

STUDY OF PERSONNEL ADMINISTRATION IN STATE GOVERNMENT



Bulletin No. 83-9

LEGISLATIVE COMMITTEE TO STUDY
THE STATE PERSONNEL SYSTEM
STATE OF NEVADA

October 1982

S T U D Y O F P E R S O N N E L
A D M I N I S T R A T I O N I N
S T A T E G O V E R N M E N T

BULLETIN NO. 83-9

LEGISLATIVE COMMITTEE TO STUDY
THE STATE PERSONNEL SYSTEM
STATE OF NEVADA

OCTOBER 1982

TABLE OF CONTENTS

	<u>Page</u>
Assembly Bill 528 (Chapter 455, Statutes of Nevada 1981)	vi
Letter of Transmittal.....	viii
Committee Members	ix
Summary of Recommendations	x
Report to the 62nd Session of the Nevada Legislature from the Legislative Committee to Study the State Personnel System.....	1
I. Introduction and Overview of the Personnel System	1
A. Overview of Personnel Division Structure	5
II. Findings and Recommendations	6
A. Automation of Personnel Division Functions	8
B. Classification	10
C. Communications	12
D. Compensation and Job Performance Standards	15
1. Criteria for Determining Salaries of the State's Classified Positions	15
2. Job Performance Standards	17
3. Accelerated Pay Increases for Top Performing New State Employees	18
4. Nonmonetary Incentives for Employees Who Perform Outstanding Work	20

	<u>Page</u>
E. Delegation of Personnel Division Functions	21
F. Discipline	23
G. Employment Services	26
H. General Policy/Management/Planning	31
I. Legislative Oversight	34
J. Payroll System	35
1. Anticipated Pay Week	36
2. Payroll Section for Las Vegas Office ..	37
3. Transfer of the Payroll Function	38
K. Personnel Advisory Commission	39
L. Personnel Assessments and Personnel Budget	41
1. Personnel Assessments	42
2. Management Plan and Financial Information for Section Chiefs	43
3. Proper Budgeting for Supplies and Equipment	44
M. Personnel Records	44
N. Positions Not Covered Under Civil Service	45
O. Promotion Practices	48
P. Sick Leave	50
1. Maternity Leave	50
2. Incentives for Employees Who Do Not Use Sick Leave	51

	<u>Page</u>
Q. Staff and Organization Structure	51
1. Receptionist for Las Vegas Personnel Office	51
2. Applicants for Personnel Jobs With Outside of State Service Work Experience	52
3. Reorganized Staff Structure	53
R. Training	57
III. Bibliography and Footnotes	59
IV. Credits	72
V. Appendices	78
Appendix A Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper I: "Employee Discipline"	80
Appendix B Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper II: "Performance Based Pay"	88
Appendix C Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper III: "Modification of NRS Provisions Defining Unclassified Employees"	97
Appendix D Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper IV: "Proposal for Appointment of Blue Ribbon Committee to Consider and Recommend Salaries for Certain Employees in the Unclassified Service"	101

	<u>Page</u>
Appendix E	
Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper V: "Factor Ranking"	104
Appendix F	
Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper VI: "Delegation of Personnel Functions"	115
Appendix G	
Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper VII: "Criteria for Determining Salaries of the State's Classified Positions"	128
Appendix H	
Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper II: "Performance Based Pay"	133
Appendix I	
Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper III: "Modification of NRS Provisions Defining Unclassified Employees"	142
Appendix J	
Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper V: "Factor Ranking Benchmark Job Evaluation Classification System"	144
Appendix K	
Letter, dated June 25, 1982, from Donald Klasic, General Counsel, University of Nevada System, to Assemblyman Joseph E. Dini, Jr., Concerning the Position of the University of Nevada System Relative to Proposed Amendment to NRS 284.140 (6)	148

Page

Appendix L	
Memorandum, dated September 14, 1982, and Enclosures from Michael R. Alastuey, Director, Budget Division, Department of Administration, to Donald A. Rhodes, Chief Deputy Research Director, Relating to Personnel and Training Resources	159
Appendix M	
Cooke, David R., "Report on The Status of The Nevada Personnel System Submitted to the Nevada Legislative Committee C." The Council of State Governments, June 11, 1982	167
Appendix N	
Memorandum, dated September 24, 1982, from James F. Wittenberg, Chief, Personnel Division, to Donald A. Rhodes, Chief Deputy Research Director, entitled "Summary of Personnel Division Accomplishments"	189
Appendix O	
Compilation of Responses from State Agency Administrators to Questionnaire Soliciting Comments About Personnel Division/System (February 1982).....	197
Appendix P	
Suggested Legislation	244

Assembly Bill No. 528—Assemblymen Westall, Mello, Bremner, Brady, Barengo, Nicholas, May, Hickey, Dini, Redelsperger, Prengaman, Kovacs, Beyer, Vergiels, Hayes, Horn, Price, Coulter, Bennett, Chaney, Schofield, Jeffrey, DuBois, Rackley, Sader and Thompson

CHAPTER 455

AN ACT relating to the state personnel system; creating a legislative committee to study the system and providing for its organization, powers and duties; making an appropriation; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. 1. The legislative committee to study personnel administration in state government, consisting of seven members, is hereby created.

2. The following persons shall serve as members of the committee:

(a) The chairmen of the senate standing committees on finance and on government affairs and of the assembly standing committees on ways and means and on government affairs of the 61st session of the Nevada legislature or their designees;

(b) One member of the senate of the 61st session of the Nevada legislature, appointed by the majority leader of the senate; and

(c) Two members of the assembly of the 61st session of the Nevada legislature, appointed by the speaker of the assembly.

3. The chairman of the legislative commission shall designate one of the members as chairman of this committee.

4. The director of the legislative counsel bureau shall provide the necessary professional staff and a secretary for the committee.

5. The members of the committee are entitled to receive a salary for each day or portion of a day of attendance at a meeting of the committee in an amount equal to the salary established for the members of the legislative commission and the travel expenses and per diem allowance provided by law for members of the standing committees of the legislature.

SEC. 2. The committee shall study personnel administration in state government, including without limitation:

1. Salary classifications of the employees in the classified and unclassified service of the state;

2. The merit system, including its application to such areas as hiring, promotion and basing of compensation on performance;

3. The operations of the personnel division of the department of administration and its performance in promoting sound personnel practices in Nevada state government; and

4. Training programs.

SEC. 3. The committee may hold public hearings at such times and places as it deems necessary to afford the general public, representatives of state agencies, including the personnel division of the department of administration, and representatives of organizations interested in state personnel practices an opportunity to present relevant information and recommendations.

SEC. 4. All agencies of the executive department of Nevada state government and the University of Nevada System shall cooperate with the committee and shall furnish to the committee all information and material which the committee requests to conduct its study and prepare its report.

SEC. 5. The committee may accept and use all gifts and grants which it receives to further its work.

SEC. 6. 1. There is hereby appropriated from the state general fund to the legislative commission the sum of \$75,000 for the purpose of conducting a study of the state personnel system as provided in this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 1983, and reverts to the state general fund as soon as all payments of money committed have been made.

3. If the appropriation made by subsection 1 is not sufficient for the committee to conduct the study, the committee may request and the interim finance committee may authorize the expenditure of additional money from the legislative fund created pursuant to NRS 218.085.

SEC. 7. The committee shall submit to the legislative commission a report of its findings and recommendations for legislation before the commencement of the 62d session of the legislature.

SEC. 8. This act expires by limitation on July 1, 1983.

TO THE MEMBERS OF THE 62ND SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Assembly Bill No. 528 (chapter 455, Statutes of Nevada 1981) which created a seven-member legislative committee to study the state's personnel system during the 1981-82 interim and report its findings to the 1983 legislature. The measure required the committee to study personnel administration in state government, including without limitation:

1. Salary classifications of the employees in the classified and unclassified service of the state;
2. The merit system, including its application to such areas as hiring, promotion and basing of compensation on performance;
3. The operations of the personnel division of the department of administration and its performance in promoting sound personnel practices in Nevada state government; and
4. Training programs.

The committee has attempted, in this report, to present its findings and recommendations briefly and concisely. A great deal of data was gathered in the course of the study. The data which bear directly upon recommendations in this report are included. The report is intended as a useful guide to busy legislators. All supporting documents and minutes are on file with the legislative counsel bureau and available to any member.

This report is transmitted to the members of the 1983 legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Committee to Study
The State Personnel System

Carson City, Nevada
October 1982

COMMITTEE MEMBERS

Assemblyman Joseph E. Dini, Jr., Chairman
Assemblyman Roger Bremner, Vice Chairman

Senator Jean E. Ford
Senator Floyd R. Lamb
Senator James N. Kosinski

Assemblyman Robert R. Barengo
Assemblyman Robert F. Rusk

SUMMARY OF RECOMMENDATIONS

This summary represents the major conclusions reached by the committee. These conclusions are based upon suggestions which came from public hearings, state agency administrators and supervisors, staff of the personnel division, state employees, and personnel experts from other states. They also reflect certain recommendations contained in the legislative auditor's August 1982 performance audit report of the personnel division, a June 1982 report on the status of the Nevada personnel system prepared by a representative of The Council of State Governments and in other previous reports of studies of the personnel system.

The committee recommends:

AUTOMATION OF PERSONNEL DIVISION FUNCTIONS

1. The personnel division consult data processing experts outside of state service, in addition to those in the department of data processing, in planning the modernization and improvement of its data processing procedures, capabilities and equipment. The committee recommends further that the measure authorizing the personnel division's use of outside experts: (a) contain an appropriation, at least \$57,000 of which will be available from savings in the committee's budgeted expenditure; and (b) become effective on passage and approval. (BDR 19-86)
2. The personnel division prepare a 3 to 5 year plan for modernizing its data processing system.
3. The personnel division conduct a cost study to determine the feasibility of installing on-line terminals in state agencies for the processing of payroll and the performance of other personnel-related functions.
4. The personnel division review and understand data processing billings in order to have some control over its data processing expenditures.

CLASSIFICATION

5. The personnel division review job specifications on a more frequent basis, preferably every 3 years, in order to ensure currency and accuracy of the specifications.
6. The personnel division review all unique job classes to determine if those classes can be combined or eliminated.
7. The personnel division acknowledge receipt of each reclassification request within 3 working days and advise the requesting agency about the estimated length of time the division will take to process the reclassification. The committee recommends further that agencies be kept apprised of the status of classification studies.
8. The personnel division adopt a procedure to enable it to determine if reclassification requests should become part of broader occupational studies.
9. The personnel division draw additional manpower needed for the audit phase of occupational studies from the agencies' personnel staff with lead analysts provided from the personnel division. The committee recommends further that agency personnel assisting in the audit phase of occupational studies not be assigned to conduct audits in their own agencies.
10. The personnel division process all routine reclassification requests within 30 working days.
11. The personnel division properly document and date the actions and corresponding paperwork for all classification studies.
12. The personnel division document delays in classification studies.
13. If found to be feasible and cost-effective, the personnel division augment the staff of its Las Vegas office to enable that office to perform classification functions.

COMMUNICATIONS

14. The personnel division improve, through a specific schedule of meetings and written communications, its communications with agency administrators and supervisors about payroll procedures and other personnel administration-related matters.
15. The personnel division hold more agency personnel representative meetings and ascertain what type of information the representatives want at those meetings.
16. The personnel division perform management and employee relations audits of the operating agencies. These visits should enhance communication at the operational levels of the personnel division and the agencies, and thus improve the delivery of personnel services.
17. The personnel division improve and increase its communications to the general public about job opportunities and provide specific information about job vacancies and written and oral examination procedures. The committee recommends that this be accomplished, in part, through the news media and various public agencies with coordination and assistance from the department of employment security.
18. Top management in the personnel division communicate more often and in more depth to staff of the personnel division about the staff's duties, responsibilities and job performance. The committee recommends that this be accomplished through a specific schedule of meetings and written communications.
19. The personnel division improve its internal mail handling procedures to reduce incidents of lost mail and failure to respond to written communications.

COMPENSATION AND JOB PERFORMANCE STANDARDS

20. The statutes be amended to allow other salary setting criteria besides prevailing rates to be used in adjusting the salaries of the state classified jobs. Those criteria should include difficulty in recruitment, employee turnover rates, comparable real worth of the affected jobs and cost-of-living data. (BDR 23-87)

21. The state personnel division work closely with state agencies to ensure the proper development and maintenance of work performance standards.
22. The statutes be amended to require the personnel division to adopt regulations which provide for the awarding of nonmonetary incentives or leave of short duration for those employees who demonstrate continued outstanding performance or complete some special project in a meritorious fashion. (BDR 23-93)
23. The statutes and personnel rules be amended to provide that employees below the midpoint of their salary grades be eligible for accelerated step increases for above standard performance. The committee also recommends that such employees be eligible for step increases at 6-month intervals. The committee's specific recommendations in this regard are that:

(a) An employee whose last performance rating was above standard or better and who has not attained step 8 in the salary range of his or her grade should qualify for a merit salary adjustment of 1 step (approximately 2.2 percent) or 2 steps (approximately 4.4 percent) semiannually on his or her salary date at the discretion of the appointing authority.

(b) An employee whose last performance rating was standard and has not attained step 8 in the salary range of his or her grade should qualify for a merit salary adjustment of 2 steps (approximately 4.4 percent) annually on his or her salary date.

(c) Employees with below standard performance ratings should not be eligible for merit increases and, corrective action should be taken to improve their job performance.

(d) No employee below step 8 of his or her salary grade should receive a merit salary increase exceeding 4 steps (approximately 8.8 percent, depending on the grade level) in any 12-month period.

(e) Employees at step 8 or above in their pay grades whose last performance rating is standard or better and who have not attained the top step in their salary ranges should be granted merit salary increases of 2 steps (approximately 4.4 percent) 12 months from their last salary date.

(f) The pay system contain provisions for:

(1) proper performance review training for supervisors;

(2) ongoing communications with employees by the personnel division and agency administrators and supervisors about the system;

(3) the development of objective job-performance standards; and

(4) uniformity of application systemwide.
(BDR 23-93)

DELEGATION OF PERSONNEL DIVISION FUNCTIONS

24. The operating agencies of state government accept delegation from the personnel division of as many personnel functions and activities as possible consistent with the agencies' personnel-related staff and financial resources. Such delegation is provided for by chapter 284 of NRS.

DISCIPLINE

25. The statutes be amended to reduce the number of days during which an employee may file an appeal involving involuntary transfer, dismissal, demotion or suspension from 30 calendar days to 10 working days. (BDR 23-88)
26. The statutes and corresponding regulations be amended to eliminate the personnel advisory commission's review of hearing officer decisions on state employee disciplinary actions. (BDR 23-88)
27. All statute and rule references to time frames for steps in the disciplinary process refer to working days. The committee's specific recommendations in this regard are:
- (a) The time for advance notice of proposed disciplinary charges be 10 working days.
- (b) The employee's time for responding to such notice be 3 working days prior to the expiration of those 10 working days.

(c) The time for an employee to appeal a disciplinary action to the hearing officer be changed from 30 calendar days from the effective date of the action to 10 working days from the effective date of the action.

(d) The time for a hearing officer to render his decision on a disciplinary matter be changed from 30 calendar days to 20 working days.

(e) The time for an aggrieved party to appeal the final decision of the hearing officer on a disciplinary matter be changed from 30 calendar days to 30 working days. (BDR 23-88)

EMPLOYMENT SERVICES

28. The personnel division shorten the posting time for open positions from 3 weeks to 2 weeks and reduce the certification list and interview period to 1 week.
29. The personnel division reduce the selection/appointment time to 2 weeks.
30. Minimum qualifications be clarified prior to submittal of personnel requisitions.
31. The personnel division certify each eligibility list requiring an open competitive or promotional exam within 60 days of receiving a personnel requisition and recertify each existing eligibility list and provide it to the requesting agency within 2 working days of the agency's request. (BDR 97)
32. The personnel division request funding to develop an applicant tracking system to identify areas of delay in the recruitment and examination processes.
33. The personnel division, where practicable, indicate the planned test dates in each job announcement.
34. The personnel division establish procedures requiring each position requisition to be date stamped when received and to be signed and dated as it moves through the recruitment process.

35. The statutes be amended to permit the chief of the personnel division to suspend the requirement of competitive examination for positions requiring professional qualifications where past experience or current research indicates a difficulty in recruitment. (BDR 23-95)
36. The personnel division use advertisements for recruitment purposes in professional journals or newspapers in a more timely fashion.
37. The personnel division be given a special appropriation for advertising for hard-to-recruit positions.
38. The personnel division improve its forecasting techniques so that recruitment efforts correspond more closely to position vacancies. One means of improving the forecasting process is to use procedures where state agencies notify the personnel division of soon-to-be-vacant positions.
39. The personnel division prepare and validate examinations before opening recruitment for specific positions.
40. The personnel division develop policies and procedures to be followed in the review of job applications for the higher grade positions within state service.
41. The personnel division improve communications and coordination between personnel technicians and personnel analysts in their evaluation of job applicants' education and work experience.
42. The personnel division develop policies and procedures for the verification of important applicant data such as college transcripts, degrees and required licenses and certificates.
43. The certification unit of the personnel division be placed organizationally under the supervision and control of the supervisory personnel analyst of the recruitment and examining section.
44. The personnel division develop policies and procedures to carry out the provisions of recent statutory changes relating to the division's employment functions.

45. The personnel division develop policies and procedures for the distribution of job announcements.
46. The personnel division develop procedures for the review and editing of job announcements prior to distribution of the announcements.
47. The personnel division monitor job announcement costs.

GENERAL POLICY/MANAGEMENT/PLANNING

48. The chief of the personnel division reorient the staff of the division from a control function to a primary mission and philosophy of service to agencies.
49. The personnel division develop:
 - (a) Objectives and program structures which are specific, quantifiable and conducive to reliable evaluation;
 - (b) A plan of organization for accomplishing those objectives; and
 - (c) A system of appropriate policies for each function in the personnel division. (BDR 23-94)
50. The personnel division create a planning unit for the review and development of major personnel division projects.
51. The personnel division prioritize agency personnel needs and assign work based on those priorities.
52. The personnel division define and assign responsibility for the recording, summarizing and reporting of personnel functions and activities.
53. The personnel division prepare and follow proper procedures for the recording of accurate statistical data.
54. Decisionmaking in the personnel division be delegated to the lowest level possible.

LEGISLATIVE OVERSIGHT

55. The personnel division report its progress in carrying out the recommendations contained in the committee's report to the 1983 and 1985 legislatures. (BDR 98)
56. The statutes be amended to repeal the interim finance committee's approval of occupational class changes. (BDR 31-89)
57. Operating agencies advise the interim finance committee of all occupational class changes. If there is an adverse effect upon an agency's budget as a result of the changes, agency administrators should be held accountable to the legislature for their actions. (BDR 31-89)

PAYROLL SYSTEM

58. The anticipated pay week be eliminated from the payroll system with the least amount of disruption as possible to existing pay cycles. The committee recommends further that the personnel division, the office of the state controller and the office of the state treasurer consult the senate committee on finance and the assembly committee on ways and means of the 1983 legislature, representatives of operating agencies and the legislative auditor in planning for the elimination of the anticipated pay week.
59. The personnel rules be amended to require that agency payroll personnel receive continuous training from the personnel division on all aspects of the payroll functions.
60. If found to be feasible and cost-effective, the personnel division add a payroll section to its Las Vegas office to handle payroll corrections.
61. The personnel division's payroll function be transferred from the division's classification and pay section to the division's administrative services section or be transferred to another state agency such as the state controller's office.

PERSONNEL ADVISORY COMMISSION

62. The statutes be amended to require that the composition of the personnel advisory commission include an attorney, a representative from labor with a personnel administration background, a representative from management with a personnel administration background, and two members from the general public who should qualify for their positions by demonstrated interest in or knowledge of the principles of public personnel administration. (BDR 23-90)
63. The statutes be amended to require that hearing officers be appointed by a majority of the membership of the personnel advisory commission. (BDR 23-88)

PERSONNEL ASSESSMENTS AND PERSONNEL BUDGET

64. The personnel division establish the payroll personnel assessment rate in accordance with the statutes.
65. The personnel division bill and collect personnel assessments in compliance with the statutes.
66. The personnel division compute payroll personnel assessment rebates and revert the balances to the appropriate agencies.
67. The personnel division develop a management plan to avoid reductions in personnel division services during the last months of the fiscal year.
68. Personnel division budget and financial information be provided to the division's chiefs and to the management of its Las Vegas office.
69. The personnel division budget for and provide necessary supplies and equipment to its staff.

PERSONNEL RECORDS

70. Duplication of personnel records maintained by agencies and by the personnel division be reduced.

POSITIONS NOT COVERED UNDER CIVIL SERVICE

71. The personnel division continue efforts to analyze and develop position descriptions and job qualifications for unclassified positions.
72. The statutes be amended to generally restrict the persons in unclassified service to agency or department heads and one deputy and one confidential assistant in each agency or department.

The committee recommends further that:

(a) The personnel advisory commission be permitted to approve additional deputies to be in the unclassified service if it determines that the additional positions are justified for a department or agency based upon its size, scope of programs, statutory responsibilities and organizational complexity. Any changes in the designation of positions for the unclassified service should be approved by the personnel advisory commission;

(b) Professional staff, as that term is defined by regulations of the University of Nevada board of regents, be in the unclassified service;

(c) NRS 284.140 reflect all those classes of positions in the executive branch of government which are in the unclassified service of the state;

(d) The statutes be amended to provide that independent contracts must not be used to circumvent the protections and controls provided to employees by chapter 284 of NRS;

(e) The division administrators in the departments of commerce and human resources, the administrator of the division of state parks, the state forester-firewarden, the state engineer, positions requiring licensed attorneys, and most of the persons specified in subsections 1, 2, 4, 5, 7, 8 and 9 of NRS 284.140 be in the unclassified service;

(f) The members of the gaming control board, two assistants, the chief of investigation, the chief of enforcement, the chief of audit, the chief of special investigation and intelligence, the chief of tax and

license of the board, and the executive secretary of the gaming commission be in the unclassified service; and

(g) Other pertinent sections of the NRS be amended to correspond to the committee's recommendations concerning the positions in the unclassified service. (BDR 23-96)

The chancellor report to the chairman of the legislative commission as soon as possible after January 17, 1983, any amendments the board of regents makes to its rules pertaining to positions in the unclassified service.

That report should describe any changes in the composition of university employees in the classified and unclassified services and list the affected positions. (BDR 99)

PROMOTION PRACTICES

73. Veterans' preference points no longer be used in computing scores for promotional examinations. (BDR 23-91)

SICK LEAVE

74. The personnel division clarify its rules to indicate the amount of accumulated sick leave an employee may use for adoption purposes and maternity leave.
75. The personnel division promulgate regulations providing for an incentive or bonus of one additional leave day per year to employees who do not use sick leave for a 12-month period of time. (BDR 23-92)

STAFF AND ORGANIZATION STRUCTURE

76. The personnel division add a full-time permanent receptionist to its Las Vegas office.
77. The chief of the personnel division, where possible, consider applicants with outside of state service personnel administration work experience when openings become available for positions of personnel analysts or related positions within the division.

78. The chief of the personnel division consider reorganizing the personnel division into the following two bureaus:

(a) Technical operations bureau, encompassing the service functions of the division, composed of:

- (1) classification,
- (2) personnel records,
- (3) recruitment,
- (4) examinations,
- (5) test validation,
- (6) certification; and

(b) Administrative services bureau, composed of:

- (1) payroll,
- (2) training, and
- (3) divisional responsibilities for purchasing, budgeting and data processing.

As an option, the committee recommends that the chief consider the creation of a chief deputy or assistant to the chief position in the division.

TRAINING

79. The technical training of personnel division staff and agency personnel officers be improved.

80. The training of personnel division employees be expanded to include training from outside sources.

81. Training be made applicable to particular jobs in the trades, technical and professional areas. If this cannot be done, the committee recommends that training courses should be abolished and replaced with an educational benefit or more funds for college courses.

82. Training materials be updated and new training be provided trainers.

83. All new supervisors be instructed in basic principles of management and performance evaluation techniques within the first 6 months of their appointments. The committee

recommends further that agency heads ensure that appropriate personnel are enrolled for available management training sessions.

84. A formal and continuing management development program be established for top and middle management personnel.
85. When possible, funds be allocated to the personnel division for it to provide training to all supervisory personnel using experts from management consulting firms and other outside resources such as the university system.
86. The personnel division provide training in labor management relations to agency management officials.

REPORT TO THE 62ND SESSION OF THE NEVADA LEGISLATURE
FROM THE LEGISLATIVE COMMITTEE TO STUDY
THE STATE PERSONNEL SYSTEM

I. INTRODUCTION AND OVERVIEW OF THE
PERSONNEL SYSTEM

The 1981 Nevada legislature felt the Nevada personnel system has problems and called for an interim study.

Probably one of the most visible and routinely criticized functions of state government in any state is the personnel system. Agency administrators become frustrated if they think important positions are going unfilled because the personnel department is moving too slowly in its recruitment efforts. The ire of state employees is roused if they think the personnel system is not handling their promotion and reclassification requests properly or is not getting them the salaries and benefits they want. Job applicants become peeved with state personnel departments if the applicants are not selected for jobs for which they believe they are qualified. Legislators become angry if they think the personnel department is not taking their admonitions and suggestions for improvement seriously enough. Add an active and aggressive employee association or union to this mix and it is understandable why public personnel systems often come under attack.

The Nevada personnel system is no exception. But, the 1981 legislature perceived more than what might be considered normal feelings of malice toward the system. These feelings are not new. During the last several sessions, the Nevada legislature has heard concern expressed that the personnel division might be hampered by long-established, but outdated, procedures which impede its functions and hinder its relationship with state agency administrators, state employees and the general public.

