board of Regents State Board of Education Public School Teachers Retirement Board Textbook Commission Vocational Education and Vocational Rehabilitation Advisory Board of Regents Honorary Board of Visitors Nevada State Bureau of Immigration
Supreme Court Legislature Auditor (Legislative)	Legislative Counsel Bureau	State Auditor State Board for Promotion of Uniformity of Legislation State Board of Military Auditors

APPENDIX "C"

Organization Charts of Major State Departments

FIGURE 4

ORGANIZATION CHART OF THE OFFICE OF THE SECRETARY OF STATE

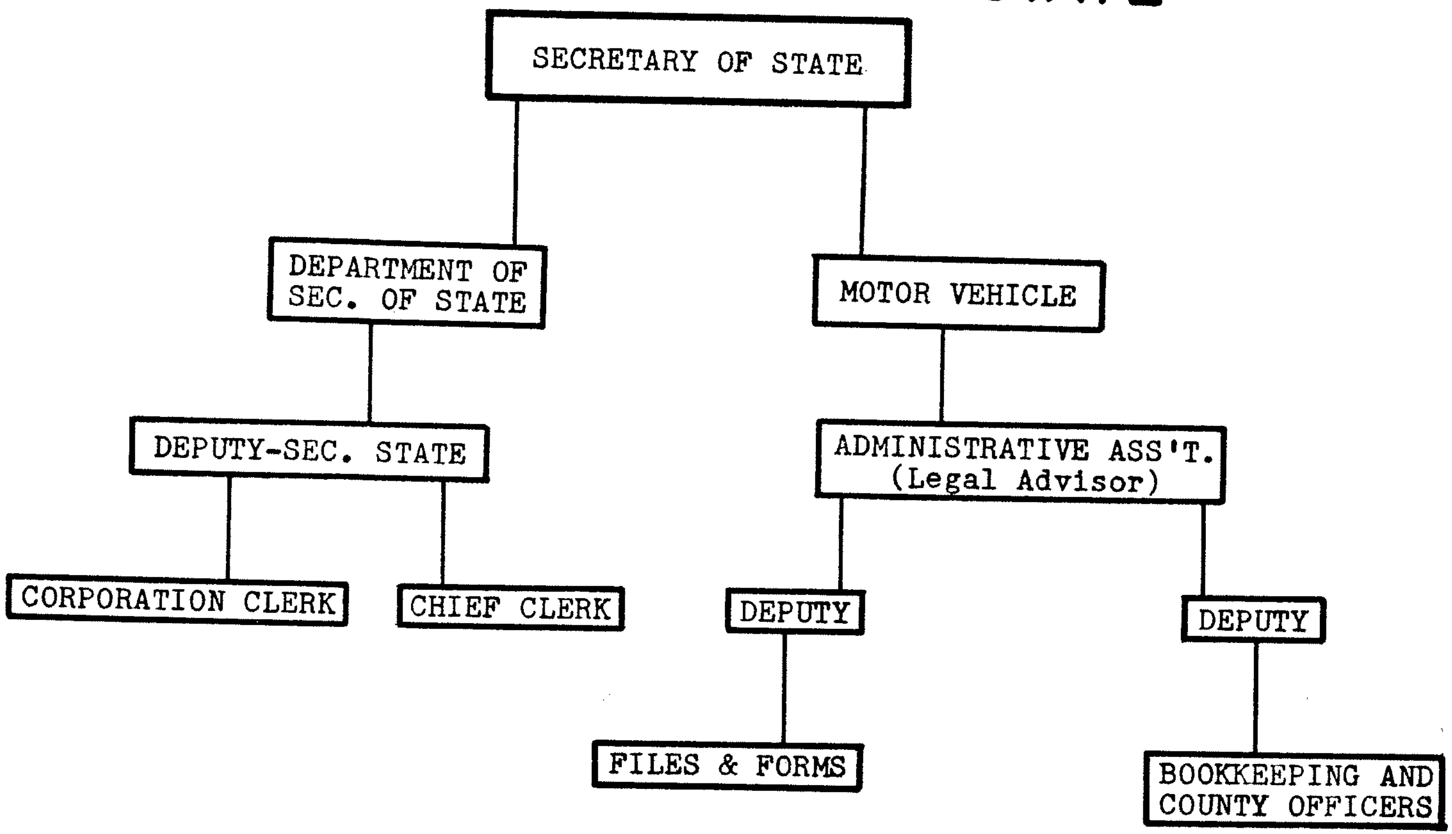


FIGURE 5

ORGANIZATION CHART OF THE OFFICE OF THE STATE CONTROLLER

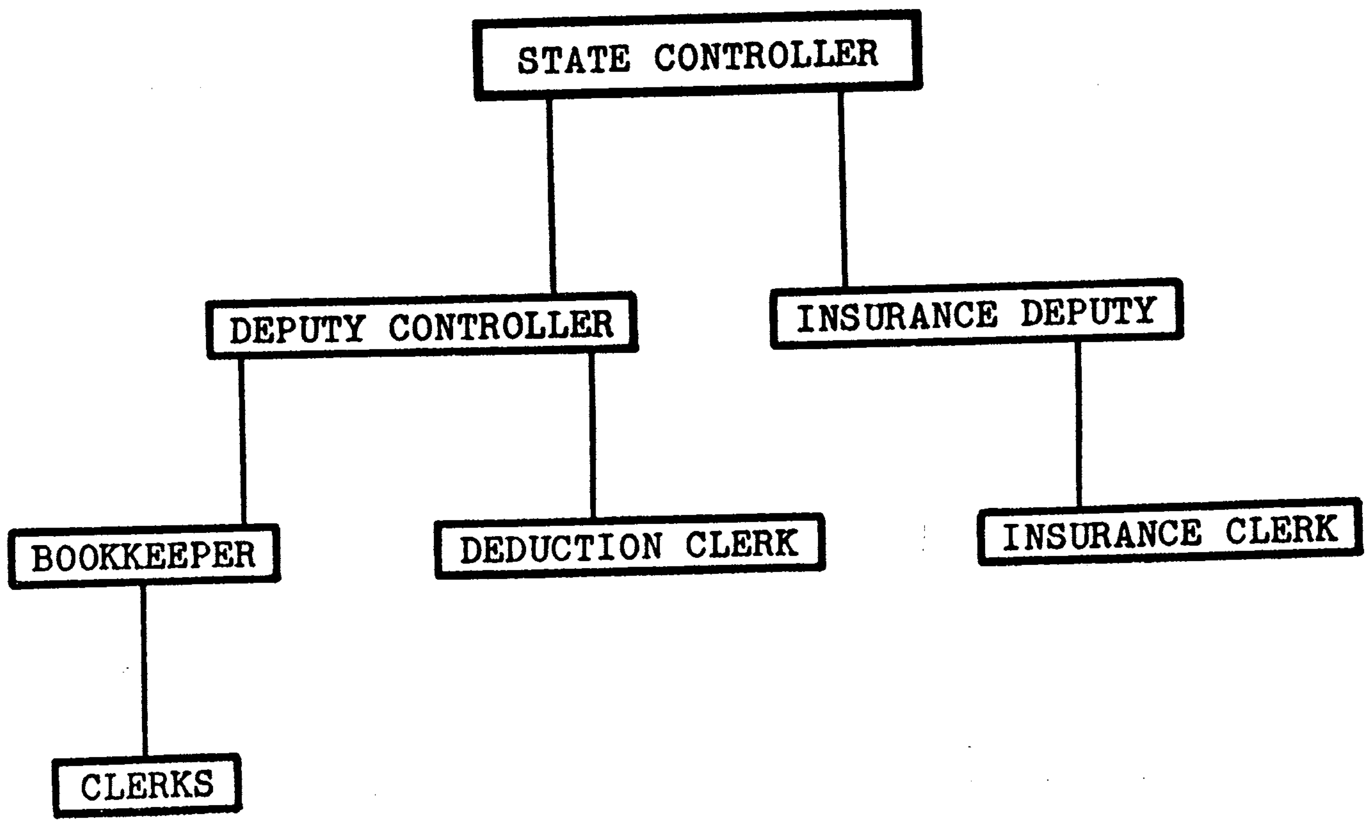


FIGURE 6