The 1981 legislature considered and passed several measures dealing with various aspects of the personnel system (92)*

*The numbers in parentheses at the end of sentences refer to items in the bibliography and footnotes section of this report. The number before the colon refers to the publication or footnote entry, and the number(s) after the colon refer to the page number(s) of the publication. For example, a citation of (1:1-15) would refer to pages 1 to 15 of the first entry in the bibliography.

and decided the time had come to review, from a legislative perspective, the entire personnel operations of the executive branch of state government. Accordingly, it passed Assembly Bill No. 528 (chapter 455, Statutes of Nevada 1981) which calls for a comprehensive study of the state's personnel system.

There was strong support for this measure. The committee minutes to A.B. 528 show that the members of both legislative appropriations committees and those of the assembly committee on legislative functions of the 1981 legislature believed there was a great need for a study of personnel administration in the executive branch of the state. Other members of the 61st session of the Nevada legislature determined this need as well. Assembly Bill No. 528 was cosponsored by 26 assemblymen and did not receive any negative votes in either the assembly or senate.

The study was comprehensive and went beyond normal interim study committee practices.

One of the first issues facing the committee was how to proceed. Assembly Bill No. 528 gave the committee broad instructions for the conduct of the study and directed the specific review of:

1. Salary classifications;
2. The merit system, including its application to such areas as hiring, promotion and basing of compensation on performance;
3. The operations of the personnel division in promoting sound personnel practices in Nevada state government; and
4. Training.

Because the requirements for the study were comprehensive and went beyond the bounds of usual interim study committee work, the committee considered using a consulting firm. The committee, however, rejected the use of a consultant because it feared that, unless a consultant spent a great amount of time and effort in reviewing the state's personnel system with such efforts' concomitant costs, the final product would be a "canned" report wherein the recommendations and narrative from study reports of other states' personnel

systems merely would be rewritten and presented to the committee. Moreover, the study called for a range of both policy and program review activities which the committee felt required the use of persons intimately familiar with the state's personnel system.

The committee, therefore, opted to seek advice and recommendations from as many persons affected by, or knowledgeable about, the Nevada personnel system as possible. In this regard, one of its first activities was to hold a series of meetings to obtain suggestions for the topics it should study. It prepared a document ranking the topics suggested for inclusion in the study by the frequency of references made to each topic. It then chose the highest ranked items to include in the study. (115)

The committee appointed a task force composed of personnel representatives, the state superintendent of public instruction, the state personnel administrator, a representative of private industry, and representatives of the employees' association to study and make recommendations to it on various subjects. Those subjects included merit based pay and salary levels of unclassified positions; collective bargaining; employee discipline; recruitment, selection and promotion policies; decentralization of personnel functions; and the general operation of the personnel division. The task force met on 13 occasions and presented seven majority and three minority papers to the committee for consideration. (Those reports are contained in appendices A through J of this report.)

The committee wanted the valuable insight that personnel division employees have gained through their intimate knowledge and experience in the system. It interviewed most of the personnel staff in Carson City on December 16, 1981, and in Las Vegas on January 26, 1982, and toured the division's facilities in those locations.

The committee sought suggestions and comments from managers in state government and performed a questionnaire survey of state agency administrators and supervisors to obtain their views about, and suggestions for improvement in, personnel administration in the executive branch of state government.

The committee realized the importance of being knowledgeable about public personnel innovations in other states and conducted nationwide questionnaire surveys on collective

bargaining and merit based pay. It also compiled a wealth of books, reports, periodical articles and other information relating to public personnel administration. These publications, as well as certain correspondence to the committee, are cited in the bibliography and footnotes section of this report.

The committee invited expert witnesses from other states, including a personnel expert with The Council of State Governments and directors of other states' personnel departments, to appear before it and give presentations on collective bargaining, performance based pay, decentralization of certain personnel division functions, automation needs of the personnel division and other state personnel system related matters. All persons who signed the committee's witness roster and also made presentations to it are listed in the credits section of this report. The committee requested and received a report from The Council of State Governments pertaining to the management and operation of the personnel division. (The report is contained in appendix M of this report.)

The committee asked the budget division to provide it with an analysis of the personnel system's staffing and expenditure patterns. (See appendix L.)

It also reviewed the recommendations contained in several recent reports relating to the system. (64, 65, 71, 75, 76, 77, 79, 86, 87, 97)

One of the most important aspects of the study was the performance audit conducted for the committee by the legislative auditor. (61) Without this audit, the committee could not have obtained necessary documented and carefully reviewed information about the internal operation of the personnel division and its management.

The committee solicited public comments about its experiences with the personnel division, thereby ensuring a balanced representation of comments from personnel workers, user agencies and the public. Committee meetings were held in Carson City (on November 3 and December 16 in 1981; March 3 and 4, June 24, August 12 and September 15 and 16 in 1982), Las Vegas (on January 26 and May 13 in 1982) and Sparks (November 16, 1981).

A. OVERVIEW OF PERSONNEL DIVISION STRUCTURE

The Nevada department of personnel was created in 1953 by S.B. 2 (chapter 351, Statutes of Nevada 1953) to, among other things:

(a) Provide all citizens a fair and equal opportunity for public service;

(b) Establish conditions of public service which will attract officers and employees of character and ability;

(c) Establish uniform job and salary classifications; and

(d) Increase the efficiency and economy of governmental departments and agencies by the improvement of methods of personnel administration.

That measure also created a personnel commission to advise the director of the department concerning the organization and administration of the department.

Assembly Bill No. 538 (chapter 457, Statutes of Nevada 1963) amended the law by redesignating the department as a division and placing it under the department of administration. A.B. 538 also restricted the state personnel-related laws to the executive branch of government, thereby exempting the judicial and legislative branches from the civil service system.

Under existing law, as amended by A.B. 524 (chapter 693, Statutes of Nevada 1981), the division is administratively placed in the department of general services. The division is headquartered in Carson City and maintains a small office of eight authorized staff (seven of which were filled in October 1982) in Las Vegas. The approximate 54-person staff of the personnel division is currently organized under three functional areas: (1) recruitment and examination, (2) classification and pay, and (3) administrative services and training.

The recruitment and examination unit consists of a chief and 15 division employees, seven of whom are located in Las Vegas. It is responsible for the employment services activities of the executive branch of state government, including recruitment, examination, test validation and certification of job applicants.

The classification and pay unit consists of a chief and 14 staff. It develops job specifications, performs position classification activities, carries out the payroll functions of the executive branch of government and maintains personnel records.

The administrative services and training unit is composed of a chief and four staff employees, one who is in the Las Vegas office. It carries out the purchasing and budget preparation and control activities in the division, processes state employee grievances, performs counseling and assists in the training of state employees. The division's organization chart shows its Las Vegas office under the administrative services unit.

According to correspondence sent to the committee by the budget division, approximately 106 full-time equivalent positions (FTE) of the 162 personnel-related positions in the state work in the operating agencies of the executive branch of state government. Several personnel functions, as discussed later in this report under the heading of "Delegation of Personnel Division Functions," are performed by those positions in the operating agencies. The chief of the personnel division advises that most of the training functions have been delegated to the agencies. A portion of the recruitment and examination activities have been delegated to the department of transportation, department of motor vehicles, department of employment security, department of prisons, Nevada industrial commission, department of education, department of human resources and the department of taxation. The University of Nevada System does most of its own personnel activities, including classification. The department of employment security also performs most of its own classification work.

II. FINDINGS AND RECOMMENDATIONS

In a study of this nature, the findings normally focus on needed improvements. This report will not be an exception to that practice. The committee believed, and this belief was substantiated by presentations and correspondence to the committee, that the division performs several of its functions well. For example, there have been very few successful personnel-related lawsuits against this state. This reflects quality in recruitment and classification. During the past 15 years, the State of Nevada has not lost one affirmative action or equal employment opportunity court case relating to discrimination in the areas of race, color,

religion, sex or national origin.* The system's grievance and performance appraisal systems are considered among the best in the country. The personnel division also points out its successes in training, occupational assistance, cooperative personnel services to local governments, the Inter-governmental Personnel Act, productivity improvements, reemployment of laidoff state employees, and test validation. (Appendix N is a "Summary of Personnel Division Accomplishments" as perceived by the chief of the personnel division.)

Nevertheless, the system, for various reasons, has not kept abreast of important innovations and improvements in public personnel administration. It has continually been criticized by state administrators, state employees, job applicants and legislators.

The committee selected 86 recommendations, from a document containing 47 pages of suggestions listed in 20 different subject headings, aimed at alleviating problems in the personnel system. (116) Many of those recommendations emanated from the committee's task force or from the audit report. Others, however, reflect suggestions made by state agency administrators, state employees, personnel representatives in state agencies, the staff of the personnel division and job applicants. Some recommendations are similar to those contained in previous reports about the personnel division which have not been carried out.

The recommendations the committee chose, if properly carried out, should cause the personnel division to operate more efficiently and effectively. To achieve those ends, the division must improve its planning, management, data processing, and delivery of services to the state agencies. It must also change its image from that of control to that of service and improve its communications both internally and with its user groups.

The following sections of this report represent the committee's recommendations and legislative proposals related to those changes necessary to improve personnel administration in Nevada's state government.

*As this report was going to the printer on November 29, 1982, the chief of the personnel division had received an adverse decision in a discrimination suit awarding the plaintiff \$10,000 in a case tried in federal court. [See Onie Cooper v. Department of Administration, et al, CU-R-80-15-ECR (Nov. 23, 1982).]

The committee realized that certain of its recommendations will require additional funding and resources to be effectively carried out. It believed, however, that every effort should be made to meet the spirit of its recommendations within available resources until adequate funding can be obtained.

A. AUTOMATION OF PERSONNEL DIVISION FUNCTIONS

One of the most pressing needs in the personnel division is a modern data processing system to enable the division to perform the personnel-related functions of the executive branch of state government more efficiently, effectively and quickly. There was common agreement on this perception by all those who communicated with the committee. Outside experts who reviewed the personnel division's data processing capabilities, procedures and equipment said that they are inadequate to meet the state's needs. (117)

The committee received several suggestions that the personnel division, depending on the function, either improve or initiate data processing efforts for its employment services, payroll, records, classification and training functions.

As discussed in the auditor's report of the personnel division's operations (61:18-31), the current data processing capabilities of the division consist of an IBM System 6 word processing system and the "batch" process (manually prepared paper records which are input to the computer with results back to the division) use of the state's IBM 370/168 main frame computer which is located within the division of facility management of the department of data processing.

The personnel division's current data processing system performs the payroll tasks of the executive branch of government. It is also used to partially maintain the personnel records for the approximate 10,000 current and 15,000 former state employees. The system processes leave accounting and labor distribution information. It does not, however, perform several important personnel activities relating to employment, classification, training and management information. The audit report is filled with examples of the division's lack of sufficient, accurate data to do its duties or for personnel division managers to make proper and speedy decisions. (61:70-72) The report says the system has cost far more to install, operate and maintain than originally anticipated when it was proposed to the legislature. (61:19-22)

The committee reviewed several options for improving the division's data processing capabilities including (1) installing a minicomputer in the division to do most personnel functions as is done in Clackamas County, Oregon, and several other locations, (2) installing a software system for the state's main frame computer using the so-called "TRAC" system as has been done successfully in Alaska and other locations (118), and (3) integrating all of the data processing activities of the budget and personnel division into a single reporting system.

It decided, however, that careful planning was needed to determine the best course of action for developing a proper data processing system in the personnel division. Moreover, the committee felt that the division should not be hampered or restricted by any preconceived notions of the manager of the department of data processing when it comes to selecting a proper system. The committee believed the department of data processing's opinions should be sought, but those opinions should not be binding. Under subsection 2 of NRS 242.171, the director of the department of data processing is required to " * * * review and approve or disapprove, pursuant to standards for justifying cost, any application of data processing having an estimated developmental cost of \$50,000 or more." Consequently, the director of the department of data processing is in the difficult position of reviewing systems which could reduce work in his own department. Nevertheless, the committee felt that all available data processing options should be considered for the personnel division. It, therefore, recommends:

- The personnel division consult data processing experts outside of state service, in addition to those in the department of data processing, in planning the modernization and improvement of its data processing procedures, capabilities and equipment. The committee recommends further that the measure authorizing the personnel division's use of outside experts: (1) contain an appropriation, at least \$57,000 of which will be available from savings in the committee's budgeted expenditure; and (2) become effective on passage and approval. (BDR 19-86)
- The personnel division prepare a 3 to 5 year plan for modernizing its data processing system.

- The personnel division conduct a cost study to determine the feasibility of installing on-line terminals in state agencies for the processing of payroll and the performance of other personnel-related functions.
- The personnel division review and understand data processing billings in order to have some control over its data processing expenditures.

B. CLASSIFICATION

The committee, as noted in the introduction, performed a questionnaire survey of state agency managers to ascertain how the managers feel about various aspects of personnel administration in state government. [See appendix O, "Compilation of Responses from State Agency Administrators to Questionnaire Soliciting Comments About Personnel Division/System (February 1982)".]

Certain of the major concerns reported by the state agency administrators and supervisors are perceived delays and inconsistencies in the personnel division's classification efforts. A majority of the respondents rated the division's current classification activities as ineffective because of those delays. Some respondents cited classification studies which took several months to complete. Concern was also voiced about the division not keeping agencies apprised about the status of classification studies. One respondent said, "Classification work is good, but delays in completing the process cause problems." Another felt that the classification process is arbitrary.

Several recent studies of the personnel system (64, 71, 99, 102) have commented on the state's classification functions and made suggestions for improvement. The legislative auditor's recent report of the personnel division's operations devoted nine pages to classification and made eight recommendations to improve the division's classification efforts. (61:83-91) Among the auditor's concerns are (1) sloppy and improper documentation of the paperwork and forms involved in the classification process, (2) insufficient review and updating of certain job specifications, (3) lack of policies delineating time frames for the completion of classification studies, (4) the division's use of the factor ranking benchmark classification technique (see appendices E and J for the committee's task force's majority and minority

issue papers pertaining to factor ranking), and (5) the lack of a classification specialist in the division's Las Vegas office to perform classification studies in southern Nevada.

The committee recognized that one of the most important foundations in any public personnel system is a well-thought-out and properly administered employee job classification system. Public job classification systems must, to the greatest extent possible, strive to be equitable internally and externally with other public and private sector entities. The classification function must also, to the greatest extent possible, be performed quickly and efficiently.

The Nevada legislature has recognized its obligations and enacted several statutory requirements pertaining to classification. The committee believed that the division should live up to the spirit of the law and the needs of state government and modify several of its classification practices. It did not, as a majority of its task force suggested, think that the state should adopt the factor ranking benchmark system. That system, in these times of fiscal constraint, would be too expensive to put into operation. Factor ranking, as proposed to the committee, is also vague and could lead to problems. The committee did, however, have several recommendations pertaining to needed improvements in classification. They are:

- The personnel division review job specifications on a more frequent basis, preferably every 3 years, in order to ensure currency and accuracy of the specifications.
- The personnel division review all unique job classes to determine if those classes can be combined or eliminated.
- The personnel division acknowledge receipt of each reclassification request within 3 working days and advise the requesting agency about the estimated length of time the division will take to process the reclassification. The committee recommends further that agencies be kept apprised of the status of classification studies.
- The personnel division adopt a procedure to enable it to determine if reclassification requests should become part of broader occupational studies.

- The personnel division draw additional manpower needed for the audit phase of occupational studies from the agencies' personnel staff with lead analysts provided from the personnel division. The committee recommends further that agency personnel assisting in the audit phase of occupational studies not be assigned to conduct audits in their own agencies.
- The personnel division process all routine reclassification requests within 30 working days.
- The personnel division properly document and date the actions and corresponding paperwork for all classification studies.
- The personnel division document delays in classification studies.
- If found to be feasible and cost-effective, the personnel division augment the staff of its Las Vegas office to enable that office to perform classification functions.

C. COMMUNICATIONS

"What we have here is a failure to communicate." These words from the popular movie Cool Hand Luke describe what many state employees, agency administrators and supervisors, personnel division staff, operating agency personnel staff, and outside experts who have studied the personnel division believe is one of the personnel division's main problems.

The division's reticence is hurting its relationship with state agencies which believe they are being ignored or somehow retaliated against by the management of the personnel division. Because of improper communications within the division, personnel division staff have difficulty in following proper procedures and in performing their work. Misinformation is given to the public, and recruitment and classification efforts are impeded. Lack of ongoing and productive communication by the division has negatively affected its ability to interact with state agency personnel staff who should be assisting the division in many personnel functions.

Even in its relations with the legislature, the division's failure to communicate accurately, openly and in a noncombative fashion has caused it problems in obtaining approval for program changes and additional funding. An example of the division management's behavior in dealing with the legislature is described in the introductory remarks of the legislative auditor's performance audit of the personnel division. (61) Those remarks say, in part:

Traditionally, the main complaint about an audit is that the auditors did not discuss the contents of the report with agency management, or allow the workpapers to be reviewed.

In this report the opposite is true. Throughout the course of the audit, all the findings incorporated into the report were discussed with representatives of the personnel division's management. At the initial exit conference, we presented the complete report to them. We tried to have the personnel management review the workpapers to determine the validity of the findings. They suggested a few minor changes in language in the report with which we concurred. We requested a more thorough review of the report and the workpapers, but (the management) declined stating that they would be ready at the next exit conference. At that (conference) (the auditors) agreed to somewhat of a different format for the report which might have made it easier for (the management of the personnel division) to review. That agreement was based on an agreement made at the first meeting that there would be a thorough review of the report and workpapers. This did not materialize because (the representatives of the personnel division) walked out of the second exit conference.

In all cases, a more meaningful report is produced if both parties review the audit workpapers and evaluate the audit report on a phase by phase basis to ensure that the exact meaning is conveyed to the reader. This report was not reviewed in that manner even though there was ample time to accomplish that type of review. As a result, many of (the personnel division's) responses are not valid arguments because of (the division's) refusal to find out what (the auditors) were trying to tell them.

The personnel division also has been criticized for not answering its correspondence and telephone messages. It has

lost important correspondence because of poor mail handling practices.

If the division is going to function at all, it must communicate effectively both internally and with those that use its services. The chief of the division told the committee that efforts are being made in this regard. Aside from the management of the personnel division's behavior with the legislative auditor, the committee did notice an attempt by personnel division representatives to communicate and cooperate with the committee. The staff of the committee found this especially to be true. The committee believed that the division should continued to make improvements in its communications one of its top priorities. It, therefore, recommends:

- The personnel division improve, through a specific schedule of meetings and written communications, its communications with agency administrators and supervisors about payroll procedures and other personnel administration-related matters.
- The personnel division hold more agency personnel representative meetings and ascertain what type of information the representatives want at those meetings.
- The personnel division perform management and employee relations audits of the operating agencies. These visits should enhance communication at the operational levels of the personnel division and the agencies, and thus improve the delivery of personnel services.
- The personnel division improve and increase its communications to the general public about job opportunities and provide specific information about job vacancies and written and oral examination procedures. The committee recommends that this be accomplished, in part, through the news media and various public agencies with coordination and assistance from the department of employment security.
- Top management in the personnel division communicate more often and in more depth to staff of the personnel division about the staff's duties, responsibilities and job performance. The committee recommends that this be accomplished through a specific schedule of meetings and written communications.

- The personnel division improve its internal mail handling procedures to reduce incidents of lost mail and failure to respond to written communications.

D. COMPENSATION AND JOB PERFORMANCE STANDARDS

The committee recognized that a critical part of the foundation of any personnel system is an equitable and appropriate pay plan. An important part of that plan is a mechanism for the accurate appraisal of employees' performance. The committee and its task force, therefore, spent considerable time and effort reviewing matters relating to compensation and the setting of salaries. The task force prepared three majority reports (see appendices B, D and G) and one minority paper (see appendix H). The staff conducted nationwide surveys on the topic of performance based pay (119) and gave presentations to the task force and committee on the matter. (120) The committee and its task force heard presentations on pay matters from representatives of Kansas, Utah, Clark County, the City of Sparks, Sierra Pacific Power Company and Central Telephone Company. (See credits section to this report.)

After reviewing all the information and data concerning compensation, the committee decided to make recommendations relating to criteria used to determine salaries of the state's classified positions, job performance standards, accelerated pay increases for new employees and nonmonetary incentives for employees who perform outstanding work. It rejected task force recommendations for a bonus system and a blue ribbon committee to consider and recommend salaries for certain employees in the unclassified service.

1. Criteria for Determining Salaries of the State's Classified Positions.

As discussed in Task Force Issue Paper VII (see appendix G), subsection 5 of NRS 284.175 provides that the:

* * * salaries for the classified service of the state must be set based upon the prevailing rates paid in government and industry for comparable jobs within the State of Nevada and western states, where appropriate.

Many believe, however, that prevailing rate is too narrow a criterion to determine proper pay adjustments for classified

employees. It is recognized that other important factors besides the prevailing rates of an economically imperfect marketplace should be used to properly set state employees' salaries. Those other factors include turnover rates, recruitment difficulties, quality of applicants and cost-of-living trends. The personnel division advised it has determined the need to use these other factors and tries to do so in making its salary adjustment recommendation decisions.

The issue of wage discrimination among jobs of comparable real worth has also entered into salary setting determinations. A growing disenchantment with wage differentials in the labor market between the pay rates for male- and female-dominated jobs has spawned the so-called comparable worth concept or movement. This concept has been proposed as a solution to the continued and systematic undervaluation of work performed by women. The comparable worth theory focuses on jobs which, even if totally dissimilar, should be of comparable real worth in the marketplace.

Comparable worth differs from its preceding but equally important theory, "equal pay for equal work." That concept is based on the theory that workers should receive equal pay for jobs that require equal skill, effort and responsibilities. Comparable worth, on the other hand, is based on the theory that workers should receive comparable pay for jobs that require comparable, but not identical, effort and responsibility. Comparable worth goes beyond equal pay for equal work and proposes that even if jobs differ in degree they should be accorded comparable wages if their intrinsic real worth to the business world is equal.

Cognizant of the dynamic changes which are occurring in the work force and the need for the state to maintain an equitable and a viable classification salary plan, the committee's task force said it is inappropriate to restrict the statutory basis for adjusting salaries solely to a prevailing rate criterion. As noted in the task force report, other factors are becoming equally important. The task force believed that the statutes should be amended to give the personnel division the flexibility to take steps to alleviate the wage differential in the labor market between male- and female-dominated jobs.

Both California and Minnesota have recently passed comparable worth legislation.

The committee agreed and, therefore, recommends:

- The statutes be amended to allow other salary setting criteria besides prevailing rates to be used in adjusting the salaries of the state classified jobs. Those criteria should include difficulty in recruitment, employee turnover rates, comparable real worth of the affected jobs and cost-of-living data. (BDR 23-87)

2. Job Performance Standards.

Under NRS 284.335, which dates back to 1953, the appointing authorities and other supervising officials of the various state departments, agencies and institutions are required, after consulting with the chief of the personnel division, to establish standards of work performance for each class of positions. The chief is required to maintain service records of performance and establish rules and regulations with respect to the service ratings and prescribe the extent to which these ratings are to be considered in determining salary adjustments and other personnel actions.

In correspondence to the committee, the chief mentions Nevada's prominence in the development of work performance standards during the late 1970's and says the state received national recognition for this accomplishment from the U.S. Office of Personnel Management (see appendix N). The committee took note of the state's efforts in developing work performance standards but felt the endeavor is faltering. Witnesses told the committee and its task force that certain state agencies have not established work performance standards. Persons appearing before the committee said that other agencies have not revised their standards for several years.

In a dynamic, changing workplace, job performance standards must be kept current if they are to have meaning or utility in evaluating employees' performance. This is especially true if the evaluations relate to important personnel actions such as pay increases or promotions. The committee, therefore, recommends:

- The state personnel division work closely with state agencies to ensure the proper development and maintenance of work performance standards.

3. Accelerated Pay Increases for Top Performing New State Employees.

The minority report to the task force issue paper on performance based pay (see appendix H) covers: Nevada law and regulations pertaining to merit pay, recent merit pay legislation considered by the Nevada legislature and various types of performance based pay systems used in other states. It also proposes a system of accelerated pay increases for high performing state employees who are below the midpoint of their salary grades.

The minority disagreed with the majority of the task force that a properly functioning performance based pay system would be counterproductive or serve as a demotivator to Nevada state employees. It says that recognizing an employee's above-standard performance should not inhibit him from future standard performance nor inhibit other employees from striving to perform in an above-standard fashion. "It has long been accepted that recognition and well-timed pay increases can serve as catalysts to improve employees' performance," the minority notes. Nevada state employees seem to agree. An attitude survey of state employees conducted by the personnel division in 1981 shows that 73 percent of the employees favored rewarding outstanding performance.

The minority listed the following factors which must be considered before any changes to Nevada state government's classified employee pay plan can be accomplished:

(a) The strong opposition in Nevada to the creation of a pay plan which would require certain employees not at the top of their pay grades to receive smaller pay increases so that other employees can receive larger increases.

(b) The prevailing concern among certain employees that the lower steps in the pay grades represent insufficient pay for positions classified in those grades.

(c) The existing pay system's inability to reward those new employees who learn their jobs quickly and perform at journeymen levels sooner than average.

(d) That most job dissatisfaction and corresponding state employee turnover occurs within the first 2 years of employment. Approximately 70 percent of the current statewide turnover occurs during that period.

(e) That advancement through the pay steps in a grade in the classified service is theoretically based on increased ability to perform the job relating to the grade. It should be noted that learning theorists believe that the highest learning rate, and corresponding greatest increase in performance, for a new job occurs within the first 2 years an employee is on the job. If this is the case, it makes sense that initial merit salary increases should be at shorter intervals and at increased steps than increases after a person has been in a position for a number of years.