ORGANIZATION CHART OF THE STATE DEPARTMENT OF EDUCATION

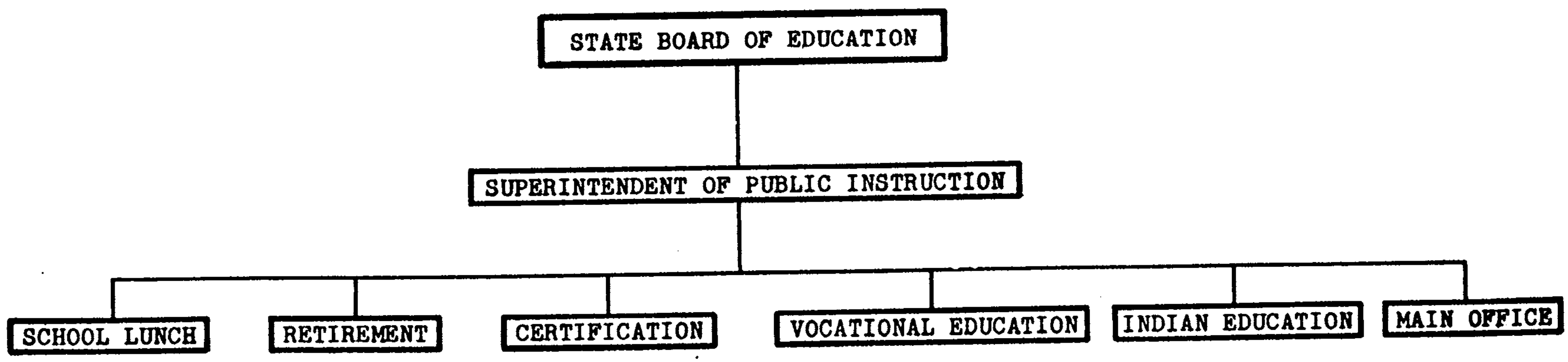


FIGURE 7
ORGANIZATION CHART

STATE OF NEVADA
DEPARTMENT OF HIGHWAYS

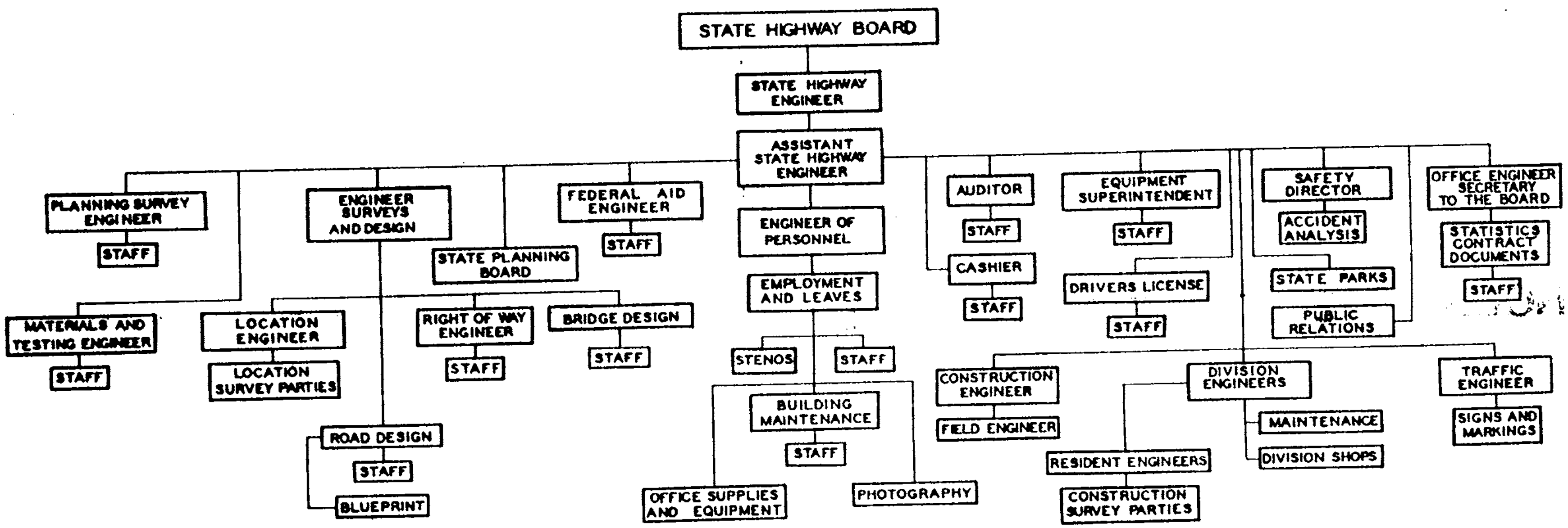


FIGURE 8

ORGANIZATION CHART OF THE STATE WELFARE DEPARTMENT