After considering these factors, a minority of the task force recommended that the state's classified pay plan be modified to allow employees who are below step 8 in their pay grades and who demonstrate continued above-standard performance to be eligible to receive accelerated step increases. The committee concurred with that suggestion and, therefore, recommends:

- The statutes and personnel rules be amended to provide that employees below the midpoint of their salary grades be eligible for accelerated step increases for above-standard performance. The committee also recommends that such employees be eligible for step increases at 6-month intervals. The committee's specific recommendations in this regard are that:

(a) An employee whose last performance rating was above standard or better and who has not attained step 8 in the salary range of his or her grade should qualify for a merit salary adjustment of 1 step (approximately 2.2 percent) or 2 steps (approximately 4.4 percent) semiannually on his or her salary date at the discretion of the appointing authority.

(b) An employee whose last performance rating was standard and has not attained step 8 in the salary range of his or her grade should qualify for a merit salary adjustment of 2 steps (approximately 4.4 percent) annually on his or her salary date.

(c) Employees with below standard performance ratings should not be eligible for merit increases and, corrective action should be taken to improve their job performance.

(d) No employee below step 8 of his or her salary grade should receive a merit salary increase exceeding 4 steps (approximately 8.8 percent, depending on the grade level) in any 12-month period.

(e) Employees at step 8 or above in their pay grades whose last performance rating is standard or better and who have not attained the top step in their salary ranges should be granted merit salary increases of 2 steps (approximately 4.4 percent) 12 months from their last salary date.

(f) The pay system contain provisions for: (1) proper performance review training for supervisors, (2) ongoing communications with employees by the personnel division and agency administrators and supervisors about the system, (3) the development of objective job performance standards, and (4) uniformity of application system-wide. (BDR 23-93)

4. Nonmonetary Incentives for Employees Who Perform Outstanding Work.

Certain agency administrators advised the committee that the law should provide more latitude to supervisors to give non-monetary incentives or additional timeoff to employees who demonstrate continued outstanding performance. The committee's task force concurred with this observation and endorsed the concept of nonmonetary incentives and the corresponding improvement in productivity such recognition usually brings.

The committee agreed that supervisors should be given a broader range of options in recognizing the performance of high achieving employees and, therefore, recommends:

- The statutes be amended to require the personnel division to adopt regulations which provide for the awarding of nonmonetary incentives or leave of short duration for those employees who demonstrate continued outstanding performance or complete some special project in a meritorious fashion. (BDR 23-93)

E. DELEGATION OF PERSONNEL DIVISION FUNCTIONS

Which, if any, of the personnel system's functions should be delegated to the operating agencies of state governments was one of the more difficult issues the committee and its task force addressed. A survey, conducted in February 1982 by the committee's staff, of agency administrators and supervisors indicated that proper delegation of personnel division activities is a major concern to the administrators and supervisors. Responses to questions posed during committee interviews with personnel division staff, and written and oral communications to the members of the committee and its staff, also reflect concerns about this topic.

Based on information supplied to it by the budget division, the committee discovered that approximately 106 full-time equivalent (FTE) positions of the 162 FTE personnel-related staff in the state work in the operating agencies of state government. The director of the budget division said the total position cost for all personnel-related positions in the state for the 1981-82 fiscal year was \$3,503,271. The personnel division's share of that cost was \$1,145,750 or approximately 33 percent. The committee felt that state agency staff doing personnel-related tasks should be used effectively and efficiently.

As discussed in Task Force Issue Paper VI (see appendix F), the law covering the state personnel system is found generally in chapter 284 of NRS. Certain of the duties of the chief are delineated in NRS 284.105 and include: applying and carrying out the chapter and rules and regulations thereunder; establishing a roster of state employees; developing programs for the improvement of employee effectiveness and morale, including training, grievances and hearings thereon; encouraging and exercising leadership in the development of effective personnel administration; and maintaining a continuous program of recruiting for public service.

Other duties of the chief specified in chapter 284 of NRS are to:

- (a) Investigate duplication of personnel work of the departments, institutions and agencies of the executive department of state government; to study the personnel organization and administration of those departments, and to formulate plans for more effective personnel management (see NRS 284.125);

(b) Prepare, maintain and revise as necessary a position classification plan for all positions in classified service, including titles and grades for each class of employment and an index of broad occupational classes (see NRS 284.160, 284.170 and 284.171);

(c) Prescribe regulations for a pay plan for employees in the classified service (see NRS 284.175);

(d) Prescribe rules and regulations (a) for open competitive examinations to test the relative fitness of applicants for the respective positions (see NRS 284.205), and (b) for the establishment of eligible lists for appointment and promotion (see NRS 284.250);

(e) Certify five names from each eligible list to fill vacant positions (see NRS 284.265);

(f) Assist in the establishment of work performance standards, maintain records of performance efficiency and establish rules with respect to service ratings (see NRS 284.335);

(g) Prescribe rules for all training of employees in state service (see NRS 284.343); and

(h) Prescribe rules for attendance and leaves of absence (see NRS 284.345).

NRS 284.130, however, clearly permits the chief of the personnel division to request officers and employees in the executive department of the state government to aid in conducting the personnel-related statutory provisions contained in chapter 284 of NRS.

As mentioned in the introduction, most of the training functions have been delegated to the operating agencies. A portion of the recruitment and examining activities have been delegated to the department of transportation, department of motor vehicles, department of employment security, department of prisons, state industrial insurance system, department of education, department of human resources and the department of taxation. The University of Nevada System does most of its own personnel activities including classification. The department of employment security also performs most of its own classification work.

Several studies of the personnel division, including the Governor's Management Task Force Study (64) and the U.S. Office of Personnel Management Study (71), both conducted in 1980, recommend further delegation of certain personnel functions including recruitment, affirmative action, promotions and classification. Similar recommendations were made to the committee by agency administrators, supervisors and others.

Most staff of the personnel division and some agency administrators favor putting all personnel-related staff in the operating agencies under the direct control and supervision of the personnel division in a similar manner to which deputy attorneys general work under the attorney general's office. The employees' association has proposed legislation which would create a department of personnel encompassing all personnel staff in state service. (See, for example, A.B. 477 of the 1981 legislative session.)

The committee rejected the centralized personnel concept. It also rejected its task force's proposal that the personnel division follow, except in those circumstances where critical need required temporary delegation, guidelines established by the committee's task force. It chose, instead, to keep the existing pattern of personnel staff and resources under the agencies and to provide for the optimum use of those staff and resources. It, therefore, recommends:

- The operating agencies of state government accept delegation from the personnel division of as many personnel functions and activities as possible consistent with the agencies' personnel-related staff and financial resources. Such delegation is provided for by chapter 284 of NRS.

F. DISCIPLINE

The committee's task force reviewed the entire matter of state employee discipline and focused specifically on two topics: (1) the time provided in existing law and regulations for the appeal of major disciplinary actions such as involuntary transfers, suspensions, dismissals or demotions; and (2) third party review of disciplinary actions.

The task force determined that the time involved in the resolution of appealed state employees' major disciplinary

actions is excessive and not in the best interests of employees or the state. It also found that the most efficient and equitable way to reduce the time involved in the disciplinary appeals process is to shorten the time during which employees are permitted to appeal disciplinary actions to the hearing officer and to remove the disciplinary appeals review function from the personnel advisory commission. Neither of these actions, the task force felt, would jeopardize state employee safeguards against arbitrary or capricious disciplinary actions. Furthermore, neither action, the task force thought, would lessen the procedural safeguards for permanent employees' property interests in their employment, required by the due process clause of the Fourteenth Amendment of the United States Constitution, as interpreted by case law. [See Board of Regents v. Roth, 408 U.S. 564 (1972), Arnett v. Kennedy, 416 U.S. 134 (1974), State ex rel. Sweikert v. Briare, 94 Nev. 752 (1978).]

The task force also thought that certain references in the disciplinary process to calendar days should be changed to working days to provide uniformity and clarity to the time frames provided for those steps.

Now, it can take over 220 days for an appeal relating to a major disciplinary action to end up in the courts for review. Most steps and the time frames specified for them in the review process are mandated in the statutes. The two exceptions are the provisions for preliminary hearing on major disciplinary actions and the 30-day time limit for hearing officers to return their decisions on disciplinary matters.

The time for notice of preliminary hearing is based on an attorney general's opinion which interpreted the State ex rel. Sweikert v. Briare case. The rule referenced in the attorney general's opinion (see NAC 284.638, et seq) has not been amended. Under existing practice based on the attorney general's advice, however, permanent status employees are given 10 days advance notice of proposed major disciplinary charges against them and the opportunity to respond, 3 calendar days prior to the expiration of the 10-calendar-day period, to the authority proposing discipline in connection with the predetermination hearing.

The committee concurred with its task force's belief that the time frame from initial notice to appeal to the courts

of major disciplinary actions involving involuntary transfer, dismissal, demotion or suspension for permanent status state employees is too long. It agreed that the time should be reduced from the potential maximum combined 220 calendar and working days to a maximum of 90 working days. To accomplish this, the task force recommended changes which would (1) shorten the time for employees to appeal disciplinary actions to hearing officers, (2) eliminate the personnel advisory commission's review of hearing officers' decisions on disciplinary matters, and (3) change the reference to time periods for appeals of disciplinary actions from calendar to working days. The committee concurred with these recommendations and, therefore, recommends:

- The statutes be amended to reduce the number of days during which an employee may file an appeal involving involuntary transfer, dismissal, demotion or suspension from 30 calendar days to 10 working days. (BDR 23-88)
- The statutes and corresponding regulations be amended to eliminate the personnel advisory commission's review of hearing officer decisions on state employee disciplinary actions. (BDR 23-88)
- All statute and rule references to time frames for steps in the disciplinary process refer to working days. The committee's specific recommendations in this regard are:
 - (a) The time for advance notice of proposed disciplinary charges be 10 working days.
 - (b) The employee's time for responding to such notice be 3 working days prior to the expiration of those 10 working days.
 - (c) The time for an employee to appeal a disciplinary action to the hearing officer be changed from 30 calendar days from the effective date of the action to 10 working days from the effective date of the action.
 - (d) The time for a hearing officer to render his decision on a disciplinary matter be changed from 30 calendar days to 20 working days.
 - (e) The time for an aggrieved party to appeal the final decision of the hearing officer on a disciplinary matter be changed from 30 calendar days to 30 working days. (BDR 23-88)

G. EMPLOYMENT SERVICES

Nothing became more clear to the committee than the perceived need to improve the employment service function of the personnel system. State agency administrators are very critical of the way that function is currently handled. For example, a survey conducted by the committee shows that administrators feel that the most pressing problems in the personnel system are delays and inconsistencies in recruitment. The majority of the respondents said that the recruitment activities are ineffective. Some job applicants also communicated their frustrations about the employment operations of the state to the committee.

Concern about the manner in which the state's employment activities are being conducted is not new. Several past studies of the personnel division have suggested statutory remedies aimed at improving the employment process. (64, 99, 102) Many of those remedies have been politically sensitive and failed the legislative process. Under existing requirements, most higher level job openings are restricted to promotions. It has been recommended that the state remove statutory restrictions on the recruitment process so that a broader range of persons, including those not already in state service, may be considered for above entry level position openings. That suggestion, however, has been perceived by some as a threat to the promotional opportunities of existing state employees.

The legislative auditor, as discussed later under the heading of "Promotion Practices," believes the state has become a closed system where the job opportunities for those outside of state service exist primarily in low-level jobs. (61) One politically sensitive suggestion to remedy, in part, the auditor's concern is to eliminate the 5-point preference given to Nevada residents. The committee felt that since recent legislatures have decided against many of the statutory proposals which would have expanded the potential pool of applicants for state jobs, it would be inappropriate for it to act on these matters.

Another suggestion would have limited testing to a narrow range of technical and clerical jobs. Some groups saw this suggestion as raising the possibility of favoritism in the selection of employees.

The committee received numerous structural and process-oriented recommendations aimed at improving the efficiency

and effectiveness of the personnel division's employment efforts which it thought had merit. Several of those suggestions came from the legislative auditor and relate to applicant evaluation, advertising for hard-to-recruit positions, time frames to fill vacancies, examination statistics, the operation of the personnel division's certification unit, test administration and the processing of job announcements. (61:59-83)

Two of the auditor's primary concerns are with applicant evaluation and the operation of the personnel division's certification unit. Addressing applicant evaluation, the auditor's report says, in part:

Applicant evaluation is an important function within the recruitment process in that the applicant's education and work experience is the determining factor in whether an applicant is accepted or rejected for a position in state service. Weaknesses were noted in the current procedures used by the state personnel division's recruitment and examination section in evaluating applicants' education and work experience in relation to the minimum qualifications required for higher level positions in state service.

There are inconsistencies in applying the minimum qualifications of education and experience * * *. These inconsistencies are the result of:

1. Technicians within the recruitment and examination section, who are responsible for evaluating an applicant's education and work experience, not always being familiar with certain occupational classes, and not being adequately trained or knowledgeable in those areas.
2. The different methods and terminology used by applicants in filling out job applications and resumes which can cause confusion when they are being evaluated. There is no verification of the information given on application forms. The forms state that copies of college transcripts should be attached * * * we * * * (the auditors) * * * were informed that the majority of applications were accepted without the submission of college transcripts.

3. Minimum qualifications which are established by the classification and pay section with very little communication between the classification and pay section and the recruitment and examination section. (61:59-63)

The auditor's report goes on to say the following about the personnel division's certification unit: --

A major component within the recruitment and examination section is the certification unit. The certification unit is responsible for verifying that each position to be filled has been authorized for recruitment, determining if the examination process should be put into motion, maintaining a master list of eligible applicants, and certifying a list of names to hiring authorities. * * *

A weakness in the organizational structure, and management control of the personnel division, currently exists in the certification unit. The certification unit reports directly to the chief of the recruitment and examination section, while the rest of the recruitment and examination section reports, and is under the supervision of a supervisory personnel analyst who, in turn, reports to the chief.

The current structure allows for a personnel technician to control the entire recruitment and examination process, without adequate supervision and review from anyone except the chief of the recruitment and examination section. The chief's duties and responsibilities do not permit him enough time to supervise the certification unit. To ensure proper supervision of the hiring process, the certification unit should be placed under a midline manager. (61:73-74)

The audit report is critical of the personnel division's recruitment and examination statistics and its applicant tracking system. Concerning employment statistics, the report says: "Personnel division statistics relating to recruitment and examination activity are incomplete, conflicting, unreliable and unsupported." (61:70) The report says:

The personnel division does not have an established applicant tracking system. The procedures and method

used for processing the position requisition documents were found to be cumbersome and ineffective in many areas. This causes delays in preparing identified lists of applicants.

The committee became aware of a situation which it found totally unacceptable. Apparently, certain state employees have ended up taking employment or promotion examinations for which they had been involved in preparing the exam questions. This situation is intolerable and must never occur again.

The committee was very aware of the importance of a smooth-running, efficient employment function to bring high-caliber workers into state service. It noted that the personnel division is, as mentioned under the heading of "Findings and Recommendations," attempting to do this. It felt, however, that additional steps are necessary to bring the state's recruitment and hiring practices up to a standard necessary to meet the needs of the 1980's. The state can no longer afford to be burdened by inefficient or time-consuming employment practices. The committee, therefore, recommends:

- The personnel division shorten the posting time for open positions from 3 weeks to 2 weeks and reduce the certification list and interview period to 1 week.
- The personnel division reduce the selection/appointment time to 2 weeks.
- Minimum qualifications be clarified prior to submittal of personnel requisitions.
- The personnel division certify each eligibility list requiring an open competitive or promotional exam within 60 days of receiving a personnel requisition and recertify each existing eligibility list and provide it to the requesting agency within 2 working days of the agency's request. (BDR 97)
- The personnel division request funding to develop an applicant tracking system to identify areas of delay in the recruitment and examination processes.
- The personnel division, where practicable, indicate the planned test dates in each job announcement.

- The personnel division establish procedures requiring each position requisition to be date stamped when received and to be signed and dated as it moves through the recruitment process.
- The statutes be amended to permit the chief of the personnel division to suspend the requirement of competitive examination for positions requiring professional qualifications where past experience or current research indicates a difficulty in recruitment. (BDR 23-95)
- The personnel division use advertisements for recruitment purposes in professional journals or newspapers in a more timely fashion.
- The personnel division be given a special appropriation for advertising for hard-to-recruit positions.
- The personnel division improve its forecasting techniques so that recruitment efforts correspond more closely to position vacancies. One means of improving the forecasting process is to use procedures where state agencies notify the personnel division of soon-to-be-vacant positions.
- The personnel division prepare and validate examinations before opening recruitment for specific positions.
- The personnel division develop policies and procedures to be followed in the review of job applications for the higher grade positions within state service.
- The personnel division improve communications and coordination between personnel technicians and personnel analysts in their evaluation of job applicants' education and work experience.
- The personnel division develop policies and procedures for the verification of important applicant data such as college transcripts, degrees and required licenses and certificates.
- The certification unit of the personnel division be placed organizationally under the supervision and control of the supervisory personnel analyst of the recruitment and examining section.

- The personnel division develop policies and procedures to carry out the provisions of recent statutory changes relating to the division's employment functions.
- The personnel division develop policies and procedures for the distribution of job announcements.
- The personnel division develop procedures for the review and editing of job announcements prior to distribution of the announcements.
- The personnel division monitor job announcement costs.

H. GENERAL POLICY/MANAGEMENT/PLANNING

There is nothing that managers and management theorists are more solidly agreed on than the vital role of objectives in the managing of organizations. Managers are irresponsible when they fail to set goals and, therefore, let the organization drift. The absence of controlling aims forces decisions to be made in response to immediate pressures. Of course, many organizations do drift and survive. The penalties are not always swift, and very often bare survival is possible even though the fullest potential of the organization is not realized and significant, and often detrimental changes in identity, occur.

The committee determined that the personnel division, because of its lack of planning and insufficient goals, might well be adrift. The division appears to be like a ship lost in a storm without a planned course. The legislative auditor confirmed this perception by saying, "the division currently operates on a management-by-crisis basis." (61:32) The committee thought the personnel division should set a proper course unless, to carry the ship analogy one step further, it wants to end up crashing into the rocks.

The personnel division advises that previous management dictates and the exigencies of state government have prevented it from setting goals or planning. Constant changes or day-to-day crises, however, do not obviate the need to plan. If anything, they increase that requirement. The essence of planning is the selection of strategic objectives in the form of specific sequences of action to be taken by the organization.

These critical variables must be selected in terms of present, imminent or foreseeable crises or emergencies which may require contingency plans.

The following quote, written by organizational theorist Philip Selznick in a March 1960 Administrative Science Quarterly article, describes what can occur without proper organization planning and leadership:

When an enterprise is permitted to drift, making short-run partial adaptations, the greatest danger lies in uncontrolled effects on organization character. If ultimately there is a complete change, with a new character emerging, those who formed and sustained the organization at the beginning may find that they no longer fit the organization. There is also the likelihood that the character will not really be transformed: it will be attenuated and confused. Attenuation means that the sought-for distinctive competence becomes vague and abstract, unable to influence deeply the work of the staff and operating divisions. This occurs when the formulation of institutional goals is an afterthought, a way of rationalizing activities actually resulting from opportunist lines of decision. A confused organization character is marked by an unordered and disharmonious mixture of capabilities. The practical result is that the organization cannot perform any task effectively. (1:341)

Selznick also describes what can happen if leadership continually pursues apparent short-run advantages without keeping long-term principles and consequences in mind. He says this can:

Display itself in a narrow self-centeredness, in an effort to exploit other groups for immediate, short-run advantages. If * * * (an organization) * * * offers a * * * service to other firms, expectations of dependability are created, especially in the manner of continuing service. If service is abruptly discontinued, activities that depended upon it will suffer. Hence * * * (an organization's) * * * reputation for dependability and concern for others becomes a matter of great importance wherever continuing relationships are envisioned. To act as if only a set of impersonal transactions are involved, with no responsibility beyond the strict terms of a contract, creates anxiety in the * * * (user)

* * *, threatens to damage his reputation for dependability, and in the end weakens both parties. (1:342)

This description is important if one considers the relationship the personnel division must maintain with its users, agency administrators and the personnel representatives in the agencies. Several respondents to a survey conducted by the committee characterized that relationship in negative terms.

The committee felt the personnel division's leadership must rethink and improve its management techniques if the division is to enhance both its relationship with state agencies and the quality of its service to the agencies. The leadership needs to set objectives and plan for those objectives. It needs to establish a service attitude and posture among the staff. It needs to prioritize the work of the division. It needs to accumulate and use accurate data. And, it needs to delegate decisionmaking to the lowest possible level where decisions are made.

These will be difficult, but not impossible, endeavors. There is a wealth of literature on the subject of personnel management. The bibliography to this report references some of that literature. There are also experts and national personnel associations which can be consulted. Moreover, the "under siege mentality" of the division's management and staff, resulting in part from the several recent studies conducted on the division, might be the catalyst for needed change. According to political scientist Bertram M. Gross:

Successful planning is often possible only when the key members of an organization see themselves threatened by an imminent crisis. In non-crisis situations, the subsystems tend to move in their own directions. They will most readily accept common objectives when the alternative is perceived as an onslaught of acute dissatisfactions, that is, a crisis. With crisis as the alternative, conflicts may be more quickly and effectively resolved. (1:169)

The committee believed the conditions are ripe for change and improvement in the management techniques of the personnel division. It, therefore, recommends:

- The chief of the personnel division reorient the staff of the division from a control function to a primary mission and philosophy of service to agencies.

- The personnel division develop: (1) objectives and program structures which are specific, quantifiable and conducive to reliable evaluation; (2) a plan of organization for accomplishing those objectives; and (3) a system of appropriate policies for each function in the personnel division. (BDR 23-94)
- The personnel division create a planning unit for the review and development of major personnel division projects.
- The personnel division prioritize agency personnel needs and assign work based on those priorities.
- The personnel division define and assign responsibility for the recording, summarizing and reporting of personnel functions and activities.
- The personnel division prepare and follow proper procedures for the recording of accurate statistical data.
- Decisionmaking in the personnel division be delegated to the lowest level possible.

I. LEGISLATIVE OVERSIGHT

Under existing law, state agencies, other than the University of Nevada System and vocational licensing boards, may not change the classification for a position for which money has been appropriated or authorized from one occupational class to another class without the approval of either the legislature or the interim finance committee.

Before a position class matter goes to the interim finance committee, however, the personnel division must study and make recommendations on the change and then present the proposal to the personnel advisory commission (PAC) for review. If the PAC gives its approval, the proposal then goes to the interim finance committee.

The legislative auditor's staff reviewed the interim finance committee's practices in the review process. Based upon that review, which is detailed in the audit report (61:101-103), the auditor's staff determined that the interim finance committee has an adverse effect on the

state's classification system. It tends to only approve job position downgrades and usually disapproves upgrades. The audit report implies that this practice could result in litigation against the state. The report suggests that the interim finance committee no longer be involved in the job classification change review process.

The audit report does say, however, that:

The interim finance committee should be made aware of all occupational class changes that have gone through the proper process in the state personnel system. The interim finance committee should make it clear that the administrators of state agencies will be held responsible for the occupational class changes should there be an adverse effect on the agency budget as a result of classification changes. This would allow agency administrators to have flexibility in the administration of their agencies, yet still be answerable to the legislature, and remove the cloud of lengthy and costly litigation. (61:103)

The committee accepted the auditor's suggestions. It also believed that the personnel division should be held accountable for the recommendations the committee makes in this report. The committee, therefore, recommends:

- The personnel division report its progress in carrying out the recommendations contained in the committee's report to the 1983 and 1985 legislatures. (BDR 98)
- The statutes be amended to repeal the interim finance committee's approval of occupational class changes. (BDR 31-89)
- Operating agencies advise the interim finance committee of all occupational class changes. If there is an adverse effect upon an agency's budget as a result of the changes, agency administrators should be held accountable to the legislature for their actions. (BDR 31-89)

J. PAYROLL SYSTEM

The committee received several suggestions pertaining to the payroll functions of the personnel division. It also took

note of recommendations regarding those functions contained in recent audit reports. (61,76,77) The primary concerns about the system appear to center around the so-called anticipated pay week, the capabilities of the Las Vegas office of the personnel division to perform certain payroll activities, and the proper administrative organization location for the payroll function.

1. Anticipated Pay Week.

According to the legislative auditor (76:11-14), the payroll system of the executive branch of state government provides 40 hours of anticipated pay in each 2-week pay cycle. The anticipated pay week has been the subject of criticism for several years. It creates opportunities for pay errors when employees' actual time at work does not correspond to that which is anticipated and documented on the payroll sheets. The anticipated pay week has necessitated modification to paychecks to correct over and underpayments. The results of this have been extra time and effort by payroll staff and, on some occasions, irate state employees who have received incorrect paychecks. The state has also lost money from overpayments which have not been returned. One audit report reveals overpayments, which have not been recovered by the state, exceeding \$7,800, plus the state's portion of retirement contributions in those checks. (76:11)

The anticipated pay week appears to be an outgrowth, in part, of an information processing system that cannot meet the needs of processing paychecks for the state's approximate 10,000 employees who work in the various corners of Nevada.