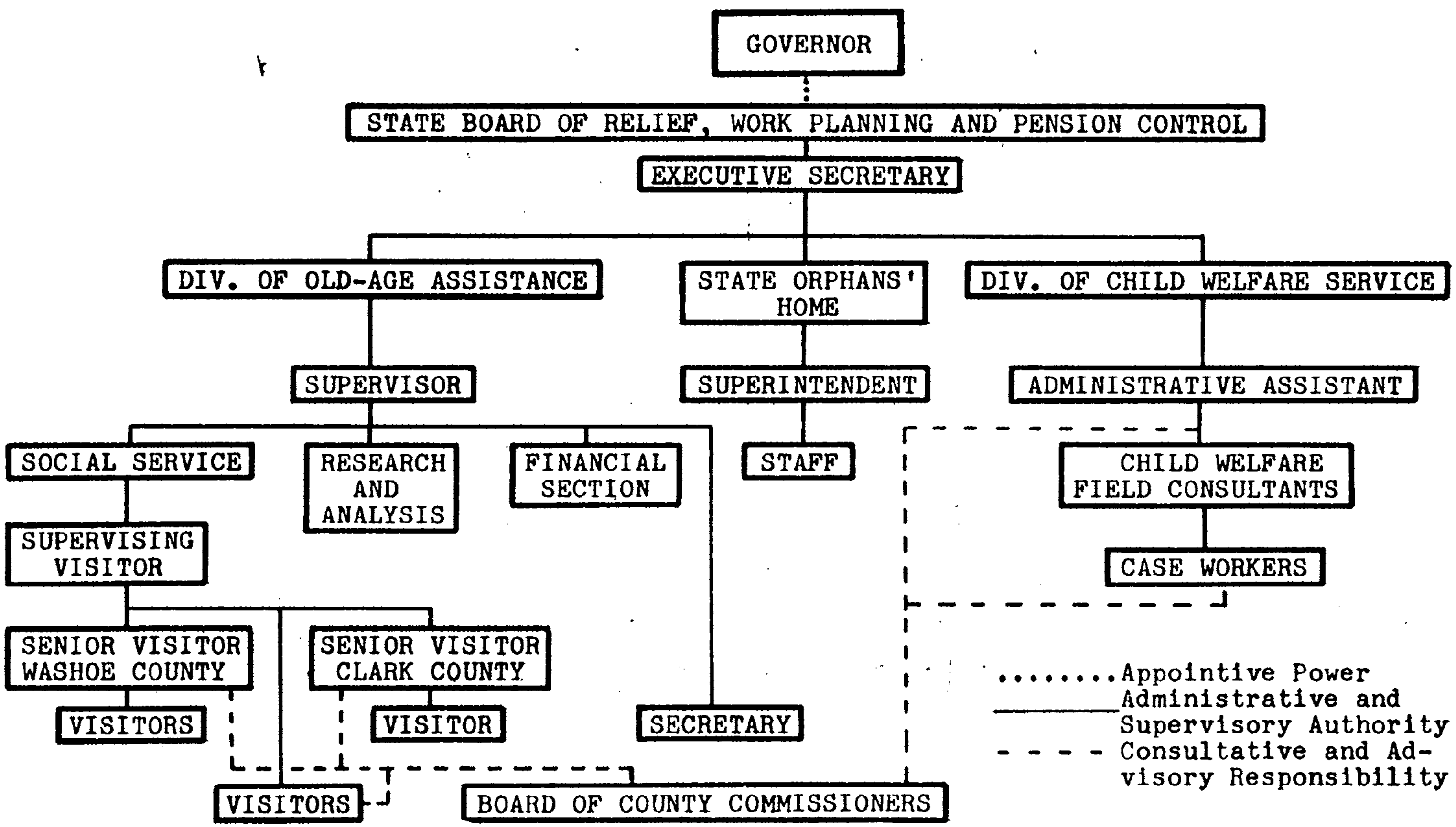


FIGURE 9

ORGANIZATION CHART OF THE STATE PUBLIC SERVICE COMMISSION

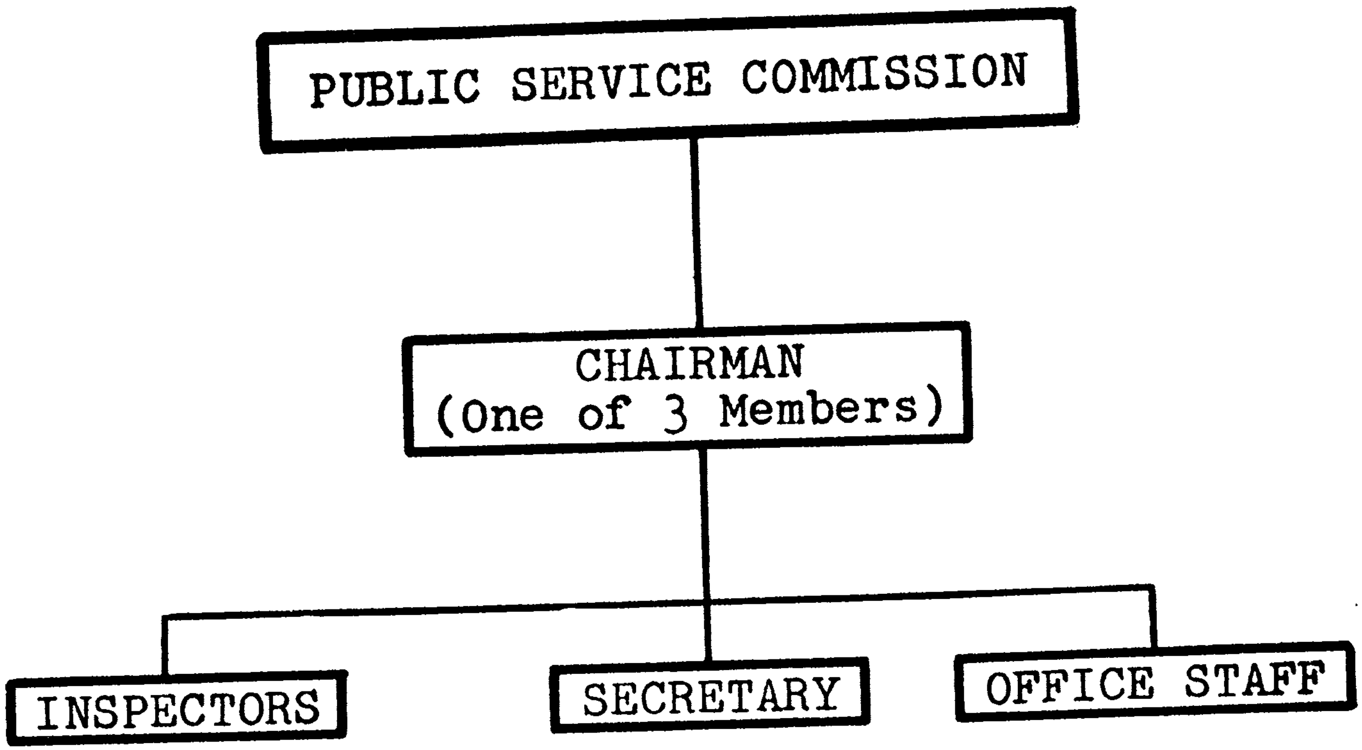


FIGURE 10

ORGANIZATION CHART OF THE OFFICE OF THE STATE ENGINEER

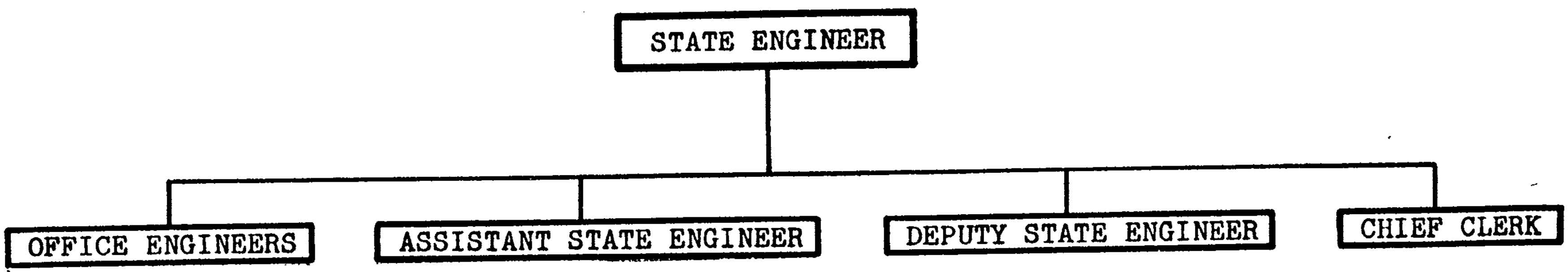


FIGURE 11

ORGANIZATION CHART OF THE STATE INDUSTRIAL COMMISSION

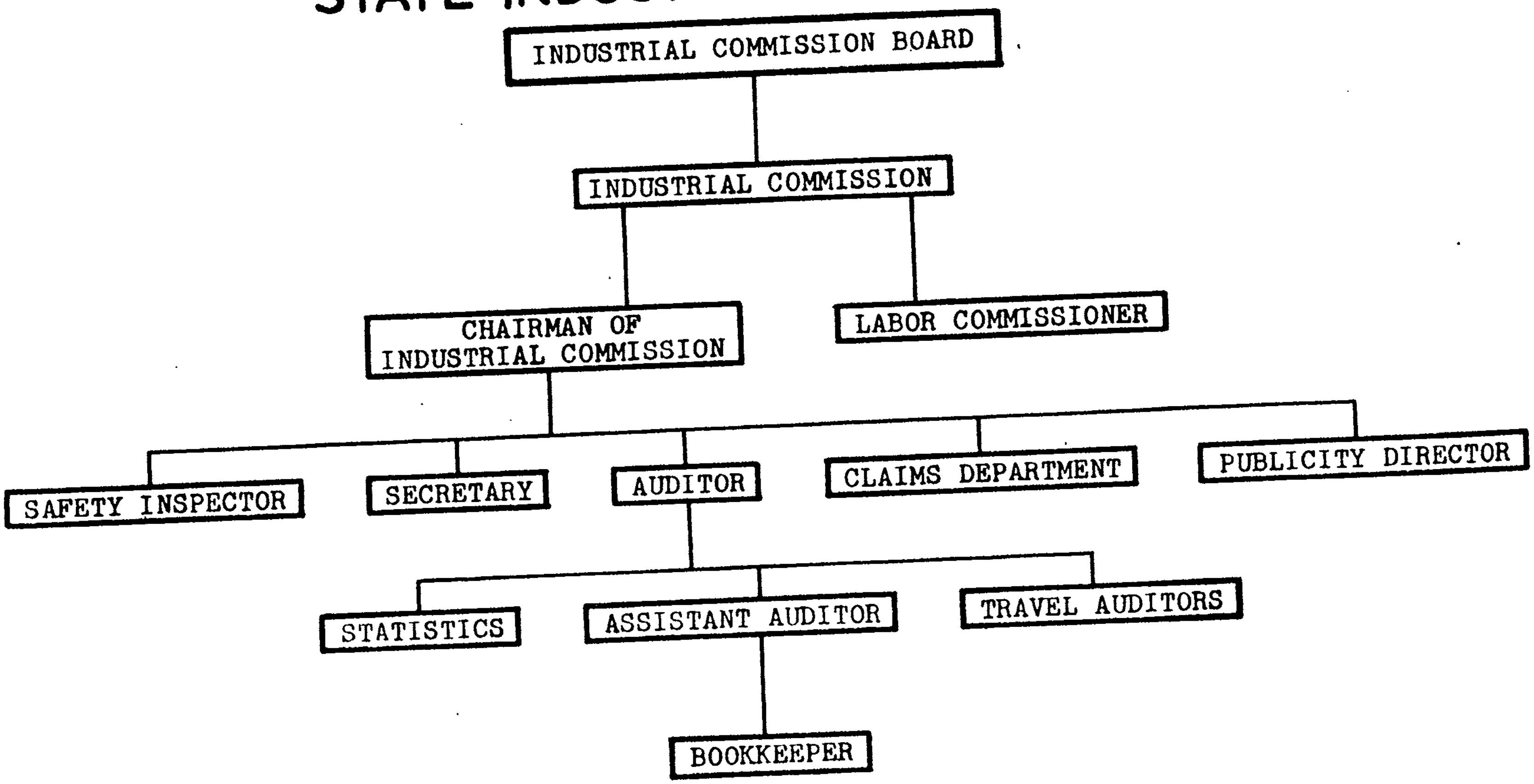


FIGURE 12

ORGANIZATION CHART OF THE STATE TAX COMMISSION

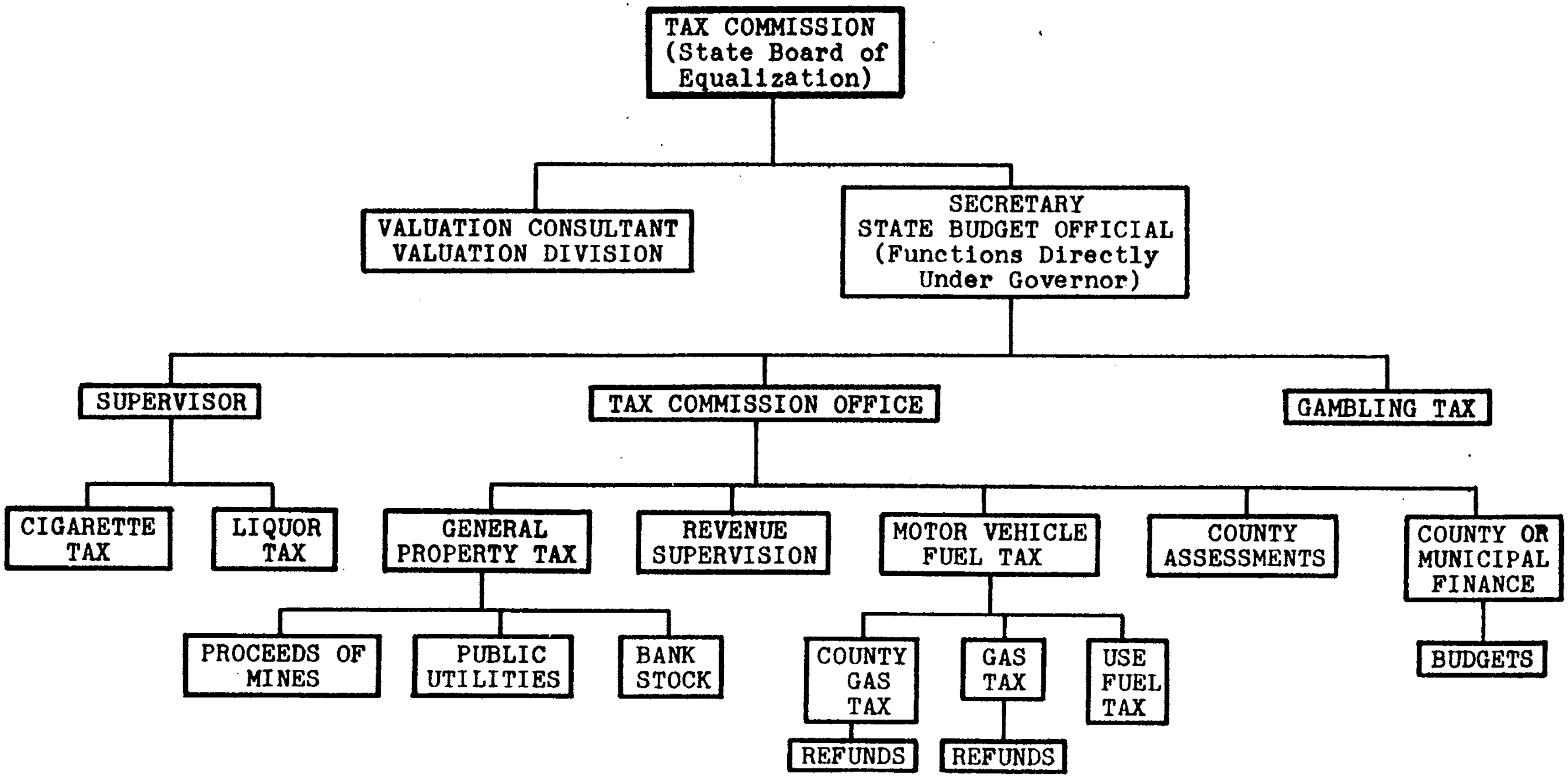