The current payroll system was installed in 1978. It is a "batch-oriented" system which uses the state's main frame computer. Information is input to the system through manually prepared documents mailed to the personnel division from various locations throughout the state. Information is returned to the agencies in the form of mailed paper reports. Processing of payroll is accomplished through computer runs regularly scheduled within the payroll cycle. Two weeks are required to report, mail and process documents to produce paychecks. (61:24)

The committee believed that the time has come to deal with the anticipated pay week problem. One approach, as

recommended under the heading of "Automation of Personnel Division Functions," is to install on-line terminals in agencies which can be used to communicate directly to the payroll system computer. Another approach is to modify the current pay cycle to avoid the need for anticipated hours on timesheets. Both of these suggestions have drawbacks. The first would cause additional expense to the state. The second would cause employees to go a few additional days during one pay cycle before receiving their checks. There are other options which can be explored. The committee, therefore, recommends:

- The anticipated pay week be eliminated from the payroll system with the least amount of disruption as possible to existing pay cycles. The committee recommends further that the personnel division, the office of the state controller and the office of the state treasurer consult the senate committee on finance and the assembly committee on ways and means of the 1983 legislature, representatives of operating agencies and the legislative auditor in planning for the elimination of the anticipated pay week.

Until the existing system can be modified, the personnel division and the payroll staff in state agencies must try to be as accurate and efficient in processing payroll documents as possible. One means to accomplish this is to ensure that all persons involved in the system are knowledgeable about the process. The committee, therefore, recommends:

- The personnel rules be amended to require that agency payroll personnel receive continuous training from the personnel division on all aspects of the payroll functions.

2. Payroll Section for Las Vegas Office.

The Clark County area of the state contains approximately 28 percent of the state's workforce. Certain state employees who communicated with the committee believe that the personnel division could provide improved payroll services with reduced delays if the personnel division's Las Vegas office contained a specialist to handle payroll correction matters. The committee agreed that this could be a viable option if

it is found to be cost-effective. The committee, therefore, recommends:

- If found to be feasible and cost-effective, the personnel division add a payroll section to its Las Vegas office to handle payroll corrections.

3. Transfer of the Payroll Function.

The legislative auditor believes that, for proper internal control, the payroll function should be transferred from under the classification and pay section of the personnel division. The report on the operations review of the personnel division says basic internal control requirements stress the importance and need for a separation of the payroll function from the personnel records function to eliminate the possibility that a person could be hired without proper authority. (61:45)

The division's current organizational structure has the payroll and records function supervised by the same person. The auditor says that there is a close working relationship between those areas and adds that the supervisor of the records section is directly involved in the processing of input documents for payroll purposes. "Three-fourths of the supervisor's time is spent on payroll functions, and the balance is spent maintaining state employees' personnel records and the position roster." (61:46)

The audit report suggests two options to remedy the control problem:

The first option is to leave the payroll process within the personnel division, but to organizationally place it under the administrative services and training section, and to place the personnel records function under the recruitment and examination section. This would result in proper segregation of the two functions and would allow for much stronger internal controls to be developed.

The other option is to place the payroll function in another agency, such as the state controller's office. The controller's office is responsible for payment of all vendor claims incurred by state agencies, and originally had the payroll function before it was transferred

to the personnel division. If this option were to be approved, it would provide the strongest internal control, segregation and possibly reduce the overall cost to the state for the payroll process. (61:46-47)

The committee felt both these suggestions have merit and, therefore, recommends:

- The personnel division's payroll function be transferred from the division's classification and pay section to the division's administrative services section or be transferred to another state agency such as the state controller's office.

K. PERSONNEL ADVISORY COMMISSION

The measure which created a state personnel department, S.B. 2 (chapter 351, Statutes of Nevada 1953), also established the personnel advisory commission to advise that department and oversee certain of its operations. That law also specified the qualifications for the members of the commission. It said:

No member of the commission shall have held a partisan political office or have been an employee of the state within the calendar year immediately preceding his appointment, nor shall he seek or hold such an office or employment during his term as a member of the commission. (See NRS 284.035.)

That provision has not been changed in almost 30 years. The personnel system of the state, however, has changed dramatically. Moreover, the complexity of state government has greatly increased. In 1953, the state had approximately 1,500 employees. Today, there are over 10,000 employees in the classified service of the state.

There has been a raft of changes in the legal framework of public personnel administration. Public personnel management as a science has made quantum leaps since the early fifties. Civil rights, equal employment opportunity, public employee unions, and a host of other relatively recent developments were, at most, inarticulate notions in certain reformers' minds.

Under existing law, the duties of the personnel advisory commission include:

- (a) Approving the classification plan (NRS 284.160 (4));
- (b) Receiving appeals concerning that plan (NRS 284.165 (3));
- (c) Approving the pay plan for all classified employees (NRS 284.175 (2));
- (d) Adopting a system for administering disciplinary measures against state employees (NRS 284.383); and
- (e) Reviewing and rehearing hearing officer decisions (NRS 284.390 (6)).

These are heavy burdens for persons whose primary qualifications are that they have not held partisan political office or have not been employed by the state for a year preceding appointment.

The committee believed that the time has come in Nevada to require that members of the personnel advisory commission have backgrounds in legal procedures and public personnel administration. Other states, such as Arizona, Idaho and Florida, have seen this need. Section 67-5307 of the Idaho Code says, in part:

The members of the commission shall be appointed by the governor on the basis of experience in personnel management, business or governmental management and their known sympathy with merit principles for the impartial selection of efficient state government employees.

The committee felt that Nevada should follow the example of its sister western state and require that the members of its personnel board be knowledgeable in the areas of public personnel administration. It, therefore, recommends:

- The statutes be amended to require that the composition of the personnel advisory commission include an attorney, a representative from labor with a personnel administration background, a representative from management with a personnel administration background, and two members from the general public who should qualify for

their positions by demonstrated interest in or knowledge of the principles of public personnel administration. (BDR 23-90)

The committee also accepted the suggestion of representatives of the employees' association that hearing officers, to avoid any hint of partisan considerations or favoritism, should be appointed by a majority of the members of the personnel advisory commission instead of just by the chairman. It, therefore, recommends:

- The statutes be amended to require that hearing officers be appointed by a majority of the membership of the personnel advisory commission. (BDR 23-88)

L. PERSONNEL ASSESSMENTS AND PERSONNEL BUDGET

According to the legislative auditor's staff, the personnel division has a history of having to cut back on personnel functions at the end of each fiscal year because of its lack of operating funds. The auditors described, in their 1982 operational review of the division, the delay this causes in classification studies. They also detailed restrictions, placed in the last quarter of fiscal years, on long distance phone calls, travel and other activities necessary to conduct the division's statutory functions and responsibilities. (61:36)

Personnel division staff, during interviews with members of the committee, told the committee the effect these budget problems have had on them in performing their duties and also mentioned shortages in office supplies and equipment.

The operations audit report of the personnel division says:

The personnel division has been encountering these budget problems for many years, yet little, if any, planning has ever been done to correct them. The lack of adequate operating funds in the last quarter of the fiscal year is an annual occurrence, but the personnel division appears to accept this as something it has no control over. (61:38)

The audit report lists steps which the auditor's staff feel can be taken to assuage, in part, the division's financial dilemma. The auditors believe that many of the personnel

division's operating problems and deficiencies are attributable to poor expenditure controls and the division's incorrect method of collecting the personnel assessments, which are used to pay for the division's operation from state agencies. (61:36-42) The report details the division's weakness in financial and budget planning and in providing budget information to its section chiefs or to its Las Vegas office.

The personnel division's response to the operations audit (61:110-137), and its correspondence sent to the committee, indicate that the personnel division is taking action to improve its financial planning and personnel assessment practices. The committee applauded these efforts but believed that the efforts should be reinforced by the following recommendations.

1. Personnel Assessments.

NRS 284.115 provides that the costs of the personnel division be paid by operating agencies based on a percentage of the gross annual budgeted salaries of each agency. At the time this report was being written, the figure used for that purpose was .87 percent. The department of human resources was assessed an additional .23 percent of its gross annual salaries for payroll purposes. The legislative auditor advised the committee that the personnel division is undercollecting assessments because it bases its collections on gross pay per pay period. The report says that the collections should be made on appropriated salaries instead of the biweekly payroll. This, the auditor says, would produce a more favorable revenue situation for the division.

The auditors also said that the chief of the personnel division should no longer relinquish his statutory responsibility to establish the personnel assessment rate and to revert the balances of the unused assessments. The report says:

Currently, the department of administration, budget division, sets the personnel assessment rate and determines the rebates which are reverted back to the appropriate agencies. This is in violation of NRS 284.115.

The chief, by relinquishing his duties and responsibilities to another state agency, loses control of his own division.

If the division is to operate in an economical and efficient manner, the management of the division has to accept their duties and responsibilities and carry them out. They should not rely on someone else to do their work. In the end, they are responsible for the management and control of the personnel division. (61:41-42)

The chief of the personnel division says the division has accepted the responsibility to carry out its duties relating to the personnel assessments. The committee took note of the chief's response but wanted to reinforce the auditor's suggestions. It, therefore, recommends:

- The personnel division establish the payroll personnel assessment rate in accordance with the statutes.
- The personnel division bill and collect personnel assessments in compliance with the statutes.
- The personnel division compute payroll personnel assessment rebates and revert the balances to the appropriate agencies.

2. Management Plan and Financial Information for Section Chiefs.

The auditors, as noted earlier, feel that the personnel division has deficiencies in financial planning. The division leadership, the auditors think, also does not provide financial data to the section chiefs. The section chiefs, therefore, cannot adequately determine how to carry out their responsibilities and workload within budget resources without shortfalls at the end of each fiscal year. The audit report says:

The state's accounting system produces weekly financial reports on the personnel division, as well as each of the six sections within it. The management of the personnel division was unaware that the weekly financial reports on the sections within the personnel division are available. If the personnel division is to operate in an efficient and effective manner, financial and budget reports have to be used as a management tool. (61:40)

The committee acknowledged that the division is striving to improve its financial planning efforts but believed continued efforts are imperative if the division is to efficiently perform its statutory responsibilities. It, therefore, recommends:

- The personnel division develop a management plan to avoid reductions in personnel division services during the last months of the fiscal year.
- Personnel division budget and financial information be provided to the division's chiefs and to the management of its Las Vegas office.

3. Proper Budgeting for Supplies and Equipment.

The committee felt strongly that a modern office should provide the necessary supplies and equipment to the staff for the staff to do their jobs. Staff, as indicated to the committee, should not be required to bring their own pencils, paper, staplers or other office equipment. The committee, therefore, recommends:

- The personnel division budget for and provide necessary supplies and equipment to its staff.

M. PERSONNEL RECORDS

One of the more antiquated practices in the personnel division is the method by which employees' records are maintained. Each state employee has a file or "jacket" of information stored in a Diebold rotating "power file" system maintained within the division. The information in each employee's file is also kept in the state's main frame computer and updated through a "batch" process (the use of paper documents sent to and from the computer facility). There are no terminals for this purpose. The division also maintains a separate 5x8" card for each employee in a Kardex system. These cards contain certain of the information available in the employees' personnel jackets. Several state agencies maintain duplicate employee personnel files for the agencies' convenience.

The legislative auditor said that the information contained in the employees' "jackets" should reflect any information

contained in the Kardex files. The auditor suggested that all information kept in the Kardex system be duplicated in the computer files and in the employees' main hard copy file or "jacket."

The committee was told that much, if not all, of the duplication of paperwork and effort relating to employees' files could be eliminated through the proper use of data processing. The legislative auditor's staff noted that one approach for an improved data processing system might be the use of on-line terminals between the division, state agencies and the main computer facility. (61:25) The use of terminals has also been suggested to improve other personnel division operations such as payroll. (See the committee's related recommendations under the heading of "Automation of Personnel Division Functions.")

There are immediate steps that can be taken to improve personnel recordkeeping. One such step is to eliminate any unnecessary paperwork by stopping, where possible, the duplication of personnel records. The committee, therefore, recommends:

- Duplication of personnel records maintained by agencies and by the personnel division be reduced.

N. POSITIONS NOT COVERED UNDER CIVIL SERVICE

Based on information obtained by the committee's task force from a nationwide survey conducted by the staff of the legislative counsel bureau (121), it appears that many states' governments restrict their unclassified ranks or those exempt from the provisions of civil service to top agency administrators, attorneys, deputies, and certain policymaking and sensitive positions.

Over the years, however, the unclassified ranks in Nevada's state government have expanded to include a wide range of nonmanagerial and working level positions. For example, the law (by "law," we refer to both the Nevada Revised Statutes and the so-called unclassified salary bill passed each session of the legislature) includes in unclassified service such positions as a license investigator, a systems analyst, an electronics engineer, a statistician, clerks and many other nonmanagerial or nonpolicymaking positions. Some agencies have only one unclassified position, a director, while others have several. The governor's management task

force believed that this situation has resulted from the lack of recognized criteria for establishing unclassified posts. (64:11)

The committee's task force agreed with this opinion and suggested that more definite standards and parameters be established for the state's unclassified ranks. It said that the statutes should be amended to generally restrict the persons in unclassified service to agency heads, one deputy and one confidential assistant in each agency. The task force also said that the personnel advisory commission should be permitted to approve additional deputies for unclassified service. It also felt that certain division heads, attorneys, governor's office staff and other sensitive positions should remain unclassified.

The main point of contention in the committee's task force recommendation was the status of the unclassified employees of the University of Nevada System. Under the majority recommendation, the university would be able to define its unclassified professional staff by regulation. A minority of the committee's task force felt that the university should not be given that much discretion. (See task force issue papers relating to modification of NRS provisions defining unclassified employees contained as appendices C and I.)

Other recommendations relating to unclassified employees are contained in the Governor's Management Task Force Final Report. That report says, "The personnel division should provide definitions and guidelines so that this element (the number of unclassified employees) * * * of government service can be controlled and used to best effect." The report adds that, "Legislative action will be needed for implementation." (64:11)

The governor's management task force suggested that an initial step dealing with the problem of too many unclassified positions would be for the personnel division to develop position description and job qualifications for the state's unclassified ranks. The division says it has accomplished this task for approximately one-half of the state's 538 authorized unclassified positions. A completion date is set for January 1, 1983.

The committee concurred with the suggestions of its task force and the governor's management task force relating to

positions in the unclassified service and, therefore, recommends:

- The personnel division continue efforts to analyze and develop position descriptions and job qualifications for unclassified positions.
- The statutes be amended to generally restrict the persons in unclassified service to agency or department heads and one deputy and one confidential assistant in each agency or department.

The committee recommends further that:

- (a) The personnel advisory commission be permitted to approve additional deputies to be in the unclassified service if it determines that the additional positions are justified for a department or agency based upon its size, scope of programs, statutory responsibilities and organizational complexity. Any changes in the designation of positions for the unclassified service should be approved by the personnel advisory commission;
- (b) Professional staff, as that term is defined by regulations of the University of Nevada board of regents, be in the unclassified service;
- (c) NRS 284.140 reflect all those classes of positions in the executive branch of government which are in the unclassified service of the state;
- (d) The statutes be amended to provide that independent contracts must not be used to circumvent the protections and controls provided to employees by chapter 284 of NRS;
- (e) The division administrators in the departments of commerce and human resources, the administrator of the division of state parks, the state forester-firewarden, the state engineer, positions requiring licensed attorneys, and most of the persons specified in subsections 1, 2, 4, 5, 7, 8 and 9 of NRS 284.140 be in the unclassified service (see appendix C for reference to subsections to NRS 284.140);
- (f) The members of the gaming control board, two assistants, the chief of investigation, the chief of enforcement, the chief of audit, the chief of special

investigation and intelligence, the chief of tax and license of the board, and the executive secretary of the gaming commission be in the unclassified service; and

- (g) Other pertinent sections of the NRS be amended to correspond to the committee's recommendations concerning the positions in the unclassified service. (BDR 23-96)
- The chancellor report to the chairman of the legislative commission as soon as possible after January 17, 1983, any amendments the board of regents makes to its rules pertaining to positions in the unclassified service. That report should describe any changes in the composition of university employees in the classified and unclassified services and list the affected positions. (BDR 99)

0. PROMOTION PRACTICES

As discussed in this report under the heading of "Employment Services," the legislative auditor, and others who have studied the personnel division, made recommendations which would permit a broader range of applicants to be eligible for openings in state government service. (61, 64, 71, 102) The legislative auditor's report contains strong language in that regard. It says:

Through the years the state personnel system has changed dramatically to where it has become a closed personnel system. It has reached the point where it is very difficult for qualified applicants to enter into state employment except at bottom level positions. * * * More than half of the positions that now become open are restricted to those persons already employed within state government. Job openings can be restricted to persons within departments of state government or even to divisions within departments.

State agencies are restricted when it comes to filling vacant positions. If a state agency has a position to be filled, and there are five persons within its department or division who appear to be qualified and interested in the vacant position, the department or division is required to hire from within, even if there are better qualified persons available.

The report adds that applicants from a division, department and statewide government service take precedence over outside-of-government applicants when it comes to eligibility for position vacancies. (61:5-6)

The committee reviewed several suggestions aimed at allowing state managers to consider a wider choice of applicants in the selection process. These recommendations included:

(a) Amending the state law to provide for open competitive and promotional examinations, regardless of the number of eligible candidates within each agency;

(b) Amending the law to discontinue the policy of requiring departments and division heads to hire from within those units of state government;

(c) Amending the law to establish a policy where all interested and qualified applicants may apply; and

(d) Expanding the so-called "rule of 5" to a "rule of 10."

The committee noted that many state employees and their representatives believe that the state's promotion practices are sound. That belief, in part, led to the defeat of A.B. 416 of the 1981 legislative session, which includes the above-noted recommendations. The committee, therefore, felt that it would be inappropriate to pursue the matter. It speculated that legislation easing restrictions on the state's promotion practices would, undoubtedly, surface again during the 1983 legislative session and could be properly reviewed then in light of current conditions.

The committee did accept the legislative auditor's recommendation that veterans' preference points no longer be used in scoring promotional examinations. It felt that veterans should only be entitled to additional credits to examination scores upon entry into state employment. Once in state employment, the committee thought, veterans should compete on equal terms with other state employees in pursuing promotional opportunities. The committee, therefore, recommends:

- Veterans' preference points no longer be used in computing scores for promotional examinations. (BDR 23-91)

P. SICK LEAVE

Existing law provides that all employees in public service, whether classified or unclassified, are entitled to sick and disability leave with pay equivalent to 1 1/4 working days for each month of service. After an employee has accumulated 90 days of sick leave, the amount of unused sick leave he is entitled to carry forward from year to year is limited to one-half of the unused sick leave accrued during each year. The personnel division is permitted to provide by regulation for subsequent use of unused sick leave accrued but not carried forward in cases where an employee is suffering from long-term or chronic illness and has used all sick leave otherwise available to him. Upon the retirement of an employee, termination through no fault of his own or his death while in public employment, the employee or his beneficiaries are entitled to payment for his accrued sick leave, in excess of 30 days, based on a formula which reflects the number of years the employee was in public service. (See NRS 284.355.)

The committee received two suggestions relating to sick leave which it thought had merit. The first relates to adoption and maternity leave, and the second pertains to incentives for employees who do not use sick leave for a 12-month period.

1. Maternity Leave.

Under the personnel rules, an employee is entitled to use accumulated sick leave for adoption or maternity leave purposes. The rules require that an employee be granted annual leave if, after exhausting accumulated sick leave, the employee needs additional time off. If more time is still needed, leave without pay may be granted by the appointing authority if the authority considers it justifiable and for the good of public service. The rules provide that leave may be taken prior to the expected birth date of the child. The rules make no distinction, nor set parameters, for leave purposes between adoption or pregnancy. (See NAC 284.574.)

The committee felt the maternity leave rules should be clarified and recommends:

- The personnel division clarify its rules to indicate the amount of accumulated sick leave an employee may use for adoption purposes and maternity leave.

2. Incentives for Employees Who Do Not Use Sick Leave.

As noted above, the law provides an incentive in the form of payment for unused leave in excess of 30 days to employees who do not use their sick leave. Employees must wait until they leave state service to receive this pay. The committee noted that any long-term employee, unless he or she has a chronic or catastrophic illness, will probably accumulate a certain amount of sick leave over a career in state service.

To pay for this unused leave is a good practice. The committee felt, however, that an additional, and perhaps more effective approach, might be to reward employees still in state service for not using sick leave. Rewards, and the recognition they produce, tend to have greater impact and meaning if they are provided in close proximity to the achievement calling for the reward. The committee, therefore, recommends:

- The personnel division promulgate regulations providing for an incentive or bonus of one additional leave day per year to employees who do not use sick leave for a 12-month period of time. (BDR 23-92)

Q. STAFF AND ORGANIZATION STRUCTURE

The committee thought that the staff of the personnel division could operate more effectively if certain of the division's functions are reorganized into new operating units. It also determined the need for an additional receptionist for the division's Las Vegas office and for employees with broader personnel administration experience to work in the technical and professional level positions of the division.

1. Receptionist for Las Vegas Personnel Office.

At the time this report was being drafted in October 1982, the staff of the personnel division's Las Vegas office consisted of seven employees, including one clerical position. In the past, the office has used temporary staff hired under Comprehensive Employment and Training Agency (CETA) grant funds to assist in clerical activities and to serve as receptionists. The CETA funds are no longer available. Because of the office's clerical workload, the clerical person cannot also adequately perform as a receptionist.

The office, therefore, uses technical and professional level staff as receptionists on a rotating basis. The committee visited the personnel division's Las Vegas office and saw the office's need for a receptionist because of its great amount of public contact. It felt that to use technical staff in a receptionist capacity is a costly misuse of staff time. It, therefore, recommends:

- The personnel division add a full-time permanent receptionist to its Las Vegas office.

2. Applicants for Personnel Jobs With Outside of State Service Work Experience.

The legislative auditor believes that the staff of the personnel division could better perform their duties if the composition of the staff reflected a larger number of persons with broader personnel administrative background and experience. The auditor says the personnel division's practice of promoting from within might be diluting the division's capability to carry out its responsibilities.

The auditor's staff reviewed the work experience, background and training of the top 19 employees in the division and found that only two of those persons have had personnel-related work experience outside of Nevada state government service. An additional five of the 19 employees have personnel work experience in the operating agencies. This leaves 12 top people in the personnel division whose total public personnel administration background is limited to experience in the personnel division. This would not necessarily be improper but, as noted in the section of this report entitled "Training," most of the professional level staff in the personnel division have received very limited formal training since joining the division. The auditor says that filling personnel staff openings with applicants with outside state service work experience would add an improved mix of personnel methods, techniques and capabilities to the division. (61:55-56) The committee concurs and recommends:

- The chief of the personnel division, where possible, consider applicants with outside of state service personnel administration work experience when openings become available for positions of personnel analysts or related positions within the division.

3. Reorganized Staff Structure.

The legislative auditor advises that the current organizational structure of the personnel division consists of three sections with chiefs who report to the chief of the personnel division. The span of control of these chiefs ranges from a high of 22 employees to a low of five employees. The auditor believes the division could operate more efficiently with only two sections: technical operations, encompassing the full service needs of state agencies for classification and recruitment; and administrative services and training, having the responsibility for all the day-to-day operations of the personnel division and in assisting in training state agency personnel.

The legislative auditor told the committee that there are major philosophical differences, communications problems and coordination problems within the personnel division which would be alleviated by the proposed reorganization. For example, much of the division's recruitment and classification activities are interrelated. Recruitment efforts are often delayed and hindered because classification staff do not advise the recruitment staff about changes in job classifications and specifications. (61:48-49)

The organization charts on pages 55 and 56 show the division's current organizational structure and that proposed by the legislative auditor.

The committee believed a reorganization could be healthy for the division. As an option, it felt that an assistant to or chief deputy position in the division might cause improvement in the division's operations by freeing the chief of the day-to-day technical activities which now take up much of his time. He could then spend more time planning and communicating with and improving relations with the division's user groups. The chief of the personnel division advised the committee that he intends to use a professional level staff in the division on a half-time basis to assist him in planning efforts. The committee thought this compromise would serve primarily to dilute the ability of the person in the position to carry out his or her other duties. It would also not fulfill the need which could be met by a full-time chief deputy or assistant-to position. The committee, therefore, recommends:

- The chief of the personnel division consider reorganizing the personnel division into the following two bureaus:

(a) Technical operations bureau, encompassing the service functions of the division, composed of:

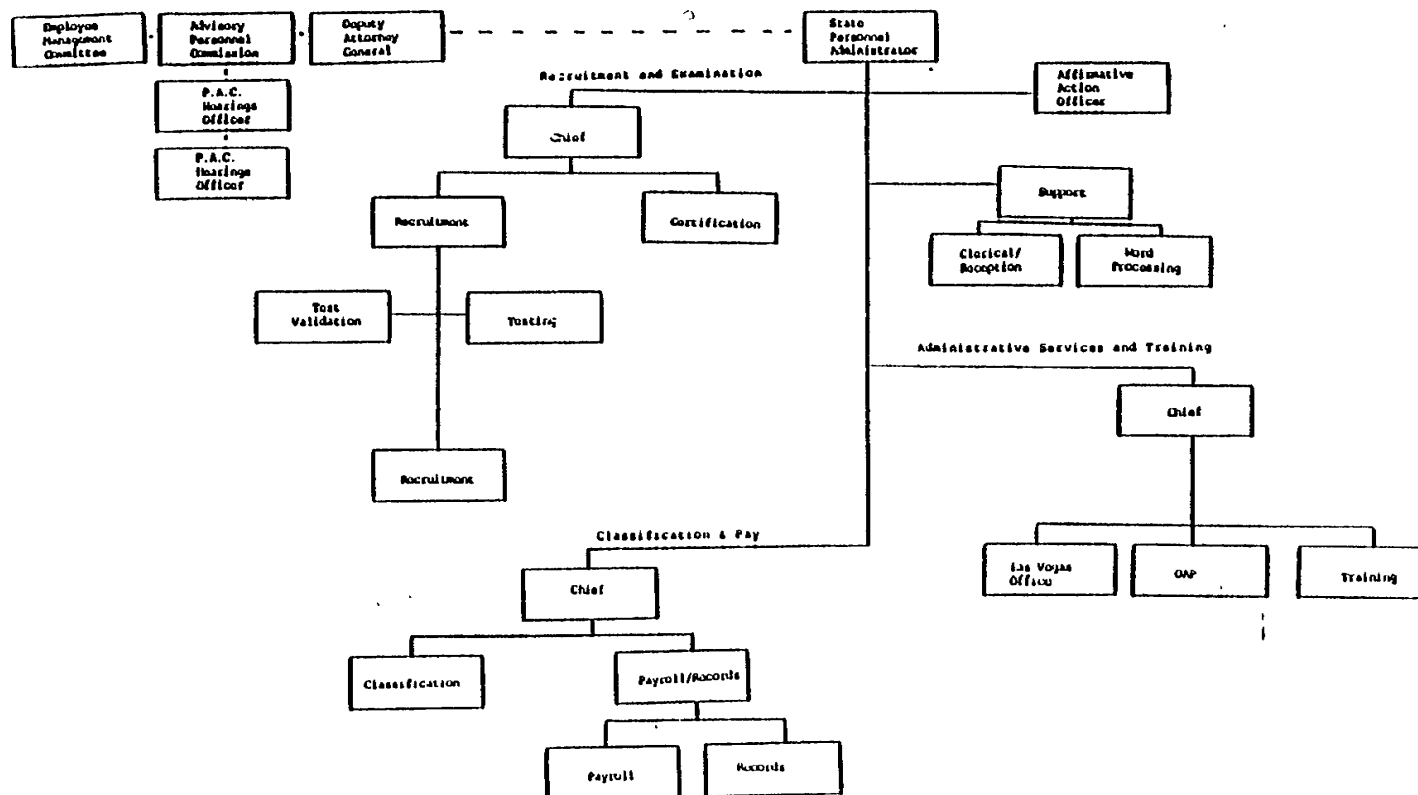
- (1) Classification;
- (2) Personnel records;
- (3) Recruitment;
- (4) Examinations;
- (5) Test validation;
- (6) Certification; and

(b) Administrative services bureau, composed of:

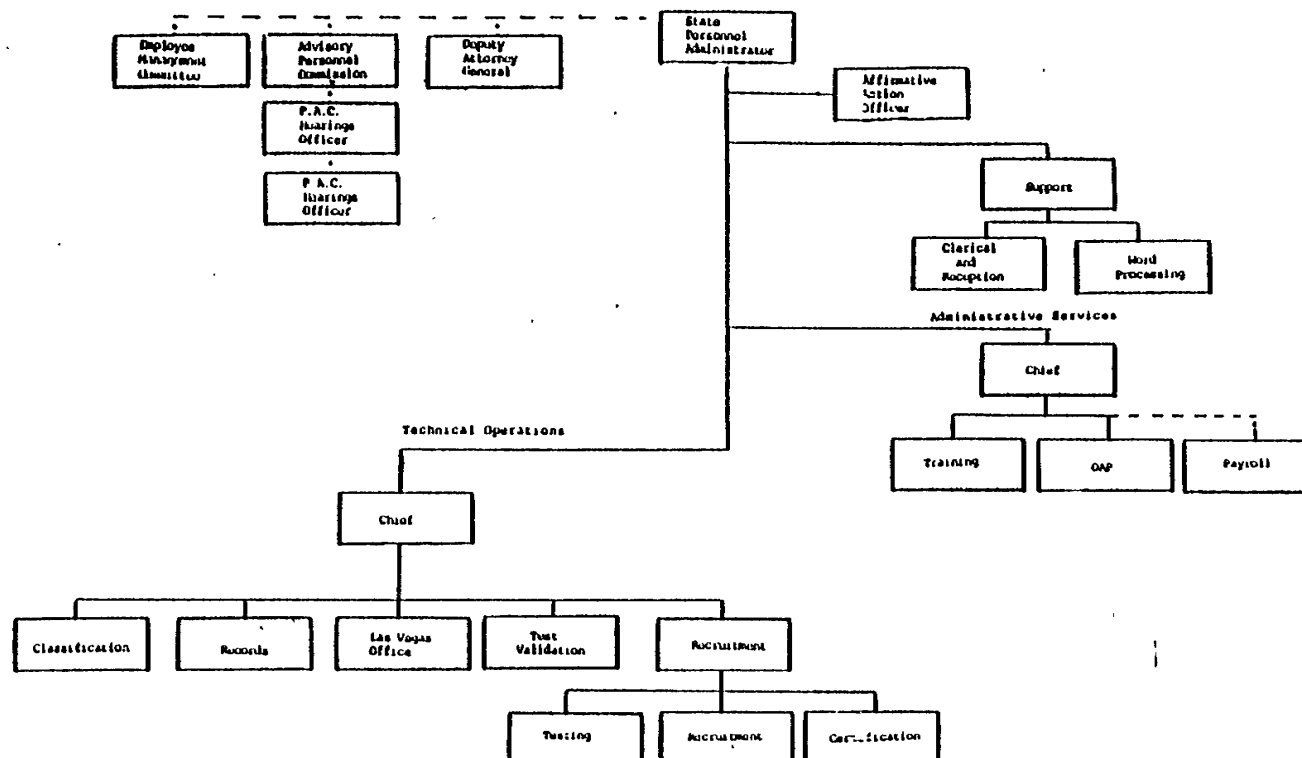
- (1) Payroll;
- (2) Training; and
- (3) Divisional responsibilities for purchasing, budgeting and data processing.

- As an option the committee recommends that the chief consider the creation of a chief deputy or assistant to the chief position in the division.

CURRENT ORGANIZATIONAL STRUCTURE



PROPOSED ORGANIZATIONAL STRUCTURE



(1) Option to place payroll function in another State agency such as the State Controller.

R. TRAINING

State employee training is a joint effort between the personnel division and state operating agencies. The personnel division provides management training and training in certain special skill areas such as stress management, time management, and effective telephone techniques. State agencies tend to focus their training efforts on the technical training needs of their respective employees.

The committee received several suggestions for improvements in the training of state employees and managers. Recommendations relating to training are also contained in recent reports about the personnel system. (61, 64, 99) One topic of concern is the training that managers receive, especially the aspect concerning job performance appraisal. The governor shares this concern and mandated that all new supervisors receive 40 hours of supervisory training, including training in performance evaluation, within the first 6 months on the job as a supervisor. The personnel division is attempting to meet this goal. Representatives of state employees, however, are critical of the state using any performance evaluation system unless all managers making performance evaluations are properly trained.

Other suggestions for improvement in the state's training efforts the committee received relate to the quality of technical training, the increased use of outside experts to conduct training and the quality of training materials.

The legislative auditor is especially concerned about the training of personnel division staff. (61) The operations report on the division notes that the top 19 staff in the division have received a combined total of only 275 hours of training, a majority of which has been provided in-house, over the last 4 years. Many of the division's top employees have received no formal training during that time. (61:55)

The committee recognized the importance of training for all state employees and recommends:

- The technical training of personnel division staff and agency personnel officers be improved.
- The training of personnel division employees be expanded to include training from outside sources.

- Training be made applicable to particular jobs in the trades, technical and professional areas. If this cannot be done, the committee recommends that training courses should be abolished and replaced with an educational benefit or more funds for college courses.
- Training materials be updated and new training be provided trainers.
- All new supervisors be instructed in basic principles of management and performance evaluation techniques within the first 6 months of their appointments. The committee recommends further that agency heads ensure that appropriate personnel are enrolled for available management training sessions.
- A formal and continuing management development program be established for top and middle management personnel.
- When possible, funds be allocated to the personnel division for it to provide training to all supervisory personnel using experts from management consulting firms and other outside resources such as the university system.
- The personnel division provide training in labor management relations to agency management officials.

III. BIBLIOGRAPHY AND FOOTNOTES

A. BOOKS

1. Hampton, David R. Modern Management: Issues and Ideas. Belmont, Dickerson Publishing Company, Inc., 1969.
2. O'Neal, Robert. The Rights of Government Employees - The Basic ACLU Guide to a Government Employee's Rights. New York: Avon Books, 1978.
3. Shafritz, Jay M. A New World: readings on modern public personnel management. Chicago: International Personnel Management Association, 1975.
4. Shafritz, Jay M. and Others. Personnel Management in Government Politics and Process. New York: Marcel Dekker, Inc., 1978.
5. Shafritz, Jay M. The Public Personnel World: readings on the professional practice. Chicago: International Personnel Management Association, 1977.
6. Suskin, Harold. Job Evaluation and Pay Administration in the Public Sector. Chicago: International Personnel Management Association, 1977.
7. Warner, Kenneth O. and J. J. Donovan. Practical Guidelines to Public Pay Administration. (Volumes 1 and 2.) Chicago: Public Personnel Association, 1965.

B. PERIODICALS

8. Ash, Philip and Others. "The University Civil Service System of Illinois: Updating a Merit System." Public Personnel Management (November-December 1973), 456-461.
9. Bach, Hollis B. "The Merit Track in Local Government: Abused and Diffused." Public Personnel Management (March-April 1977), 116-120.
10. Baird, Lloyd S. "Relationship of Performance to Satisfaction in Stimulating and Nonstimulating Jobs." Journal of Applied Psychology. (1976), 721-727.

11. Brinks, James T. "Is there merit in merit increases? Re-examining the more-pay-for-more-work system." Personnel Administrator (May 1980), 59-64.
12. Brunnette, Douglas J. and Others. "Systematic Approach to Training in the Utah Job Service." Public Personnel Management (January-February 1977), 21-30.
13. Christy, Gale D. "Do Financial Rewards Lead to Job Satisfaction?" Public Management (October 1979), 6-10.
14. Cowan, Paula. "How Blue Cross Put Pay-For-Performance to Work." Personnel Journal (May 1978), 250-269.
15. Craver, Gary. "Survey of Job Evaluation Practices in State and County Governments." Public Personnel Management (March-April 1977), 122-131.
16. Davis, Clinton and Richard Pattenau. "Iowa Adopts Merit Employment Program." (April 1, 1979), (Publication unknown.)
17. Denicholas, Robert P. and Carl Flutz. "The New Jersey Merit System in Transition." Public Personnel Management (January-February 1979), 1-6.
18. "Does selection testing really work?" Personnel Management (November 1976), 17-18.
19. Dresang, Dennis L. "Public Personnel Reform: A Summary of State Government Activity." Public Personnel Management (September-October 1978), 287-294.
20. Farmer, Richard C. "Merit Pay: Viable?" Personnel (September-October 1978), 59-63.
21. Fleuter, Douglass L. "A Different Approach To Merit Increases." Personnel Journal (April 1979), 225-226 and 262.
22. Fottler, Myron D. and Craig Norrell. "State Government Personnel Directors: A Comparative Analysis of Their Background Characteristics and Qualifications." Public Personnel Management (January-February 1979), 17-24.

23. Fox, Louis J. and Hugh R. Catherwood. "The Reorganization of Personnel Management in The City of San Antonio." Public Personnel Management Journal (Vol. 11, No. 2, 1982), 104-111.
24. Gannon, Martin J. and Frank T. Paine. "Factors Affecting Productivity in the Public Service: A Managerial Viewpoint." Public Productivity Review (September 1975), 44-48.
25. Goodale, James G. and Michael W. Mouser. "Developing and Auditing a Merit Pay System." Personnel Journal (May 1981), 391-397.
26. Helwig, Richard B. "Pay-for-Performance." Public Management (October 1979), 7-9.
27. Hilderbrandt, F. Dean, Jr. "Individual Performance in Incentive Compensation." Compensation Review (Third Quarter 1978), 28-33.
28. Hills, Frederick S. "The Pay-For-Performance Dilemma." Personnel (September-October 1979), 23-31.
29. Krefting, Linda A. "Differences in Orientation Toward Pay Increases." Industrial Relations (Winter 1980), 81-87.
30. Lacey, Paul D. "Will Merit Pay Work?" GAO Review (Summer 1979), 55-57.
31. Lawler, Edward E. "Performance Appraisal and Merit Pay." Civil Service Journal (April/June 1979), 14-18.
32. Lefaver, Scott and Ralph Jaeck. "Compensation for Public Managers: A Different Way." Public Personnel Management (July-August 1977), 269-275.
33. Malinowski, Frank A. and Sheldon R. Hurovitz. "Personnel Research in State Government." Public Personnel Management (July-August 1977), 259-262.
34. Marsh, John J. "Personnel Employees' Perceptions of a State Merit System." Public Personnel Management (March-April 1977), 93-97.

35. McDermott, F. Arnold. "Merit Systems Under Fire." Public Personnel Management (July-August 1976), 225-233.
36. Miller, Ernest C. "Pay For Performance." Personnel (July-August 1979), 4-11.
37. Mode, V. Alan, Ph.D. "Making Money The Motivator." Supervising Management (August 1979), 16-20.
38. Oliver, Philip M. "Modernizing a State Job Evaluation and Pay Plan." Public Personnel Management (May-June 1976), 168-173.
39. Roscow, Jerome M. "Public Sector Pay and Productivity." Harvard Business Review (January-February 1977), 6-7.
40. Schulkind, Gilbert A. "Monitoring Position Classification - Practical Problems & Possible Solutions." Public Personnel Management (January-February 1975), 32-37.
41. Smith, James V. "Merit Compensation: The Ideal and the Reality." Personnel Journal (May 1972), 313-326.
42. Smits, William H., Jr. "Personnel Administration - A Viable Function in Government?" Public Personnel Management Journal (Vol. 11, No. 2, 1982), 91-103.
43. Stevens, Barbara A. "Performance Evaluation at the FHLBB." Civil Service Journal (April/June 1979), 21-25.
44. Sugar, Mary M. and Others. "Performance Appraisal - Cornerstone of Civil Service Reform." Civil Service Journal (April/June 1979), 19-20.
45. Sugarman, Jule. "Some Realistic Criteria for Appraisal Systems." Management (Spring 1980), 16-21.
46. Teel, Kenneth S. "Performance Appraisal: Current Trends, Persistent Progress." Personnel Journal (April 1980), 296-316.
47. Thomsen, David J. "Compensation & Benefits." Personnel Journal (January 1979), 14-15.

48. Timmins, William F. and Marta Clark. "The Use of Reciprocity Provisions in State and Local Civil Service Systems." Public Personnel Management (September-October 1979), 282-286.
49. Turcotte, William E. "Control Systems, Performance, and Satisfaction in Two State Agencies." Administrative Science Quarterly, March 1974, 60-73.
50. van Adelsberg, Henri. "Relating Performance Evaluation to Compensation of Public Sector Employees." Public Personnel Management (March-April 1978), 72-79.
51. Wiseman, Ben W. "A Model For Merit Pay." Management (Spring 1980), 5-7.

C. GOVERNMENT PUBLICATIONS

52. Assembly Office of Research. Government Operations Review - Personnel Volume 11 Appendix, Sacramento: Assembly Office of Research (March 1982).
53. Barbarotta, Linda. The Federal Civil Service Reform Act: Implications for the States. Washington, D.C., National Governor's Association, May 1, 1980.
54. Bureau of Intergovernmental Personnel Programs. Bibliography - Public Personnel Management: Reform and Improvement. Washington, D.C., Office of Personnel Management, February 28, 1979.
55. Bureau of Intergovernmental Personnel Programs. Conference Report on Public Personnel Management Reform. Washington, D.C., U.S. Civil Service Commission, May 1978.
56. Bureau of Intergovernmental Personnel Programs. Fair and Effective Employee Advancement: A Guide for State and Local Government Managers. (BIPP 152-65), Washington, D.C., United States Civil Service Commission.
57. Campbell, Alan K. "Civil Service Reform: A Report on the First Year." Washington, D.C., United States Office of Personnel Management, January 1980.

58. "Civil Service Reform--Where It Stands Today."
(FPCD-80-38), Washington, D.C.: Comptroller General,
1980.
59. Committee on Personnel Management. A Study on Per-
sonnel Management within the Commonwealth of
Virginia to the Governor and the General Assembly of
Virginia. (House Document No. 12), Richmond:
Department of Purchases and Supply, 1977.
60. Data Processing by Nevada State Government
(Bulletin No. 81-13). Carson City: Legislative
Counsel Bureau, October 1980.
61. Department of General Services Centralized Personnel
System Operational Review 1982. Carson City: Legis-
lative Auditor, July 2, 1982.
62. Executive Committee on Personnel Management in State
Government. Revitalizing the State Personnel
System - Final Report of the Executive Committee on
Personnel Management in State Government. Denver:
Office of State Planning and Budgeting, January 1,
1981.
63. Hoenig, Arthur. "A Performance Based Pay Raise
Plan." Trenton: State of New Jersey Department of
Civil Service, June 30, 1978.
64. Governor's Management Task Force Final Report.
Carson City: Governor's Management Task Force,
December 1980.
65. Improving Individual Performance Through Developing
Work Performance Standards and the Completion of
Employee Development Reports. Carson City: State
Personnel Division, 1972.
66. "Issue Papers Referenced in Personnel Management for
the 80's - Report and Recommendations for the State
of Minnesota." St. Paul, Minnesota: Governor's Task
Force on Personnel Management, August 15, 1980.
67. King, Greg. Deliver Us From Evil: A Public History
Of California Civil Service System. Sacramento:
Office of Planning and Research, August 1979.

68. Labor-Management Services Administration. Collective Bargaining in Public Employment and the Merit System. Washington, D. C.: U.S. Department of Labor, April 1972.
69. Legislative Council Committee. Study on State Sick Leave Provisions and Merit Salary Adjustments (FR - 1974 B6), Nashville: General Assembly, 1974.
70. Office of Intergovernmental Personnel Programs. Legislative and Regulatory Reforms in State and Local Personnel Systems. (OIPP 152-157), Washington, D.C.: United States Office of Personnel Management, June 1981.
71. Office of Personnel Management. "Qualitative Evaluation of the Nevada State Personnel Division." San Francisco: Office of Personnel Management, June 27, 1980.
72. Personnel Management For The 80's - Report and Recommendations for the State of Minnesota. St. Paul, Minnesota: Governor's Task Force on Personnel Management, August 15, 1980.
73. Rules for State Personnel Administration - Effective January 1980. Carson City, Personnel Division, 1980.
74. Senate Governmental Operations Committee. "Report on the State Merit System of Personnel Administration." Atlanta: The General Assembly, January 1980.
75. State of Nevada Intergovernmental Personnel Act Advisory Committee and the Intergovernmental Personnel Programs Division. The Nevada IPA Experience - An Evaluation of the Impact of the Intergovernmental Personnel Act in the State of Nevada. San Francisco: U.S. Civil Service Commission, 1978.
76. State Payroll System Audit Report Fiscal Year Ended June 30, 1980. Carson City: Legislative Auditor, April 6, 1981.
77. Statewide Receipts and Disbursements Payroll System Audit Report Fiscal Year Ended June 30, 1979. Carson City: Legislative Auditor, December 20, 1979.

78. "The Plan for Personnel Management Decentralization and the Biennial Report on Personnel Management to the Governor and the General Assembly of Virginia." House Document No. 11. Richmond: Division of Purchases and Supply, January 1, 1979.
79. To Conduct the Public Business. Carson City: The Governor's Committee on Efficiency and Economy, December 1, 1972.
80. "Oregon Revises State Personnel Law." Public Personnel Administration Policies and Practices for Personnel, 1979.
81. Personnel Management In The State Service. Sacramento, California: Commission on California State Government Organization and Economy, August 1979.
82. Toward Improvement of Service to the Public During the Decade of the 80's. Lansing, Michigan: Citizens Advisory Task Force on Civil Service Reform, July 18, 1979.
83. Toward Improvement of Service to the Public During the Decade of the 80's. Bibliographical Supplement; Lansing, Michigan: Citizens Advisory Task Force on Civil Service Reform, July 18, 1979.
84. Wilson, Susan. "Merit System and Collective Bargaining." Salem: Legislative Research, February 23, 1979.
85. Wisconsin Civil Service - Report of the Employment Relations Study Commission. Madison: Employment Relations Study Commission, June 30, 1977.
86. Work Performance Standards and Employee Development Reports. Carson City: State Personnel Division, 1973.
87. "1980 Nevada State Personnel Division Wage and Salary Survey." Carson City: Personnel Division, July 1, 1980.

D. LEGISLATION AND REGULATIONS

88. Arizona Revised Statutes 41-781, "Personnel board; members; appointment; term; vacancies; meetings; compensation."
89. California Chapter 230 of 1981.
90. Florida Statutes 110.301, "Career Service Commission."
91. Idaho Code, Section 67-5307, "Organization of Commission."
92. Nevada legislation from the 1981 session:

A.B. 345	S.B. 174*
A.B. 355*	S.B. 485*
A.B. 416	S.B. 532
A.B. 431	S.B. 606*
A.B. 439	S.B. 613*
A.B. 477	
A.B. 487	
A.B. 494	
A.B. 520*	
A.B. 521*	
A.B. 524*	
A.B. 676*	
A.B. 699*	
- * Enacted
93. Oregon Senate Bill 57 of the 1979 regular session.
94. "Suggestions for a Model State Personnel Management Law for Consideration of State Governments in the United States." St. Paul, Minnesota: Governor's Task Force on Personnel Management, September 30, 1980.
95. University of Nevada System Regulations defining professional staff. (See section 2 of Board of Regents Handbook.)

E. UNPUBLISHED MATERIALS

- 96. Allen, Paul. "Draft Task Force Analysis of S.B. 57." Memorandum to members of S.B. 57 task force. Salem, Oregon, July 16, 1979.
- 97. Staff Productivity Committee. "Productivity Study State Personnel." Carson City, 1978.

F. OTHER SOURCES

- 98. "A Rating System to Improve Job Performance." Public Personnel Association - Personnel Report No. 651.
- 99. Analysis of the Overall Organization and Operations of the Industrial Relations Division of the Department of Highways and the State Personnel Division of the Department of Administration. Carson City: Hughes - Heiss and Associates, Inc., June 30, 1979.
- 100. Borgas, George J. Wage Policy in the Federal Bureaucracy. Washington, D.C.: American Enterprise Institute for Public Policy Research, 1980.
- 101. Brown, Richard E. "A Review of Employee Evaluation Systems." Public Personnel Association - Personnel Report No. 634.
- 102. Cooke, David R. "Report on The Status of The Nevada Personnel System Submitted to The Nevada Legislative Committee C." Lexington: The Council of State Governments, June 11, 1982.
- 103. Fisher, John F. and Others. "Decentralizing Position Classification." Public Personnel Association, Personnel Report No. 642.
- 104. March, Michael S., Ph.D. and Others. Colorado State Personnel Study with Findings and Proposals for Improvement. Denver, Colorado: American Society for Public Administration, Colorado Chapter, November 1980.
- 105. McConnell, John H. How To Audit The Personnel Department - An AMACOM A-kit. American Management Association.

106. "Report on Application Processing Time Prepared by The Division of Personnel." Juneau: Division of Personnel, January 1982.
107. Stahl, O. Glenn and Others. "A Fresh Appraisal of Basic Personnel Functions." Public Personnel Association, Personnel Report No. 654.
108. Timmins, William M. "Civil Service Reform--and The Changing Role of Civil Service Commissioners." Speech delivered at the Western Regional Conference of the International Personnel Management Association, Portland, Oregon, April 28-30, 1980.
109. van Adelsberg, Henri R. "Relating Performance Evaluation To Compensation Of Public Employees. An Address To The: Conference On Performance Evaluation In The Public Sector, 9/14/77. Sponsored By The: Midwest Intergovernmental Training Committee (MITC)." Chicago: Hay Associates, 1977.
110. Van Riper, Paul P. and Others. "The Merit System: Foundation for Responsible Public Management." Public Personnel Association, Personnel Report No. 632.

G. CORRESPONDENCE

111. Letter, dated June 25, 1982, from Donald Klasic, General Counsel, University of Nevada System, to Assemblyman Joseph E. Dini, Jr., concerning the position of the University of Nevada System relative to proposed amendment to NRS 284.140 (6).
112. Letter, dated June 30, 1982, from Kenneth L. Kareen, Director, State of Alaska Division of Personnel to Donald A. Rhodes, Chief Deputy Research Director, pertaining to the personnel division's use of the "TRAC" system.
113. Memorandum, dated September 14, 1982, from Michael R. Alastuey, Director, Department of Administration, to Donald A. Rhodes, Chief Deputy Research Director, concerning personnel and training resources.

114. Memorandum, dated September 24, 1982, from James F. Wittenberg, Chief, Personnel Division, to Donald A. Rhodes, Chief Deputy Research Director, entitled "Summary of Personnel Division Accomplishments."

H. OTHER FOOTNOTE ENTRIES

115. This document is contained with the minutes to the committee's November 16, 1981, meeting. The minutes may be reviewed in the research library of the legislative counsel bureau.
116. That document, entitled Recommendations Received by the Committee to Study the State Personnel System, is contained with the committee's minutes to its September 15-16, 1982, meeting. Those minutes may be reviewed in the research division library of the legislative counsel bureau.
117. See presentations made by John H. Hunstock, deputy personnel director, Department of Civil Service and Personnel, County of Clackamas, Oregon City, Oregon, and Ron Jamtgaard, senior consultant, Business Development Group, Computer Management Services, Incorporated, Portland, Oregon, which are contained in the minutes of the committee's June 24, 1982, meeting. Also see items 102, Cooke "Report on The Status of The Nevada Personnel System Submitted to The Nevada Legislative Committee C," and 61, Department of General Services Centralized Personnel System Operational Review 1982, listed in this bibliography and footnotes section.
118. See the committee's minutes for its June 24, 1982, meeting and also items 106, "Report on Application Processing Time Prepared by The Division of Personnel," Juneau: Division of Personnel, January 1982; and 112, letter, dated June 30, 1982, from Kenneth L. Kareen, director, State of Alaska Division of Personnel, to Donald A. Rhodes, chief deputy research director, pertaining to the personnel division's use of the "TRAC" system.