FIGURE 13

ORGANIZATION CHART OF THE STATE DEPARTMENT OF HEALTH

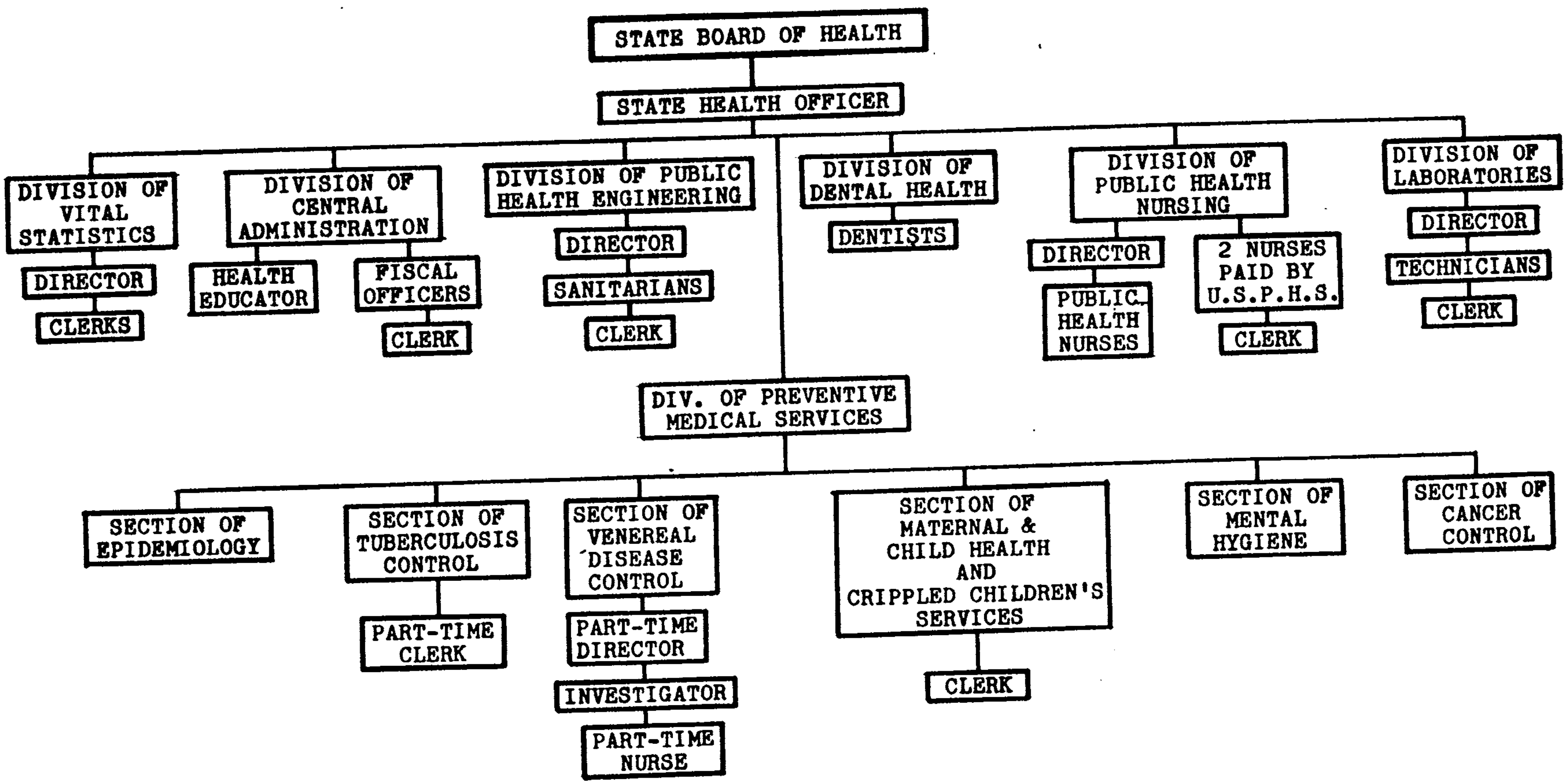
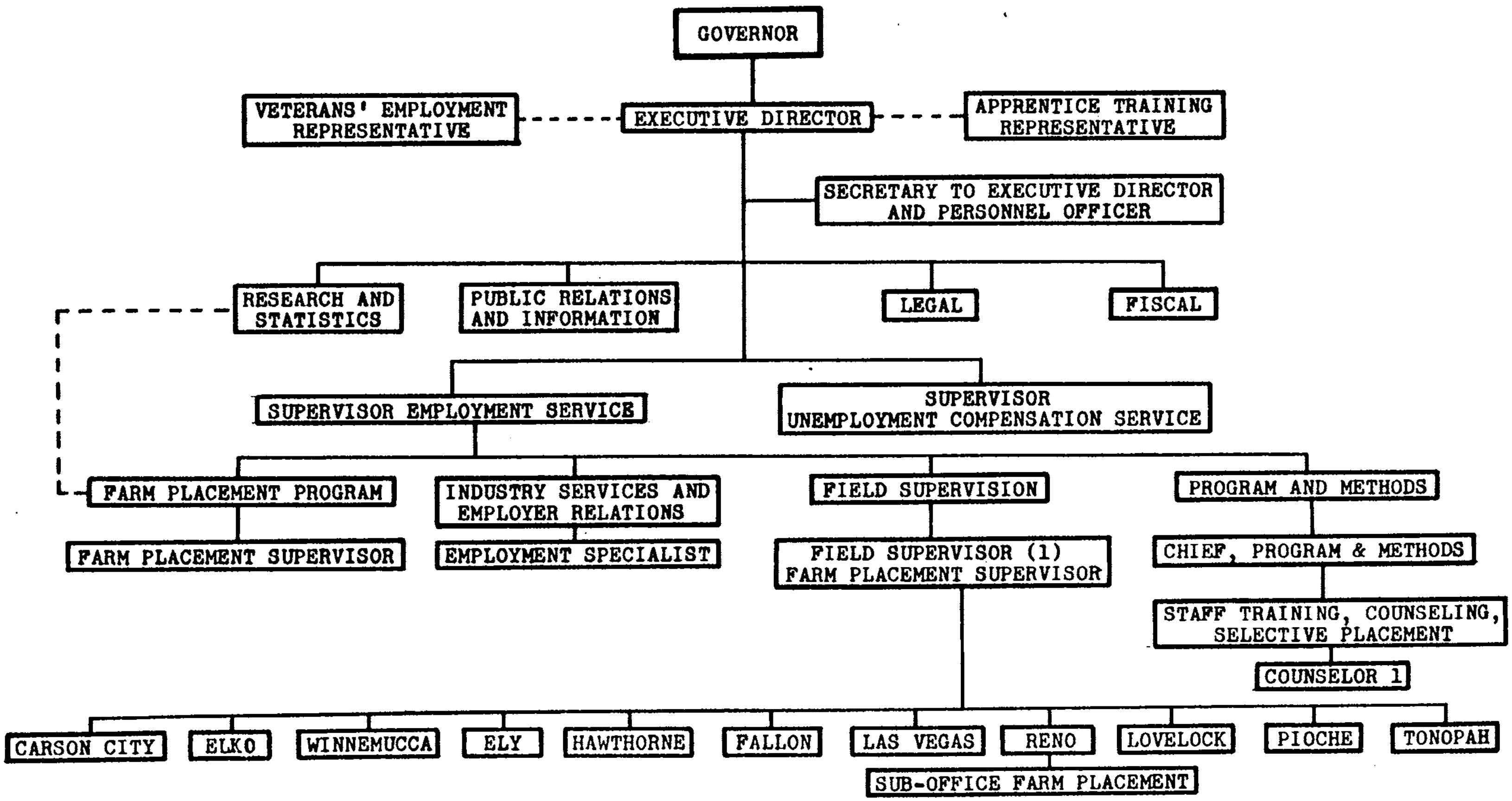


FIGURE 14

ORGANIZATION CHART OF THE STATE EMPLOYMENT SECURITY DEPARTMENT



APPENDIX "D"

TABLE XII

MERIT SYSTEM IN THE STATES

1947

State	Name of Agency	Established	Coverage
Alabama	State Personnel Board	1939	Service-wide.
	Merit System Council	1940	Deptal.—County Depts. P.W.
Arizona	Merit System Council	1944	Deptal.—S.S. & Welf., H.D., U.C., E.S.
Arkansas	Merit System Council	1940	Deptal.—P.W., H.D., U.C., E.S.
California	State Personnel Board	1913	Service-wide.
Colorado	Civil Service Commission	1907	Service-wide.
	Merit System Council	1940	Deptal.—County Depts. P.W.
Connecticut	Personnel Department	1937	Service-wide.
Delaware	Merit System Council	1938	Deptal.—U.C., H.D., Old Age Welf. Com., Aid to Dependent Children, E.S.
Florida	Joint Merit System Council	1947	Deptal.—Ind. Com., E.S., St. Welf. Bd., U.D., H.D., C.C.C.
Georgia		1945	Service-wide.
	Merit System of Personnel Administration	1943	Deptal.—P.W., H.D., Labor Dept., U.C., E.S.
Idaho	(a) Merit System Council	1937	Deptal.—U.C., E.S., St. & County Depts., Pub. Asst., H.D.
	(b) Civil Service Advisory Board of State and Game Commission	1938	Deptal.—Fish and Game Com.
Illinois	Civil Service Commission	1905	Service-wide.
	Merit System Council	1941	Deptal.—Downstate County Depts., P.W.
Indiana	State Personnel Division	1941	Service-wide.
Iowa	Merit System Council	1939	Deptal.—Dept. Soc. Welf., H.D., U.C., E.S., C.C.C.
Kansas	Department of Civil Service	1941	Service-wide.
	Joint Merit System Council	1940	Deptal.—Soc. Welf., U.C., C.C.C., E.S., H.D., County Bds. Health.
Kentucky	Personnel Council	1940	Deptal.—Div. Pub. Asst. & Child Welf. of P.W. Dept., U.C.
Louisiana	Department of State Civil Service	1940	Service-wide.
Maine	State Personnel Board	1937	Service-wide.
Maryland	Department of State Employment and Registration	1921	Service-wide.
Massachusetts	Department of Civil Service and Registration	1885	Service-wide.
Michigan	Civil Service Commission	1937	Service-wide.
Minnesota	Department of Civil Service	1939	Service-wide.
	County Welfare Merit System	1941	Deptal.—County Welf. Depts.
Mississippi	(a) Advisory Commission on Personnel	1938	Deptal.—U.C., E.S.
	(b) Merit System Council	1940	Deptal.—P.W.
	(c) Merit System Council, Board of Health	1941	Deptal.—H.D.
Missouri	Personnel Division	1946	Service-wide.
	Merit System Council	1940	Deptal.—U.C., S.S. Com., E.S.
Montana	Merit System Council	1940	Deptal.—U.C., H.D., P.W.

TABLE XII—*Continued*

State	Name of Agency	Established	Coverage
Nebraska	Merit System Council	1940	Deptal.—H.D., U.C., & E.S. Divs. of Labor Dept., Dept. of Asst. and Child Welf.
Nevada	Merit Examination Board	1937	Deptal.—Soc. Welf. Dept., H.D., E.S.
New Hampshire	Merit System Council	1940	Deptal.—P.W., H.D., U.C. & E,S Divs. of Bur. of Labor.
New Jersey	Civil Service Commission	1908	Service-wide.
New Mexico	Merit System Council	1940	Deptal.—H.D., P.W., E.S.
New York	Department of Civil Service	1883	Service-wide.
North Carolina	Merit System Council	1941	Deptal.—Bd. Charities & P.W., Com. for Blind, H.D., U.C., E.S.
North Dakota	Merit System Council	1940	Deptal.—P.W., U.C., E.S., H.D.
Ohio	Civil Service Commission	1913	Service-wide.
Oklahoma	Merit System Council	1940	Deptal.—P.W., H.D., C.C.C., E.S.
Oregon	Civil Service Commission	1945	State-wide.
Pennsylvania	(a) Personnel Board, Department of Health	1941	Deptal.—H.D.
	(b) State Civil Service Commission	1941	Deptal.—Dept. Pub. Asst., U.C., E.S., Liquor Control Bd.
Rhode Island	Department of Civil Service	1939	Service-wide.
South Carolina	(a) Merit System Council	1936	Deptal.—U.C.
	(b) Merit System Council	1937	Deptal.—P.W.
	(c) Merit System Council	1939	Deptal.—H.D.
South Dakota	Merit System Council	1942	Deptal.—U.C., E.S., H.D., Dept. of S.S., Serv. to Blind, Vets. Dept.
Tennessee	Department of Civil Service	1937	Service-wide.
Texas	(a) Merit System Council	1941	Deptal.—U.C., E.S., P.W.
	(b) Merit Council	1942	Deptal.—H.D., C.C. Div. of Dept. of Educ.
Utah	Merit System Council	1942	Deptal.—P.W., E.S., U.C., H.D., Juvenile Courts.
Vermont	Merit System Council	1939	Deptal.—H.D., P.W., U.C., E.S., Old Age Asst. Dept.
Virginia	State Personnel Department	1942	Service-wide.
	(a) Merit System Council	1939	Deptal.—P.W.
	(b) Merit System Council	1940	Deptal.—U.C., E.S.
	(c) Merit System Council	1940	Deptal.—H.D.
	(d) Merit System Council	1940	Com. for Blind.
Washington	State Personnel Board	1941	Deptal.—S.S., U.C., E.S., H.D., State Patrol, Fisheries.
West Virginia	Merit System Council	1939	Deptal.—U.C., E.S., H.D., Dept. Pub. Asst., Voc. Rehab.
Wisconsin	Bureau of Personnel	1905	Service-wide.
Wyoming	Merit System Council	1940	Deptal.—P.W., H.D., E.S.

Source: Civil Service Assembly of the United States and Canada, "State Civil Service Systems," The Book of the States, 1948–1949, vii: 195–203, 1948.

ABBREVIATIONS

Bd. Charities & P.W.—Board of Charities and Public Welfare.
C.C.C.—Crippled Children's Commission.
E.S.—Employment Security.
H.D.—Health Department.
Ind. Com.—Industrial Commission.
P.W.—Public Welfare.
Pub. Asst.—Public Assistance.
S.S. & Welf.—Social Security and Welfare.
St. Welf. Bd.—State Welfare Board.
U.C.—Unemployment Compensation.