119. See "Compilation of Responses to Questions on Performance Based Pay" contained in the minutes of the committee's March 3 and 4, 1982, meeting. These minutes are available for review in the research division library of the legislative counsel bureau.
120. See "Review of Performance Based Pay" contained in the minutes of the committee's January 26, 1982, meeting. These minutes are available for review in the research division library of the legislative counsel bureau.
121. See the minutes for the committee's March 3 and 4, 1982, meeting. These minutes may be reviewed in the research division library of the legislative counsel bureau.

IV. CREDITS

The following is a listing of the names of persons who appeared before the committee:

Aramini, Robert
Manager, Training and Safety Department
Sierra Pacific Power Company
Reno, Nevada

Bersi, Ann
Employees Relation Officer
Office of the Governor
Carson City, Nevada

Bersi, Robert M.
Chancellor, University of Nevada System
Reno, Nevada

Brasfield, T. A.
Supervisor, Operations Analysis
Sierra Pacific Power Company
Reno, Nevada

Brust, Pete M., Jr.
Chief, Classification and Pay
Personnel Division
Department of General Services
Carson City, Nevada

Comeaux, Perry
Assistant Director, Fiscal and Budget
Department of Prisons
Carson City, Nevada

Cooke, David R.
The Council of State Governments
Lexington, Kentucky

Crews, Gary
Audit Manager
Legislative Counsel Bureau
Carson City, Nevada

Cronenberger, Gordon
Personnel Officer
Department of Human Resources
Carson City, Nevada

Crossley, John R.
Legislative Auditor and
Chief, Administrative Division
Legislative Counsel Bureau
Carson City, Nevada

Demke, Neldon
Labor Relations Officer
Clark County Personnel
Las Vegas, Nevada

DuBois, Glenn
Operations Analyst
Office of the Governor
Carson City, Nevada

Fowler, LaVerne
Personnel Analyst
State Department of Education
Carson City, Nevada

Frostick, Stephen W.
Personnel Officer
Employment Security Department
Carson City, Nevada

Gagnier, Robert J.
Executive Director
State of Nevada Employees Association
Carson City, Nevada

Goedert, Warren W.
Attorney for the Reno Commission
on the Status of Women
Reno, Nevada

Greenhalgh, Bruce
Director
Department of General Services
Carson City, Nevada

Hanson, Norman
Personnel Director
State of Kansas
Topeka, Kansas

Harding, Gordon L.
Director
Department of Data Processing Systems
and Programming Division
Carson City, Nevada

Hunstock, John H.
Deputy Personnel Director
County of Clackamas
Oregon City, Oregon

Hussey, Daniel S.
Chairman
Personnel Advisory Commission
Las Vegas, Nevada

Hutchings, John
Department of Wildlife
Ely, Nevada

Hylarides, Donna
Director
Employees Relations Division
State of Iowa
Des Moines, Iowa

Jamtgaard, Ron
Senior Consultant
Computer Management Services Incorporated
Portland, Oregon

Jensen, Bette
Reno Commission on the Status of Women
Reno, Nevada

Klasic, Donald
General Counsel
University of Nevada System
Reno, Nevada

Leahy, Don
Personnel Officer
Nevada Industrial Commission
Carson City, Nevada

MacKenzie, Kate
Office of the Governor
Carson City, Nevada

McCracken, Lawrence O.
Executive Director
Employment Security Department
Carson City, Nevada

McIntire, Donna J.
Manager, Personnel Division
Las Vegas, Nevada

Meece, Henry C.
Director
Mental Hygiene and Mental
Retardation Division
Department of Human Resources
Las Vegas, Nevada

Nusbaum, Joe E.
Chairman
Nevada Industrial Commission
Carson City, Nevada

O'Nan, Harry
Deputy Legislative Auditor
Legislative Counsel Bureau
Carson City, Nevada

Palazzolo, Anthony
Department of Transportation
Carson City, Nevada

Patton, William David
Research Director
Utah Public Employees Association
Salt Lake City, Utah

Rivet, Greg
Personnel Director
City of Sparks
Sparks, Nevada

Roberts, JoAnn
Human Resources Department
First Interstate Bank of Nevada
Reno, Nevada

Rock, Glenn
Chief, Recruitment and Examining
Personnel Division
Carson City, Nevada

Sanders, Ted
Superintendent of Public Instruction
Department of Education
Carson City, Nevada

Sheehan, Donna
Assistant to the Director
Department of Motor Vehicles
Carson City, Nevada

Sherrod, Larry
Personnel Officer
Department of Transportation
Carson City, Nevada

Skillman, Jeff
Manager, Personnel/Administrative Service
Central Telephone Company
Las Vegas, Nevada

Swearingen, Keith
Personnel Officer
Department of Prisons
Carson City, Nevada

Tucker, Randolph Bruce
Manager, Payroll and Information System
Personnel Division
Carson City, Nevada

Wittenberg, James F.
Chief, Personnel Division
Carson City, Nevada

PERSONNEL-RELATED STAFF INTERVIEWED
BY THE COMMITTEE

Carson City

Barela, Elaine	Greene, Jeane	Peri, Larry
Barr, Bev	Hagan, Melville	Powell, Cheri
Bartlett, Fred	Haskins, Juanita	Richards, Sharon
Britt, Ayako	Jeffers, Bob (or	Rock, Glenn
Brust, Pete M., Jr.	staff member)	Swearingen, Keith
Clyde, LaNora	Keller, Judi	Voskuil, Wally
Davis, Connie	MacGirvin, Rose	Willis, Barbara
Earnhart, George	Mager, Cecilia	Wortman, John
Febbo, Greg	Pardini, Tom	

Las Vegas

Armstrong, Edwin L.
Bennett, Inez E.
Burton, Lorraine F.
Lamkin, Bob
Mancuso, David F.
McIntire, Donna J.
Ochoa, Edward
Posey, Geraldine
Sweeney, Loretta M.

V. APPENDICES

- Appendix A - Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper I: "Employee Discipline."
- Appendix B - Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper II: "Performance Based Pay."
- Appendix C - Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper III: "Modifications of NRS Provisions Defining Unclassified Employees."
- Appendix D - Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper IV: "Proposal for Appointment of Blue Ribbon Committee to Consider and Recommend Salaries for Certain Employees in the Unclassified Service."
- Appendix E - Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper V: "Factor Ranking."
- Appendix F - Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper VI: "Delegation of Personnel Functions."
- Appendix G - Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper VII: "Criteria for Determining Salaries of the State's Classified Positions."
- Appendix H - Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper II: "Performance Based Pay."
- Appendix I - Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper III: "Modification of NRS Provisions Defining Unclassified Employees."

- Appendix J - Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper V: "Factor Ranking Benchmark Job Evaluation Classification System."
- Appendix K - Letter, dated June 25, 1982, from Donald Klasic, General Counsel, University of Nevada System, to Assemblyman Joseph E. Dini, Jr., Concerning the Position of the University of Nevada System Relative to Proposed Amendment to NRS 284.140 (6).
- Appendix L - Memorandum, dated September 14, 1982, and Enclosures from Michael R. Alastuey, Director, Budget Division, Department of Administration, to Donald A. Rhodes, Chief Deputy Research Director, Relating to Personnel and Training Resources.
- Appendix M - Cooke, David R., "Report on The Status of The Nevada Personnel System Submitted to the Nevada Legislative Committee C." The Council of State Governments, June 11, 1982.
- Appendix N - Memorandum, dated September 24, 1982, from James F. Wittenberg, Chief, Personnel Division, to Donald A. Rhodes, Chief Deputy Research Director, entitled "Summary of Personnel Division Accomplishments."
- Appendix O - Compilation of Responses from State Agency Administrators to Questionnaire Soliciting Comments About Personnel Division/System (February 1982).
- Appendix P - Suggested Legislation.

APPENDIX A

Task Force of the Legislative Committee to Study the State
Personnel System, Issue Paper I: "Employee Discipline."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
ISSUE PAPER I
EMPLOYEE DISCIPLINE

INTRODUCTION

During the committee's preliminary meetings, it decided that a portion of its study be devoted to the topics of state employee discipline and appeals rights after discipline. It agreed that its task force should also study those topics. Accordingly, the committee's task force reviewed the entire matter of state employee discipline and focused specifically on two topics: (1) the time provided in existing law and regulations for the appeal of major disciplinary actions such as involuntary transfers, suspensions, dismissals or demotions; and (2) third party review of disciplinary actions.

A subcommittee of the task force was formed to prepare initial recommendations relating to these two topics. The recommendations in this paper reflect task force subcommittee recommendations approved by the majority of the entire task force.

TASK FORCE BELIEVES EXISTING DISCIPLINARY
APPEALS PROCESS TAKES TOO LONG

The task force believes the existing time involved in the resolution of appealed state employee major disciplinary actions is excessive and not in the best interests of employees or the state. It also believes that the most efficient and equitable way to reduce the time involved in the disciplinary appeals process is to shorten the time during which employees are permitted to appeal disciplinary actions to the hearing officer and to remove the disciplinary appeals review function from the personnel advisory commission. Neither of these actions, the task force feels, will jeopardize state employee safeguards against arbitrary or capricious disciplinary actions. Furthermore, neither action will lessen the procedural safeguards for permanent employees' property interests in their employment,

required by the due process clause of the Fourteenth Amendment of the United States Constitution, as interpreted by case law.*

The task force also feels that certain references to calendar days should be changed to working days to provide uniformity and clarity to the time frames provided for the steps in the disciplinary appeals process.

To understand the need to shorten the time frame in which major disciplinary actions against state employees are resolved, a review of the law, personnel division regulations and existing practice is in order. Presently, it can take over 220 days for an appeal relating to a major disciplinary action to be appealed to the courts for review. Table 1 illustrates the composition of the 220 days and shows the authority or mandate for each step or action.

TABLE 1
COMPOSITION AND TIME INVOLVED FOR EXISTING STEPS
IN APPEALS OF MAJOR DISCIPLINARY ACTIONS
AGAINST STATE EMPLOYEES

<u>STEP OR ACTION</u>	<u>TIME MANDATED FOR ACTION</u>	<u>MANDATE</u>
1. Employee receives notice of proposed discipline	7 calendar days	NRS 284.385 and personnel division policy based on Attorney General's Opinion No. 79-13
2. Employee responds to notice and agency holds pre-disciplinary hearing	3 calendar days	" "

Effective date of discipline is 10 days after notice.

*See Board of Regents v. Roth, 408 U.S. 564, 92 S.Ct. 2701 (1972), Arnett v. Kennedy, 416 U.S. 134, 94 S.Ct. 1633 (1974), State ex rel. Sweikert v. Briare, 94 Nev. 752.

TABLE 1 (continued):

<u>STEP OR ACTION</u>	<u>TIME MANDATED FOR ACTION</u>	<u>MANDATE</u>
3. Employee appeals disciplinary action to hearing officer within 30 days of effective date of discipline	30 calendar days from effective date of disciplinary action (This is 40 days after the notice of disciplinary action.)	NRS 284.390 (1) (NOTE: Statute provides that if an employee utilizes an internal grievance procedure adopted by the commission, such employee shall have 30 days following the <u>final</u> disposition of the internal proceedings to request, in writing, a hearing before the hearing officer.)
4. Hearing officer grants employee hearing	20 <u>working</u> days	NRS 284.390 (2)
5. Hearing officer renders decision	30 calendar days	Personnel advisory commission policy
6. Employee or appointing authority requests the personnel advisory commission to review decision of hearing officer	30 calendar days	NRS 284.390 (7)
7. Personnel advisory commission (PAC) decides to hear case (within 30 calendar days of request) and	60 calendar days	NRS 284.390 (8),(9)

TABLE 1 (continued):

<u>STEP OR ACTION</u>	<u>TIME MANDATED FOR ACTION</u>	<u>MANDATE</u>
holds a hearing <u>de novo</u> (within 60 calendar days of request for a review by the employee or appoint- ing authority)		
8. Aggrieved party appeals PAC final decision to the courts	30 calendar days	NRS 233B.130 (2)
<hr/>		
<u>TOTAL</u>	220 days (reflects combination of calendar and working days)	

As can be seen, most steps and the time frames specified for them in the disciplinary review process are mandated in the statutes. The two exceptions are the provisions for preliminary hearing on major disciplinary actions and the 30-day time limit for hearing officers to return their decisions on disciplinary matters. The time for notice of preliminary hearing, as shown in Table 1, is based on an attorney general's opinion (see Opinion No. 79-13) which interpreted the 1979 Nevada supreme court case of State ex rel. Sweikert v. Briare, 94 Nev. 752. The syllabus to that opinion states, in part:

Current personnel regulations insofar as they do not afford, absent extraordinary circumstances, a classified state employee who has attained permanent status a pretermination hearing before the appointing authority or his designated representative are unconstitutional under the Due Process Clause of the Fourteenth Amendment of the United States Constitution. Such employee is entitled to reasonable advance notice of the proposed disciplinary charges against him and the opportunity to respond to the authority imposing discipline in connection with a pretermination hearing.

It should be noted here that the rule referenced in the attorney general's opinion (see Rule XII of the Rules for Personnel Administration) has not been amended. Under existing practice based on the attorney general's advice, however, permanent

status employees are given 10 days advance notice of proposed disciplinary charges against them and the opportunity to respond, three calendar days prior to the expiration of the 10-calendar-day period, to the authority proposing discipline in connection with the predetermination hearing.

PROPOSED CHANGES

As noted, the task force believes the time frame from initial notice to appeal to the courts of major disciplinary actions involving involuntary transfer, dismissal, demotion or suspension for permanent status state employees is too long. It believes the time frames should be reduced from the potential maximum combined 220 calendar and working days to a maximum of 90 working days. To accomplish this, the task force recommends changes in the provisions relating to (1) the length of time employees may appeal disciplinary actions to the hearing officer, (2) the personnel advisory commission's review of disciplinary cases appealed from the hearing officer, and (3) references to calendar days for steps in the disciplinary review process.

Shorten Time for Employees to Appeal Disciplinary Actions to Hearing Officer.

The task force recommends:

The statutes be amended to reduce the number of days during which an employee may file an appeal involving involuntary transfer, dismissal, demotion or suspension from 30 calendar days to 10 working days. [See NRS 284.376 (1) and NRS 284.390 (1).]

Eliminate Personnel Advisory Commission Review of Hearing Officer Decisions on Disciplinary Matters.

As can be seen in Table 1, under existing law a maximum total of 90 calendar days may be devoted in the appeals process for disciplinary cases appealed to the personnel advisory commission for review. The task force understands that most hearing officer decisions on disciplinary actions appealed to the personnel advisory commission are later appealed to the courts. A majority of the task force believes, therefore, that the personnel advisory commission's review of disciplinary matters serves primarily to lengthen the appeals process without offering any

additional safeguards to employees or benefit to the state. The task force therefore recommends:

The statutes and corresponding regulations be amended to eliminate the personnel advisory commission's review of hearing officer decisions on state employee disciplinary actions. [See NRS 284.376 (3); NRS 284.390 (6),(7),(8),(9),(10); and Rule XII of the Rules for Personnel Administration.]

Change References to Time Periods for Appeals of Disciplinary Actions from Calendar to Working Days.

The task force feels the time frame references to steps in the disciplinary procedure for state employees should be consistent to eliminate confusion and provide clarity as to the actual time involved. It therefore recommends:

All statute and rule references to time frames for steps in the disciplinary process refer to working days.

The task force's specific recommendations in this regard are that:

1. The time for advance notice of proposed disciplinary charges be 10 working days (see personnel division policy);
2. The employee's time for responding to such notice be 3 working days prior to the expiration of those 10 working days (see personnel division policy);
3. The time for an employee to appeal a disciplinary action to the hearing officer be changed from 30 calendar days from the effective date of the action to 10 working days from the effective date of the action (see earlier recommendation on shortened appeals time);
4. The time for a hearing officer to render his decision on a disciplinary matter be changed from 30 calendar days to 20 working days; and

5. The time for an aggrieved party to appeal the final decision of the hearing officer on a disciplinary matter be changed from 30 calendar days to 30 working days (see NRS 233B.130).

APPENDIX B

Task Force of the Legislative Committee to Study the State
Personnel System, Issue Paper II: "Performance Based Pay."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
MINORITY REPORT
TO
ISSUE PAPER II
PERFORMANCE BASED PAY

INTRODUCTION

The majority report on performance based pay recommends that there be no change to the state's pay system. It says: "Efforts to tamper with the system * * * might cause more problems than would be solved." It also suggests that a viable merit pay system, in which employees' pay raises are tied to performance, would be counterproductive and serve as a demotivator to employees.

Anticipating that the committee or the 1983 Nevada legislature might desire to alter the merit pay system in some manner, the majority report does, however, irresolutely suggest a modification which it presumably believes would be the least harmful change to the system. That suggested modification is a bonus award program for employees who exhibit sustained high performance or who complete a project in an exemplary fashion. No dollar amount for such awards is suggested.

It should be mentioned here that the governor's pay for performance committee proposed, in December 1980, a system of cash awards. Under that proposed system, awards of up to \$1,000 lump-sum payments could be given annually to employees who perform in an outstanding manner or who meet other criteria. These awards, under the plan, would have been funded from an account composed of a .75 percent amount of each state agency's total salary costs. The governor's pay for performance committee had several suggestions for appropriate recipients of cash awards.

The minority believes that the bonus approach is sound and backs the majority in recommending it to the committee. The minority disagrees that a properly functioning performance based pay system would be counterproductive or serve as a demotivator to Nevada state employees. Recognizing an employee's above standard performance should not inhibit him from future above standard performance nor inhibit other employees from striving to perform in an above standard fashion. It has long been accepted that recognition and well-timed pay increases can serve as catalysts to improve employees' performance. Nevada state employees seem to agree. An attitude survey of state employees conducted

by the personnel division in 1981 shows that 73 percent of the employees favor rewarding outstanding performance. The minority, therefore, recommends that besides the addition of a bonus system, the state's classified pay system be modified to allow employees who are below step 8 in their pay grades and who demonstrate continued above standard performance to receive accelerated step increases. As mentioned in the majority report, there are 15 steps in each pay grade, and each step is approximately 2.2 percent apart.

This recommendation is discussed further in the last section of this report. To provide a background for the proposal, the report will first describe existing Nevada law and regulations relating to the pay plan for classified employees, recent proposed legislative changes to that plan, various types of performance based pay systems used in other jurisdictions and factors which must be considered before any modification to Nevada's classified employee pay plan can be successfully carried out.

NEVADA LAW AND REGULATIONS PERTAINING TO MERIT PAY

Nevada's law relating to the pay plan for classified employees is contained in NRS 284.175 which says:

1. After consultation with appointing authorities and state fiscal officers, and after a public hearing and approval by the commission, the chief shall prescribe regulations for a pay plan for all employees in the classified service.
2. The pay plan and amendments thereto become effective only after approval by the commission and the governor.
3. The chief shall prepare a pay plan and ranges for each class, grade or group of positions in the classified service. Each employee must be paid at one of the rates set forth in the pay plan for the class of position in which he is employed and at such time as necessary money is made available for the payment.
4. The chief shall prescribe regulations that provide for progression through the rate ranges based on merit and fitness alone. The regulations become effective upon the approval of the commission.

Section G, "Merit Salary Adjustment," from Rule III of the state's Rules for Personnel Administration, is the existing regulation for merit salary adjustments. It provides for an

approximate 5 percent annual merit increase or none at all, depending on performance. It says, in part:

An employee whose last performance rating was standard or better and has not attained the top step in the salary range of his or her grade will thereby qualify for merit salary adjustments of approximately 5 percent annually on his salary date.

Employees with below standard performance ratings will not be eligible for a merit increase.

The method of computation may vary depending upon the payroll center and its capabilities.

All qualified employees shall be granted merit salary increases 1 year from the date of their employment or promotion and annually thereafter.

Section H of the personnel rules provides for special salary adjustments in certain circumstances. Two of the circumstances are:

Giving a one-grade pay increment recognition to employees carrying responsibilities beyond those required for the class as a whole, such as supervising persons in the same class on a continuing basis for a portion of their time, or working under considerably less supervision than is typical in the class.

Correcting salary inequities, such as to maintain equitable step status relationships between employees.

The pay system also provides for cash awards for suggestions not related to the employee's job under the merit award program (see NRS 285) and longevity pay for continuity of service (see NRS 284.177).

Existing law and regulations, therefore, provide for a merit based pay system in Nevada. The literature refers to the Nevada pay plan as an absolute performance calculation system. This means a pay scheme in which employees, not at the maximum step in their pay grades and not found to be incompetent, are certified eligible for merit increases. The absolute yes-no decision is reflected in the salary range by whether or not the employee is moved to the next precalculated step in his range.

In actual operation, Nevada's classified pay plan is a longevity system where almost every state employee, unless he or she is at

the top of his or her range, gets an approximate 4.4 percent merit increase. There is no latitude to give employees who perform their jobs in an above standard manner larger increases. The pay system, it should be noted, could be changed by rule. This would be a politically sensitive matter. Prior to 1973, the Rules for Personnel Administration provided for 2 1/2 percent merit increases in certain cases at 6-month intervals.

RECENT MERIT PAY LEGISLATION CONSIDERED BY THE NEVADA LEGISLATURE

Merit based pay legislation was considered by the 1979 and 1981 legislatures. (See S.B. 311 of 1979 and S.B. 184 of 1981.)

Senate Bill 311 of 1979, sponsored by Senator McCorkle, died in the assembly ways and means committee after being amended three times. Under the third reprint of the measure, the chief of the personnel division would have been required to adopt regulations providing for progression, based on merit and fitness only, through the range established for the position occupied by the employee. The regulations would have been required to have, if the bill passed, provision for special incentive awards, payable not more often than annually, in a single payment for high levels of performance.

The bill provides that only employees whose performance was evaluated as being adequate or better, and who had not obtained the highest salary in their range, could receive a merit increase. Such increases could not be more than 2 1/2 percent for adequate performance or 5 percent for proficient performance or better.

The bill, as noted, also provides for special incentive awards for outstanding performance of \$600 for employees at the top of their grades and \$300 for employees not at the top of their grades who received a salary increase of approximately 5 percent.

Appeals procedures are specified in section 6 of the bill. The measure also contains requirements for a report by the chief of the personnel division on employee turnover and effectiveness of the incentive program.

Senate Bill 184 of 1981, also sponsored by Senator McCorkle, is patterned after S.B. 311 and died in the senate committee on government affairs.

Both S.B. 391 and S.B. 184 were defeated because of heavy lobbying efforts by employees' groups and certain supervisors. The

primary concern appeared to be that higher level merit increases would be funded from a reduction in standard level increases. In other words, there would be a "rob from Peter to pay Paul" situation. Other concerns were the purported lack of training given to supervisors in performance evaluation techniques, the dearth of appropriate performance standards and the potential for favoritism. As the committee knows, because of the governor's mandate, most supervisors will receive at least 40 hours of supervisory training by July 1982. Eight of those hours will pertain to performance evaluation techniques.

VARIOUS TYPES OF PERFORMANCE BASED PAY SYSTEMS USED IN OTHER JURISDICTIONS

A review of the literature, a staff survey of the other states, and presentations to the committee and task force by representatives of Kansas, Utah, Clark County, the City of Sparks, Sierra Pacific Power Company and Central Telephone Company indicate that the federal government, 16 states and many local governments have established various types of performance based pay systems which depart from the practice of granting automatic pay increases. Variations of these systems include:

1. Giving varying percentage increases based on performance and budget restrictions.
2. Limiting access to above the mid-point of salary ranges to superior performers. Some agencies restrict this further so that only a certain percentage of such employees may receive salary increases. The thinking behind the mid-point concept is that at mid-point an employee has reached full performance and, therefore, any compensation beyond that level should be on the basis of above standard performance only.
3. Limiting pay raises to market pay. Under this system, pay comparable to the market average for standard performance is market pay. Above standard performance is rewarded with above average pay relative to job market competition.
4. Accelerated step increases for above standard performance.
5. Bonuses for above standard performance.
6. Time off for above standard performance.

FACTORS WHICH MUST BE CONSIDERED BEFORE ANY MODIFICATION
TO NEVADA'S CLASSIFIED EMPLOYEE PAY PLAN
CAN BE SUCCESSFULLY CARRIED OUT

The minority reviewed the options for merit pay systems shown above, and certain factors which must be considered before any changes to Nevada state government's classified pay plan could be accomplished. Those factors are:

1. The strong opposition to the creation of a pay plan which would require certain employees not at the top of their pay grades to receive smaller pay increases so that other employees can receive larger increases.
2. The prevailing concern among certain employees that the lower steps in the pay grades represent insufficient pay for positions classified in those grades.
3. The existing pay system's inability to reward those new employees who learn their jobs quickly and perform at journeymen levels sooner than average.
4. That most job dissatisfaction and corresponding state employee turnover occurs within the first 2 years of employment. Approximately 70 percent of the current statewide turnover occurs during that period.
5. That advancement through the pay steps in a grade in the classified service is theoretically based on increased ability to perform the job relating to the pay grade. It should be noted that learning theorists believe that the highest learning rate, and corresponding greatest increase in performance, for a new job occurs within the first few years an employee is on the job. If this is the case, it makes sense that initial merit salary increases should be at shorter intervals and at increased steps than increases after a person has been in a position for a period of years.

THE MINORITY BELIEVES NEW EMPLOYEES WHO PERFORM
ABOVE STANDARD SHOULD BE ELIGIBLE FOR
ACCELERATED PAY INCREASES

Considering the factors which must be considered prior to successful change in the pay system, the minority recommends that:

1. An employee whose last performance rating was above standard or better and who has not attained step 8 in

the salary range of his or her grade should qualify for a merit salary adjustment of 1 step (approximately 2.2 percent) or 2 steps (approximately 4.4 percent) semi-annually on his or her salary date at the discretion of the appointing authority.

2. An employee whose last performance rating was standard and has not attained step 8 in the salary range of his or her grade should qualify for a merit salary adjustment of 2 steps (approximately 4.4 percent) annually on his or her salary date.
3. Employees with below standard performance ratings should not be eligible for merit increases and corrective action should be taken to improve their job performance.
4. No employee below step 8 of his or her salary grade should receive a merit salary increase exceeding 4 steps (approximately 8.8 percent, depending on the grade level) in any 12-month period.
5. Employees at step 8 or above in their pay grades whose last performance rating is standard or better and who have not attained the top step in their salary ranges should be granted merit salary increases of 2 steps (approximately 4.4 percent) 12 months from their last salary date.

As with any properly functioning performance based pay system, the minority believes that it is imperative that the system it is proposing require: (1) proper performance review training for supervisors, (2) ongoing communications with employees by the personnel division and agency administrators and supervisors about the system, (3) the development of objective job performance standards, and (4) uniformity of application system wide.

Based on existing job performance review statistics, approximately 42 percent of existing state employees receive job performance ratings of above standard or better. It is estimated that this proposal would increase state salary expenditures by approximately \$1,500,000 annually.

This cost, however, would be offset by certain potential benefits including:

1. The motivation of employees to perform at higher levels.

2. The recognition and reward of new employees who make continued above standard contributions to the state.
3. Improved supervision.
4. Better quality performance evaluations.
5. Improved communications between supervisors and employees.
6. Continued reward for longevity if performance is standard or better.
7. Reduced job dissatisfaction and possible reduced turnover for new employees.
8. Recognition that the highest rate of learning and corresponding greatest improvement in job performance occurs within the first few years an employee is in a new job.

The minority believes that if it is demonstrated to new state employees that the state recognizes and rewards them for above standard performance, this will motivate new employees to establish job habits which will stay with them during their careers in state government.

The current process is easier to administer but it is not a productivity oriented system. Now more than ever before productivity enhancing systems are essential.

This proposal would provide an initial departure from the current system and allow for future refinements.

APPENDIX C

Task Force of the Legislative Committee to Study the State
Personnel System, Issue Paper III: "Modification of NRS
Provisions Defining Unclassified Employees."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
ISSUE PAPER III
MODIFICATION OF NRS PROVISIONS DEFINING
UNCLASSIFIED EMPLOYEES

Based on information obtained by the task force from a survey conducted by the legislative counsel bureau of the other 49 states, it appears that most states' governments restrict their unclassified ranks or those exempt from the provisions of civil service to top agency administrators, attorneys, deputies, and certain policymaking and sensitive positions.

Over the years, however, the unclassified ranks in Nevada's state government have expanded to include a wide range of non-managerial and working level positions. For example, NRS 284.182 includes in unclassified service such positions as a license investigator, a systems analyst, an electronics engineer, a statistician, clerks and many other nonmanagerial or nonpolicy-making positions. A majority of the task force believes more definite standards and parameters should be established for the state's unclassified ranks and, therefore, recommends the following substantive changes to NRS 284.140. The task force understands the specific wording of those changes will be determined by the legislative counsel.

284.140 Unclassified service: Composition. The unclassified service of the state consists of positions held by state officers or employees in the executive department of the state government as follows:

1. Persons chosen by election or appointment to fill an elective office.

2. Members of boards and commissions, and heads of departments[,] and agencies [and institutions] required by law to be appointed.

3. At the discretion of the elective officer or head of each department[,] or agency [or institution], one deputy and one [chief] confidential assistant in each department[,] or agency [or institution]. The personnel advisory commission may approve additional deputies to be in the unclassified service if it determines that the additional positions are justified for a department or agency based upon its size, scope

of programs, statutory responsibilities and organizational complexity. Any changes in the designation of positions for the unclassified service must be approved by the personnel advisory commission.

4. All employees in the office of the governor [and all persons required by law to be appointed by the governor or heads of departments or agencies appointed by the governor or by boards].

5. All employees other than clerical in the office of the attorney general and the state public defender required by law to be appointed by the attorney general or the state public defender.

6. Officers and members of the [teaching] professional staff, as that term is defined by regulation of the board of regents, and the agricultural extension department and experiment station staffs of the University of Nevada System or any other state institution of learning, and student employees of these institutions; but custodial, clerical or maintenance employees of these institutions are in the classified service. The board of regents shall assist the chief in carrying out the provisions of this chapter applicable to the University of Nevada System.

7. Officers and members of the Nevada National Guard.

8. Persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority.

9. Patient and inmate help in state charitable, penal, mental and correctional institutions.

[10. Part-time professional personnel who are paid for any form of medical, nursing or other professional service, and who are not engaged in the performance of administrative or substantially recurring duties.]

[11. All other officers and employees authorized by law to be employed in the unclassified service.]

The task force recommends further that:

1. NRS 284.140 reflect all those positions in the executive branch of government which are in the unclassified service of the state.
2. NRS 284.173 be amended to provide that independent contracts must not be used to circumvent the protections and controls provided to employees by chapter 284 of NRS.
3. Irrespective of any recommendations contained in this issue paper, the division administrators in the department of human resources who are in unclassified service remain in the unclassified service. Moreover, the legislative committee should send the personnel advisory commission a letter advising it of this intent.
4. The chancellor report to the legislative committee to study the state personnel system by October 1, 1982, any amendments the board of regents makes to its rules in response to the proposed changes contained in this issue paper to subsection 6 of NRS 284.140. That report should describe any changes in the composition of university employees in the classified and unclassified services and list the affected positions.
5. Other pertinent sections of the NRS be amended to correspond to the recommendations contained in this issue paper. (See, for example: NRS 284.343, 284.345, 284.350, 284.355 and 284.360.)

The task force observes the changes it has recommended in this position paper will require corresponding changes in the list of unclassified salaries.

APPENDIX D

Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper IV: "Proposal for Appointment of Blue Ribbon Committee to Consider and Recommend Salaries for Certain Employees in the Unclassified Service."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
ISSUE PAPER IV
PROPOSAL FOR APPOINTMENT OF BLUE RIBBON COMMITTEE
TO CONSIDER AND RECOMMEND SALARIES FOR CERTAIN
EMPLOYEES IN THE UNCLASSIFIED SERVICE

The task force believes that a consistent and reliable method should be adopted for recommending unclassified salaries to the legislature to ensure that such salaries are appropriate to the duties and responsibilities of the unclassified positions. It is the opinion of the task force that the best way to accomplish this recommendation is through legislative understanding of proper unclassified salary levels brought about through communications with and advice from government and private sector representatives.

The Task Force to the Legislative Committee to Study the State Personnel System proposes, therefore, that a blue ribbon committee be formed to consider and recommend salaries to the legislature for unclassified employees who are department heads, deputies, division heads, attorneys or other policymaking positions.

The task force recommends that the committee be established by executive order and that legislative participation be requested. The task force recommends further that:

1. (a) The committee on executive salaries consist of the chairman and vice chairman of the interim finance committee, the chairman of the personnel advisory committee, the president of either the Las Vegas or Reno Chamber of Commerce, the president or designee of a statewide financial institution, and one representative of labor. At its first meeting, the group should designate one of its number as chairman. Or, as an option:
 - (b) The committee on executive salaries consist of two members selected by the majority leader of the senate, two members selected by the speaker of the assembly, and three members selected by the governor. At its first meeting, the group should designate one of its number as chairman.
2. The personnel division cooperate with the committee in gathering such statistical information as may be needed by

the committee. The committee meet at least three times in the fall and winter prior to each legislative session, i.e., October, November, and the first week of January, to prepare its recommendations which may or may not be consistent with those contained in the executive budget.

3. The committee biennially prepare a written report and submit it to the governor and the legislature.
4. The expenses of the committee be paid by.

(NOTE: No decision was reached concerning the funding required upon implementation of this recommendation.)

The task force's recommendation is that the blue ribbon committee's efforts be confined to making recommendations on the unclassified salaries noted above. It feels, however, that if the executive and legislative branches of government find the committee's original product acceptable, that the committee's scope be expanded, prior to the 1985 legislative session, to include state elected officials and legislators.

APPENDIX E

Task Force of the Legislative Committee to Study the State
Personnel System, Issue Paper V: "Factor Ranking."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
ISSUE PAPER V
FACTOR RANKING

INTRODUCTION

It has long been recognized that one of the most important foundations of any public personnel system is a well-thought-out and properly administered employee job classification function. Public job classification systems must, to the greatest extent possible, strive to be equitable internally and externally with other public and private sector entities.

The Nevada legislature has recognized these obligations and has enacted several statutory requirements concerning classification. The personnel division has responded to those requirements by adopting regulations to ensure that all positions in the classified service have proper pay levels.

The personnel division, and the majority of the task force, believe that as the state moves into the 1980's its classification system should be sound and reflect modern classification techniques which, to the greatest extent possible, avoid any hint of prejudice, favoritism or bias and which recognize the importance of comparable pay for comparable worth.

The task force, therefore, recommends that the factor ranking benchmark job evaluation system be phased in as the state's classification tool. This recommendation is amplified later in the last section of this issue paper. To provide background for the proposal, the report will first describe existing Nevada law and regulations relating to classification, Nevada's current classification system and the proposed new factor ranking system. The last section of this issue paper addresses how the concerns of certain persons about the use of factor ranking can be assuaged through proper implementation of the system.

NEVADA'S LAW AND REGULATIONS REQUIRE CLASSIFICATION
PLAN TO BE REVISED TO MEET THE
NEEDS OF STATE SERVICE

Nevada's law pertaining to position classification is contained primarily in NRS 284.160, "Position classification plan for classified service"; NRS 284.165, "Allocation of positions; hearing; review by commission"; and NRS 284.170, "Establishment of titles, grades for each class of employment." NRS 284.160 requires the division to maintain and revise as necessary

(emphasis added) a position classification plan for all positions in classified service. It says:

1. The chief shall prepare, maintain and revise as necessary a position classification plan for all positions in the classified service, based upon similarity of duties and responsibilities, so that the same qualifications may reasonably be required for, and the same schedule of pay may be equitably applied to, all positions in the same class.

2. The duty of the chief to classify shall extend to all offices, employments and positions held by persons who may become members of the classified service under the provisions of this chapter.

3. The chief may, after consultation with department and agency heads, recommend changes in the classification of positions whenever he deems it necessary for the efficiency of the public service.

4. The classification plan and changes therein shall be subject to approval by the commission.

Rule II of the state's Rules for Personnel Administration is the existing regulation covering the classification plan. Section 8 of that rule addresses revision of the plan. It says:

Subject to the approval of the commission, the state personnel division and authorized representatives of appointing authorities shall from time to time, as necessary, recommend additional classes, and divide, combine, alter or abolish classes, and revise the related rules, to meet needs of the state service.

Existing law and regulations, therefore, provide for a position classification plan for classified state employees. The law and regulations also clearly require the plan to be revised to meet the exigencies of the pertinent situations and times.

NEVADA'S CURRENT CLASSIFICATION SCHEME IS BECOMING OUTDATED

Nevada, as do many other jurisdictions, uses a position classification factor comparison system which compares jobs on the

basis of major duties and responsibilities. It is a reasonably good system that suited Nevada's state government needs for many years. However, personnel laws and practices have changed. Moreover, there has been substantial growth in the state's work force with corresponding growth in the complexity with administration of the state's classification system.

Under the current classification scheme, jobs are analyzed using classification factors that include: (1) supervision and guidance received, (2) supervision exercised, (3) knowledge and abilities required, (4) decisionmaking responsibilities, (5) analytical skill requirements, (6) public contacts, and (7) working conditions.

There are three main problems with the current system. First, a classification decision cannot be quantified and confirmed numerically by another person. Both state agency administrators and employees feel, therefore, that the system lacks specificity and that subjectivity can influence a classification decision. Second, personnel theorists believe other criteria, besides those currently being used, should be employed in classification decisions. Third, the current system is time-consuming. Combined, these three problems raise doubts about the validity of certain classification decisions and generate complaints from agency administrators regarding classification decisions as well as the length of time it takes the personnel division to make classification determinations.

THE FACTOR RANKING SYSTEM IS A PROVEN TECHNIQUE
WHICH SHOULD BE USED TO BRING THE STATE'S
CLASSIFICATION PROGRAM INTO THE 1980'S

In early 1978, the personnel division began reviewing options to upgrade its classification system as the law and regulations require. It decided the best available technique is the factor ranking benchmark job evaluation classification system developed by Philip M. Oliver during the course of a 2-year study he directed from 1970-72 for the Federal Government in response to the requirements of Public Law 91-216. The factor ranking system is now the classification tool for the Federal Government. It replaced a classification technique which had been used for over 55 years.

The total system consists of a sub-set of systems with unique job evaluation and pay structures for the following categories

of employees: trade and craft, clerical and technician, professional and administrative, and protective occupations/law enforcement. These systems use similar job factors, skill levels and pay ranges. Table 1 shows these factors.

Table 1

Job Evaluation Factors and Skill Levels

Job Requirements and Difficulty of Work:

Knowledge, Skill and Abilities
Complexity and Diversity of Work

Responsibility:

Making Decisions
Consequence of Error
Guidelines and Required Judgment
Supervisory Control and Review of Work

Personal Work Relationships:

Nature of Persons Contacted
Purpose and Nature of Contacts

Physical Effort and Work Environment.

Appendix A contains definitions for the terms: factors, benchmarks, guidelines and job family. Appendix B shows the factors used for the clerical classes and lists the point values given for each factor.

Starting in 1978, the state personnel classification staff and a factor ranking classification committee composed of a cross section of managers, employees, and State of Nevada Employees Association (SNEA) representatives applied the factor ranking system to clerical and technical employees in state service. The process was completed in 1980. Because of the experience gained in that classification attempt, it is anticipated that future reclassification efforts using the new factor ranking technique will be more expeditious.

There are approximately 4,500 employees in the state's clerical and technical occupational ranks. The factor ranking study

recommended that approximately 2,600 of those employees should remain at their current grade levels. It also recommended that 1,850 of those employees should have their grades increased by one or two grades, and that 150 employees should receive a one-grade reduction. None of the employees recommended for grade reductions would have their salaries decreased if these recommendations are adopted. Downgrade adjustments could be accomplished through normal attrition.

THE TASK FORCE RECOMMENDS COMPLETE IMPLEMENTATION OF FACTOR
RANKING STUDY RESULTS FOR CLERICAL AND TECHNICAL
POSITIONS AND FACTOR RANKING CLASSIFICATION
STUDY FOR OTHER JOB CATEGORIES

The majority of the task force believes the factor ranking classification system is superior to the existing classification system. This view is shared by others. The governor's management task force recommended in December 1980 that the state's factor ranking efforts be continued and expanded. Results of surveys and interviews conducted by the Legislative Committee to Study the State Personnel System also indicate that agency administrators, rank and file staff in the personnel division and equal rights groups believe the factor ranking benchmark system should be established as the primary classification tool for Nevada state government employees.

The majority of the task force feels the system will cause:

1. Better and more standardized classification decisions.
2. A higher degree of equity between position classifications.
3. More adherence to the comparable worth concept because of the potential for better job comparisons between job categories.
4. Classification decisions which will be more readily understood by agency administrators and employees.
5. More timely reclassification determinations including impasse resolution.
6. A reduction in the potential vulnerability of the state to equal pay for equal work litigation.

Under the factor ranking system, more delegation of the classification function is possible. This is the case because the

factor ranking technique is less subject to individual discretion or subjectivity.

With the benefits of factor ranking in mind, the majority of the task force recommends that:

1. The recommendations contained in the factor ranking study results of the clerical and technical positions be carried out. Implementation cost is approximately \$2,500,000.
2. The remaining occupations (protective services/law enforcement; labor, trades and crafts; professional and administrative) in the classified service be studied under the factor ranking benchmark job evaluation system prior to the 1985 legislative session. The results of those studies should then be presented to the 1985 legislature for appropriate action.

USE OF THE FACTOR RANKING SYSTEM RAISES CONCERNS
WHICH CAN BE ASSUAGED THROUGH PROPER
IMPLEMENTATION OF THE SYSTEM

Any modification of a classification system raises concerns about the new system's affect on employees. This is understandable and should be considered. The task force believes, therefore, that certain areas must be addressed before a factor ranking benchmark system is established as the state's new classification technique. Points which should be addressed are that:

1. The new classification system should be adequately explained to state employees, supervisors and administrators so that everyone understands the effect it will have on them.
2. The personnel division should monitor continuously the new classification system.
3. The new system should be applied uniformly to all state employees.
4. Every effort should be made in implementing the new system to adhere to the comparable worth concept to ensure that no classes, such as those held primarily by women, are discriminated against for pay purposes.
5. New job descriptions will be prepared based on the results of factor ranking studies and made available to every affected employee.

Like any human endeavor, the factor ranking system has potential problems. The majority of the task force feels, however, that these problems can be overcome. Moreover, any potential problems with the system are greatly outweighed by the benefits it would produce for Nevada state government.

APPENDIX A

DEFINITIONS OF FACTOR RANKING TERMS

1. Factors.

"Factors" are job characteristics present in all jobs in varying degrees. They are defined and interpreted only within the job category to which they apply. Hence, they are uniformly applied, by specialized definition, only to those jobs in each subset.

2. Benchmarks.

"Benchmarks" are descriptions of real jobs as they actually exist within each job category. They consist of major skill-level-determining duties and they describe positions in terms of the factor definitions within each subset or category of jobs. Thus, one benchmark may describe skill-level-determining duties for 10 clerk-typists or 40 psychiatric attendants, which all evaluate at a common skill-level.

3. Guide charts.

"Guide charts" are two-dimensional matrices that define degrees of factors and assign quantitative values to qualitative judgments. In the evaluation process jobs are ranked, factor by factor, with all other jobs in a subset or job category through the process of using the guide charts to establish point values. The point values identify the intersects of factor degrees as described on the guide charts. The point values for all factors of a job are totaled and converted to a skill-level which is linked to the pay structure for that particular job category.

4. Job family.

"Job family" is a group of jobs of varying skill-levels all having the same characteristics of kinds of work performed with varying degrees of knowledge and qualifications required. A normal job family identifies only four skill-levels: entry, journeyman, senior and specialist. Not all job families have all four skill-levels (i.e., typist). Trainee jobs are below entry level and are normally established for a set period of time long enough to qualify for entry level.

APPENDIX B

FACTORS AND POINT VALUES USED FOR CLERICAL CLASSES AND TECHNICAL CLASSES

Factor I -- Job Requirements and Difficulty of Work

Job Requirements -- Nature and level of knowledge, skill and ability needed to perform the work.

Difficulty of Work -- Complexity of work and mental demands required.

Point Value Range: 40-280

Factor II -- Responsibility

A. Choices and decisions made and the consequence of error of those actions.

Point Value Range: 20-180

B. The nature of instructions, guidelines and required judgment: Extent of supervisory review and control of work.

Point Value Range: 20-180

Factor III -- Personal Relationships

The nature of interpersonal relationships and the purpose (importance) to the success of completing the work.

Point Value Range: 15-75

Factor IV -- Physical Effort and Work Environment

A. Physical Effort -- The type of physical demands (body, eyes, ears, dexterity of limbs, etc.) involved in the work.

B. Work Environment -- The conditions under which the work is performed, and possible hazards or dangers, and any special safety or protective devices required in the work.

Point Value Range: 5-25

Eight skill levels with numerical ranges are established and allocated to grade levels within the classified compensation schedule.

8 SKILL LEVELS

<u>Skill Group</u>	<u>Point Range</u>	<u>Grade Level</u>
I	0-145	19
II	150-215	21
III	220-290	23
IV	295-370	25
V	375-455	27
VI	460-545	29
VII	550-640	31
VIII	645-740	33

APPENDIX F

Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper VI: "Delegation of Personnel Functions."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
ISSUE PAPER VI
DELEGATION OF PERSONNEL FUNCTIONS

INTRODUCTION

One of the more difficult issues the task force faced was which, if any, of the personnel system's functions should be delegated to the operating agencies of state government. A survey, conducted in February 1982 by the committee's staff, of agency administrators and supervisors indicated that proper delegation of personnel activities is a major concern to the administrators and supervisors. Responses to committee interviews with personnel division staff and written and oral communications to the members of the committee and its staff also reflected concerns about this topic.

Certain agency administrators and supervisors say they are in a dilemma concerning the decentralization issue. Survey comments indicate that many managers and supervisors prefer the concept of a viable, responsive central personnel agency providing personnel services. They believe, however, that various perceived problems with the personnel division including management deficiencies, control orientation, lack of communications both internally and with the agencies and lack of responsiveness to requests for service, preclude the division from providing adequate services to them.

Because of these concerns, some agency administrators and supervisors want to have direct control over as many personnel functions as their agencies can absorb within personnel and financial resources. The administrators and supervisors note, however, that delegation of personnel duties tends to defeat the economies of scale, development of trained personnel, consistency of personnel administration and flexibility to respond to variations in workload that can be achieved in a central personnel agency. This view appears to be supported by Howard E. Barrett, director of the department of administration, who says the following to the committee in a March 23, 1982, memorandum on personnel and training resources:

The issue of centralization versus delegation of the personnel functions has been raised in past budget preparations (for example, elimination of positions in welfare, rehabilitation and taxation in recent budgets) and may continue to come up in future budgets. It has been our intent that positions and funds placed in budgets outside of the personnel division be used to

support activities which complement services provided by personnel and not to overlap those services.

THE STATE'S PERSONNEL RESOURCES ARE DIVIDED BETWEEN
THE STATE PERSONNEL DIVISION AND OPERATING AGENCIES

Data supplied to the task force and legislative committee indicate that the state's 1981-82 budgeted personnel and training money is, not including most salary adjustments, \$4,205,689. The budget division advises that \$965,374 of this amount is a direct allocation from the general fund, \$551,871 is from the highway fund, \$456,565 is from Federal funds, and the remaining \$2,231,879 is "other funds, approximately 50 percent of which are assessments from the general fund."

The personnel division is budgeted to use \$1,973,226 of the \$4,205,689. The remaining \$2,232,463 of budgeted personnel funds is for state agency personnel activities and training. A large portion of the agencies' personnel funds (\$597,238) is earmarked for training purposes.

Table I shows the 1981-82 budgeted number of personnel staff in each agency. As can be seen, only 54.5 of the 117.5 total full-time equivalent positions are in the personnel division.

TABLE I
STATE PERSONNEL SYSTEM STAFFING BY AGENCY

<u>Agency</u>	<u>Total Number of Budgeted Personnel Staff</u>
Personnel Division	54.5
Department of Transportation	8
Department of Motor Vehicles	3
Department of Parole and Probation	2
Department of Prisons	6
Gaming Control Board	3
Department of Employment Security	7
Nevada Industrial Commission	5
Department of Education	2
University of Nevada System	12
Director of Human Resources	1
Health Division	1
Division of Mental Health and Mental Retardation	5
Rehabilitation Division	2
Welfare Division	5
Total Human Resources	14
Department of Taxation	1
Total Personnel System Staff	<u>117.5</u>

The task force was advised that other agencies without personnel staff also perform personnel-related activities.

According to Howard E. Barrett, several factors contribute to the tendency of agencies to develop their own personnel components rather than rely solely on the personnel division for personnel-related services. These are:

1. Availability of non-general fund money.
2. Role of the agency in law enforcement, investigations or corrections.
3. Comparatively recent development of routine and detailed executive and legislative budgetary review.
4. Personnel or training needs which may be unique or specific to the agency.
5. Discretion of the board of regents of the University of Nevada System.

As provided in NRS 284.115, the costs of the personnel division are paid by operating agencies based on a percentage of the gross annual salaries paid in each agency. The current figure used for that purpose is .87 percent. The department of human resources is assessed an additional .23 percent of its gross annual salaries for payroll services.

It has been suggested to the task force and committee that NRS 284.115 be amended to provide that the personnel division's costs be paid based on the cost of services the division performs for each department, agency and institution, instead of on a percentage of the gross annual salaries of each department, agency and institution. The concern appears to be that if agencies are performing most of their own personnel functions they should not have to pay an assessment to the personnel division for the performance of those functions.

THE LAW REQUIRES THE CHIEF OF THE PERSONNEL DIVISION TO PERFORM SEVERAL PERSONNEL FUNCTIONS

The law covering the state personnel system is found generally in chapter 284 of NRS. Certain of the duties of the chief are delineated in NRS 284.105 and include: applying and carrying out the chapter and rules and regulations thereunder; establishing a roster of state employees; developing programs for the improvement of employee effectiveness and morale, including training, grievances and hearings thereon; encouraging and exercising leadership in the development of effective personnel administration; and maintaining a continuous program of recruiting for the public service.

Other duties of the chief specified in chapter 284 of NRS are to:

1. Investigate duplication of personnel work of the departments, institutions and agencies of the executive department of state government; to study the personnel organization and administration of those departments, and to formulate plans for more effective personnel management (see NRS 284.125);
2. Prepare, maintain and revise as necessary a position classification plan for all positions in classified service, including titles and grades for each class of employment and an index of broad occupational classes (see NRS 284.160, 284.170 and 284.171);
3. Prescribe regulations for a pay plan for employees in the classified service (see NRS 284.175);
4. Prescribe rules and regulations (a) for open competitive examinations to test the relative fitness of applicants for the respective positions (see NRS 284.205), and (b) for the establishment of eligible lists for appointment and promotion (see NRS 284.250);
5. Certify five names from each eligible list to fill vacant positions (see NRS 284.265);
6. Assist in the establishment of work performance standards, maintain records of performance efficiency and establish rules with respect to service ratings (see NRS 284.335);
7. Prescribe rules for all training of employees in state service (see NRS 284.343); and
8. Prescribe rules for attendance and leaves of absence (see NRS 284.345).

THE CHIEF HAS DELEGATED SEVERAL FUNCTIONS
TO STATE AGENCIES

NRS 284.130 permits the chief of the personnel division to request officers and employees in the executive department of the state government * * * to aid in carrying out the personnel-related statutory provisions contained in chapter 284 of NRS.

According to the chief, most of the training functions have been delegated to the operating agencies. A portion of the recruitment and examining activities have been delegated to the department of transportation, department of motor vehicles, department of employment security, department of prisons, Nevada industrial

commission, department of education, department of human resources, and department of taxation. The University of Nevada System does most of its own personnel activities including classification. The department of employment security also performs most of its own classification work. Exhibit B shows the chief's views on the proper delegation of various personnel services.

THERE ARE CONFLICTING VIEWS ABOUT WHAT CONSTITUTES
PROPER DELEGATION OF PERSONNEL SERVICES

Several studies of the personnel division, including the Governor's Management Task Force Study and the U.S. Office of Personnel Management Study, both conducted in 1980, have recommended further delegation of certain personnel functions including recruitment, affirmative action, promotional appointments, and classification. Similar recommendations have been made to the committee by agency administrators, supervisors and others.

On the other hand, a majority of the staff of the personnel division being interviewed by the committee and some agency administrators favor putting all personnel staff in the operating agencies under the direct control and supervision of the personnel division in a similar manner to which deputy attorneys general work under the attorney general's office. The State of Nevada Employees Association (SNEA) has proposed legislation which would create a department of personnel encompassing all personnel staff in state service. (See, for example, A.B. 477 of the 1981 legislative session.)

THE TASK FORCE BELIEVES THE PERSONNEL DIVISION
SHOULD CARRY OUT ITS STATUTORY FUNCTIONS WITH
CERTAIN TECHNICAL ASSISTANCE PROVIDED
BY THE OPERATING AGENCIES

As noted in the introduction, much of the delegation issue centers on the personnel services agencies perceive as being currently provided by the division. It has been suggested that the personnel division's operation should be improved before a determination is made concerning the proper delegation of personnel functions. Those operations will be addressed by the committee. The task force, therefore, makes the following recommendation concerning delegation of personnel services based on the assumption that the personnel division will be functioning properly.

The task force believes the statutory provisions assigning responsibility for carrying out personnel functions are well-thought-out and sound. It would be presumptuous and ill-advised

for the task force to try to anticipate future personnel delegation needs by detailing specific activities to be delegated to the agencies in the statutes.

The task force feels, however, that it can offer some nonstatutory guidelines for delegation. These guidelines are attached to this issue paper as Exhibit A. That exhibit lists those personnel functions which should be performed by the personnel division and those functions which should be carried out by operating agency personnel staff. With those guidelines as a reference, the task force recommends that:

The personnel division carry out the state's personnel functions in accordance with the Nevada Revised Statutes, Rules for Personnel Administration, and the task force guidelines. Moreover, the agency personnel staff should provide those technical personnel services outlined in the guidelines.

The task force recommends further that the personnel division not delegate any of the personnel functions assigned to it by the statutes, Rules for Personnel Administration or task force guidelines except in those instances where critical need requires temporary delegation. There should be frequent communication between the personnel division and the operating agencies.

PERSONNEL FUNCTIONS WHICH SHOULD BE
PERFORMED BY PERSONNEL DIVISION

I. Policy

1. Establish standards of merit procedures encompassing the classified and unclassified service.
2. Establish, maintain and distribute rules, policies, and procedures related to the major components of the States' Merit System. (Rules for State Personnel Administration; Rule interpretations; A. G. opinions, etc.).
3. Take action on, or recommend to the Chief Executive or the Legislative Body, changes and improvements in personnel Policy and Practice.
4. Monitor Agency "personnel" actions to insure compliance with aforementioned Rules, Regulations and Policies.
5. Consult with employee unions (SNEA) on personnel policy issues.
6. "Advisory" role to Personnel Advisory Commission regarding Personnel policy.

II. Classification and Pay

1. Establish and maintain state classification plan to insure conformance with "Equal pay for equal work concept." (Conduct classification studies and insure class specifications are current and accurate).
2. Conduct States' salary and benefit survey.
3. Administer pay schedules and make or recommend adjustments based upon factual analysis of Salary Survey Data.

III. Recruitment and Examining

1. Advertise for vacant positions when requested (publish and distribute announcements, etc.).
2. Conduct examinations to provide agencies with valid, up-to-date samples of the available workforce based on merit and fitness for filling vacant position.
3. Validate all examinations for job relatedness.
4. Certify valid eligible lists to Agencies.
5. Process all appeals generated by the examination process.

IV. Miscellaneous

1. Training.
2. Payroll.
3. Records management and etc.

PERSONNEL ACTIVITIES WHICH SHOULD BE CARRIED OUT
BY OPERATING AGENCY PERSONNEL STAFF

I. Policy

1. Develop Personnel Management policies and procedures for internal Agency operation, advise Management on implementation (Emphasize Preventative Personnel Management).
2. Distribute and interpret the "Rules for State Personnel Administration".
3. Monitor Agencies personnel actions for compliance with the Rules, Regulations and Policies.
4. Propose and assist in changes to State Personnel Rules, Regulations and Policies when necessary.

II. Classification and Pay

1. Screen and advise Management on all requests to reclassify existing position or create new positions.
2. Assist in the technical preparation of (NPD-19's).
3. Conduct organizational studies and advise Management on staffing patterns and reorganizations.
4. Administer Special Pay Regulations, shift differential, callback, overtime, etc.
5. Educate Management and employees in classification methodology; and responsibility.
6. Establish and maintain Department's organizational charts.
7. Initiate and respond to, salary and classification surveys.

III. Recruitment and Examining

1. Review and make recommendations to Management on all requests to fill vacant position as to validity of need or alternatives to filling position.
2. Assist Supervisor in best way to fill a vacant position, i.e. type of exam; length of filing period; method of examining (open-competitive, promotional, etc.).
3. Prepare and submit NPD-3 to State Personnel to initiate exam process.

4. Provide State Personnel Division with suggested exam material and oral board members when appropriate.
5. Prepare and distribute all announcements for internal transfers.
6. Insure accuracy and proper distribution of all State Personnel Job Announcements.
7. Certify eligible list to Appointing Authority and insure conformance with States' hiring policy and the Department's Affirmative Action Policy.
8. Counsel Appointing Authority in proper interviewing and hiring practices and responsibilities.
9. Survey existing eligible list for availability.
10. Provide State Personnel with notification of appointment.
11. Review all appointment documents for accuracy (proper title, grade, step, status, merit date, etc.).

IV. Employee-Employer Relations

1. Advise Management on employee relations, motivation and morale matters.
2. Counsel employees on all personnel related matters.
3. Monitor and advise Management on grievances.
4. Counsel Management and employees in all disciplinary actions.
5. Assist in the establishment of Work Performance Standards.
6. Monitor standards and performance evaluations.
7. Implement, maintain, and distribute Department's Guide to Prohibitions and Penalties.
8. Conduct exit interviews.

V. Miscellaneous

1. Training
2. Safety
3. Payroll
4. Records management and etc.

CHIEF'S VIEWS ON THE PROPER DELEGATION
OF VARIOUS PERSONNEL SERVICES

Current Delegation Status:

1. Personnel functions always delegated
 - a. Employment Interviews.
 - b. Reference Checks.
 - c. Development of agency training plans.
 - d. Grievance process.
 - e. Sick leave usage analysis.
 - f. Agency turnover analysis.
 - g. Development of work performance standards.
2. Personnel functions never delegated
 - a. Eligibility list certification.
 - b. Emergency and provisional appointments.
 - c. Audit of recruitment and examining process.
 - d. Occupational Assistant Program activity.
 - e. Review of TR-17 for Personnel Division offerings or offerings paid for by Personnel Division.
 - f. Final decisions on classification levels.
 - g. Wage and salary administration.
 - h. Statewide turnover analysis.
3. Personnel functions that may be delegated when an agency elects delegation
 - a. Personnel requisition process (NPD-3).
 - b. Recruitment needs identification and action plan.
 - c. Special recruitment procedures, implementation of special techniques in advertisement.
 - d. Publishing of announcements for promotional examinations and classifications unique to the agency.
 - e. Test review and development for promotional examinations and classifications unique to the agency.

- f. Evaluation of applications for delegated examinations.
 - g. Test administration for promotionals and classifications unique to the agency.
 - h. Eligibility list certification for promotionals and classifications unique to the agency.
 - i. Criminal background checks.
 - j. Appeal process resulting for recruitment and examining.
 - k. Position classification study, analysis and recommendation.
4. Personnel functions under consideration for delegation
- a. Hiring rate above the entry salary of the rate range.
 - b. Additional 5% or 10% compensation under Rule III, H (Special salary adjustments).
 - c. Leave without pay.
 - d. Transfer of employees.

JFW:akb

APPENDIX G

Task Force of the Legislative Committee to Study the State Personnel System, Issue Paper VII: "Criteria for Determining Salaries of the State's Classified Positions."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
ISSUE PAPER VII
CRITERIA FOR DETERMINING SALARIES OF THE
STATE'S CLASSIFIED POSITIONS

INTRODUCTION

As mentioned in task force Issue Paper V, "Factor Ranking," the task force believes the state's classification system should be sound and, to the greatest extent possible, avoid any hint of prejudice, favoritism or bias. It should also recognize the importance of comparable pay for comparable real job worth. These considerations are important from both equity and practical standpoints to reduce the potential vulnerability of the state to litigation.

The basis for a sound classification scheme is a viable compensation plan containing appropriate pay levels. The task force believes, accordingly, that to ensure the ongoing success of Nevada state government's classification plan, the statutes pertaining to the method of setting salaries for classified jobs should be amended to allow additional criteria to be used in setting those salaries. This paper discusses the rationale for the task force's belief concerning the expansion of criteria used to adjust classified employees' salaries.

EXISTING LAW SAYS CLASSIFIED SALARIES MUST BE SET
BASED ON PREVAILING RATES

Under subsection 5 of NRS 284.175, the salaries for the classified service in the state must be set based upon the prevailing rates paid in government and industry for comparable jobs within the State of Nevada and western states, where appropriate.

Section B, "Establishing a General Salary Plan," of the Rules for Personnel Administration also addresses the salary setting process. It says:

In recommending general wage level adjustments, classes shall be assigned by the state personnel division by giving appropriate consideration to the following factors:

1. Maintenance of equitable relationships between classes based on their relative duties and responsibilities;
2. The level of prevailing rates for comparable work in private and public employment; and
3. Available cost-of-living information.

In accordance with the law and regulations, the personnel division surveys the western states each summer before the biennial legislative session. The survey, the division advises, covers each occupational area common to Nevada's state government. The results are analyzed to determine appropriate salary adjustments to the classified ranks.

MANY BELIEVE PREVAILING RATE IS TOO NARROW A CRITERION
TO DETERMINE PROPER PAY ADJUSTMENTS
FOR CLASSIFIED EMPLOYEES

According to economic theory, in a free marketplace workers and employers engage in a process of bargaining for wages based on the relative supply of workers with given qualifications and the demand for them. Workers, in a perfect system, will seek employers offering maximum wages for the services they are able to offer, and employers will seek to minimize wages while maintaining a desired quality of worker. Many factors interfere with this basic process including unionization, monopolies, employee preferences, economic (and in the public sector--political) climate and employer preferences.

It has been recognized, therefore, that other important factors besides the prevailing rates of an imperfect marketplace should be used to properly set state employees' salaries. Those other factors include turnover rates, recruitment difficulties, quality of applicants and cost-of-living trends. The personnel division advises it has determined the need to use these other factors and routinely does so in making its salary adjustment recommendation decisions.

THE ISSUE OF WAGE DISCRIMINATION AMONG JOBS
OF COMPARABLE REAL WORTH IS ENTERING
INTO SALARY SETTING DETERMINATIONS

A growing disenchantment with wage differences in the labor market between the pay rates for male- and female-dominated jobs has spawned the so-called comparable worth concept or movement. This concept has been proposed as a solution to the continued and systematic undervaluation of work performed by women. The comparable worth theory focuses on jobs which, even if totally dissimilar, should be of comparable real worth in the marketplace.

Comparable worth differs from its preceding but equally important theory, "equal pay for equal work." That concept is based on the theory that workers should receive equal pay for jobs that require equal skill, effort and responsibility. Comparable worth, on the other hand, is based on the theory that workers should receive comparable pay for jobs that require comparable,

but not identical, effort and responsibility. Comparable worth goes beyond equal pay for equal work and proposes that even if jobs differ in degree they should be accorded comparable wages if their intrinsic real worth to the business world is equal.

According to Helen Remick, Ph. D., director of Affirmative Action for Women at the University of Washington, Seattle, Washington, in a May 25, 1982, letter to the committee's staff:

The primary differences between traditional job evaluation and comparable worth are those of intent and politics. Traditional applications focus on making easier the maintenance of internal alignment, simplifying establishment of prevailing wages by lowering the number of needed benchmarks, and justifying existing salary relationships. Comparable worth, on the other hand, differs only in intent to correct sex discrimination rather than to justify what exists. Differences in application are few: traditional job evaluation may use several systems within a firm, while comparable worth preferably uses only one; and comparable worth applications are more likely to include labor or employee representatives on evaluation committees and to question whether the application has sex bias in it. * * * A public jurisdiction * * * (is) * * * likely to include employees on * * * (its) * * * evaluation committee and * * * should be sensitive to the possibilities of bias in the application. Whether * * * (a) * * * study is one of job evaluation or comparable worth then becomes * * * (a question) * * * of which label is more politically acceptable.

In a publication entitled Strategies for Creating Sound Bias-free Job Evaluation Plans, Ms. Remick says:

Existing * * * (classification systems) * * * have tended to assign points to characteristics found primarily in male-dominated jobs. Evaluation systems can be made bias-free not by eliminating factors found only in jobs held predominantly by one sex, but rather by including a balance of those factors.

According to Susan D. Kramer, in her Winter 1982, University of San Francisco Law Review article entitled "Comparable Worth":

Legal challenges concerning the comparable worth theory have been based on the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and Title VII's Bennett Amendment (42 USC § 2000e - 2h). While these statutes may appear to provide a significant array of potential legal arguments,

courts have been reluctant to interpret their provisions as encompassing comparable worth claims.*

She notes, however, that one U.S. Supreme Court case, County of Washington v. Gunther, opens "the door to future comparable worth claims."

California has chosen to deal with the comparable worth concept with policy language in its statutes. California Senate Bill 459 (chapter 722, Statutes of 1981) says that in enacting the statute, it is the legislature's intent to establish a state policy of setting salaries for female-dominated jobs on the basis of comparability of the value of the work. The law requires the state's personnel department to review and analyze existing information, including those studies from other jurisdictions, relevant to the setting of salaries for female-dominated jobs. The law also requires that this information be provided on an annual basis to the appropriate policy committee of the legislature.

THE TASK FORCE BELIEVES THE STATUTES SHOULD ALLOW
ADDITIONAL SALARY SETTING CRITERIA TO BE USED
FOR ADJUSTING THE SALARIES OF THE
STATE'S CLASSIFIED EMPLOYEES

Cognizant of the dynamic changes which are occurring in the work force and the need for the state to maintain an equitable and a viable classified salary plan, the task force feels it is inappropriate to restrict the statutory basis for adjusting salaries solely to a prevailing rate criterion. As discussed, other factors are becoming equally important. The task force also believes that the statutes should be amended to provide the flexibility to the personnel department to take steps to alleviate the wage differential in the labor market between male- and female-dominated jobs.

The task force, therefore, recommends:

The statutes be amended to allow other salary setting criteria besides prevailing rates to be used in adjusting the salaries of the state's classified jobs. Those criteria should include difficulty in recruitment, employee turnover rates, comparable real worth of the affected jobs and cost-of-living data.

*(See Lemons v. City of Denver, 620 F.2d 228, 229 (10th Cir. 1980), cert. denied, 449 U.S. 888 (1980); and County of Washington v. Gunther, 101 S.Ct. 2242 (1981).)

APPENDIX H

Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper II: "Performance Based Pay."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
MINORITY REPORT
TO
ISSUE PAPER II
PERFORMANCE BASED PAY

INTRODUCTION

The majority report on performance based pay recommends that there be no change to the state's pay system. It says: "Efforts to tamper with the system * * * might cause more problems than would be solved." It also suggests that a viable merit pay system, in which employees' pay raises are tied to performance, would be counterproductive and serve as a demotivator to employees.

Anticipating that the committee or the 1983 Nevada legislature might desire to alter the merit pay system in some manner, the majority report does, however, irresolutely suggest a modification which it presumably believes would be the least harmful change to the system. That suggested modification is a bonus award program for employees who exhibit sustained high performance or who complete a project in an exemplary fashion. No dollar amount for such awards is suggested.

It should be mentioned here that the governor's pay for performance committee proposed, in December 1980, a system of cash awards. Under that proposed system, awards of up to \$1,000 lump-sum payments could be given annually to employees who perform in an outstanding manner or who meet other criteria. These awards, under the plan, would have been funded from an account composed of a .75 percent amount of each state agency's total salary costs. The governor's pay for performance committee had several suggestions for appropriate recipients of cash awards.

The minority believes that the bonus approach is sound and backs the majority in recommending it to the committee. The minority disagrees that a properly functioning performance based pay system would be counterproductive or serve as a demotivator to Nevada state employees. Recognizing an employee's above standard performance should not inhibit him from future above standard performance nor inhibit other employees from striving to perform in an above standard fashion. It has long been accepted that recognition and well-timed pay increases can serve as catalysts to improve employees' performance. Nevada state employees seem to agree. An attitude survey of state employees conducted

by the personnel division in 1981 shows that 73 percent of the employees favor rewarding outstanding performance. The minority, therefore, recommends that besides the addition of a bonus system, the state's classified pay system be modified to allow employees who are below step 8 in their pay grades and who demonstrate continued above standard performance to receive accelerated step increases. As mentioned in the majority report, there are 15 steps in each pay grade, and each step is approximately 2.2 percent apart.

This recommendation is discussed further in the last section of this report. To provide a background for the proposal, the report will first describe existing Nevada law and regulations relating to the pay plan for classified employees, recent proposed legislative changes to that plan, various types of performance based pay systems used in other jurisdictions and factors which must be considered before any modification to Nevada's classified employee pay plan can be successfully carried out.

NEVADA LAW AND REGULATIONS PERTAINING TO MERIT PAY

Nevada's law relating to the pay plan for classified employees is contained in NRS 284.175 which says:

1. After consultation with appointing authorities and state fiscal officers, and after a public hearing and approval by the commission, the chief shall prescribe regulations for a pay plan for all employees in the classified service.
2. The pay plan and amendments thereto become effective only after approval by the commission and the governor.
3. The chief shall prepare a pay plan and ranges for each class, grade or group of positions in the classified service. Each employee must be paid at one of the rates set forth in the pay plan for the class of position in which he is employed and at such time as necessary money is made available for the payment.
4. The chief shall prescribe regulations that provide for progression through the rate ranges based on merit and fitness alone. The regulations become effective upon the approval of the commission.

Section G, "Merit Salary Adjustment," from Rule III of the state's Rules for Personnel Administration, is the existing regulation for merit salary adjustments. It provides for an

approximate 5 percent annual merit increase or none at all, depending on performance. It says, in part:

An employee whose last performance rating was standard or better and has not attained the top step in the salary range of his or her grade will thereby qualify for merit salary adjustments of approximately 5 percent annually on his salary date.

Employees with below standard performance ratings will not be eligible for a merit increase.

The method of computation may vary depending upon the payroll center and its capabilities.

All qualified employees shall be granted merit salary increases 1 year from the date of their employment or promotion and annually thereafter.

Section H of the personnel rules provides for special salary adjustments in certain circumstances. Two of the circumstances are:

Giving a one-grade pay increment recognition to employees carrying responsibilities beyond those required for the class as a whole, such as supervising persons in the same class on a continuing basis for a portion of their time, or working under considerably less supervision than is typical in the class.

Correcting salary inequities, such as to maintain equitable step status relationships between employees.

The pay system also provides for cash awards for suggestions not related to the employee's job under the merit award program (see NRS 285) and longevity pay for continuity of service (see NRS 284.177).

Existing law and regulations, therefore, provide for a merit based pay system in Nevada. The literature refers to the Nevada pay plan as an absolute performance calculation system. This means a pay scheme in which employees, not at the maximum step in their pay grades and not found to be incompetent, are certified eligible for merit increases. The absolute yes-no decision is reflected in the salary range by whether or not the employee is moved to the next precalculated step in his range.

In actual operation, Nevada's classified pay plan is a longevity system where almost every state employee, unless he or she is at

the top of his or her range, gets an approximate 4.4 percent merit increase. There is no latitude to give employees who perform their jobs in an above standard manner larger increases. The pay system, it should be noted, could be changed by rule. This would be a politically sensitive matter. Prior to 1973, the Rules for Personnel Administration provided for 2 1/2 percent merit increases in certain cases at 6-month intervals.

RECENT MERIT PAY LEGISLATION CONSIDERED BY THE NEVADA LEGISLATURE

Merit based pay legislation was considered by the 1979 and 1981 legislatures. (See S.B. 311 of 1979 and S.B. 184 of 1981.)

Senate Bill 311 of 1979, sponsored by Senator McCorkle, died in the assembly ways and means committee after being amended three times. Under the third reprint of the measure, the chief of the personnel division would have been required to adopt regulations providing for progression, based on merit and fitness only, through the range established for the position occupied by the employee. The regulations would have been required to have, if the bill passed, provision for special incentive awards, payable not more often than annually, in a single payment for high levels of performance.

The bill provides that only employees whose performance was evaluated as being adequate or better, and who had not obtained the highest salary in their range, could receive a merit increase. Such increases could not be more than 2 1/2 percent for adequate performance or 5 percent for proficient performance or better.

The bill, as noted, also provides for special incentive awards for outstanding performance of \$600 for employees at the top of their grades and \$300 for employees not at the top of their grades who received a salary increase of approximately 5 percent.

Appeals procedures are specified in section 6 of the bill. The measure also contains requirements for a report by the chief of the personnel division on employee turnover and effectiveness of the incentive program.

Senate Bill 184 of 1981, also sponsored by Senator McCorkle, is patterned after S.B. 311 and died in the senate committee on government affairs.

Both S.B. 391 and S.B. 184 were defeated because of heavy lobbying efforts by employees' groups and certain supervisors. The

primary concern appeared to be that higher level merit increases would be funded from a reduction in standard level increases. In other words, there would be a "rob from Peter to pay Paul" situation. Other concerns were the purported lack of training given to supervisors in performance evaluation techniques, the dearth of appropriate performance standards and the potential for favoritism. As the committee knows, because of the governor's mandate, most supervisors will receive at least 40 hours of supervisory training by July 1982. Eight of those hours will pertain to performance evaluation techniques.

VARIOUS TYPES OF PERFORMANCE BASED PAY SYSTEMS USED IN OTHER JURISDICTIONS

A review of the literature, a staff survey of the other states, and presentations to the committee and task force by representatives of Kansas, Utah, Clark County, the City of Sparks, Sierra Pacific Power Company and Central Telephone Company indicate that the federal government, 16 states and many local governments have established various types of performance based pay systems which depart from the practice of granting automatic pay increases. Variations of these systems include:

1. Giving varying percentage increases based on performance and budget restrictions.
2. Limiting access to above the mid-point of salary ranges to superior performers. Some agencies restrict this further so that only a certain percentage of such employees may receive salary increases. The thinking behind the mid-point concept is that at mid-point an employee has reached full performance and, therefore, any compensation beyond that level should be on the basis of above standard performance only.
3. Limiting pay raises to market pay. Under this system, pay comparable to the market average for standard performance is market pay. Above standard performance is rewarded with above average pay relative to job market competition.
4. Accelerated step increases for above standard performance.
5. Bonuses for above standard performance.
6. Time off for above standard performance.

FACTORS WHICH MUST BE CONSIDERED BEFORE ANY MODIFICATION
TO NEVADA'S CLASSIFIED EMPLOYEE PAY PLAN
CAN BE SUCCESSFULLY CARRIED OUT

The minority reviewed the options for merit pay systems shown above, and certain factors which must be considered before any changes to Nevada state government's classified pay plan could be accomplished. Those factors are:

1. The strong opposition to the creation of a pay plan which would require certain employees not at the top of their pay grades to receive smaller pay increases so that other employees can receive larger increases.
2. The prevailing concern among certain employees that the lower steps in the pay grades represent insufficient pay for positions classified in those grades.
3. The existing pay system's inability to reward those new employees who learn their jobs quickly and perform at journeymen levels sooner than average.
4. That most job dissatisfaction and corresponding state employee turnover occurs within the first 2 years of employment. Approximately 70 percent of the current statewide turnover occurs during that period.
5. That advancement through the pay steps in a grade in the classified service is theoretically based on increased ability to perform the job relating to the pay grade. It should be noted that learning theorists believe that the highest learning rate, and corresponding greatest increase in performance, for a new job occurs within the first few years an employee is on the job. If this is the case, it makes sense that initial merit salary increases should be at shorter intervals and at increased steps than increases after a person has been in a position for a period of years.

THE MINORITY BELIEVES NEW EMPLOYEES WHO PERFORM
ABOVE STANDARD SHOULD BE ELIGIBLE FOR
ACCELERATED PAY INCREASES

Considering the factors which must be considered prior to successful change in the pay system, the minority recommends that:

1. An employee whose last performance rating was above standard or better and who has not attained step 8 in

the salary range of his or her grade should qualify for a merit salary adjustment of 1 step (approximately 2.2 percent) or 2 steps (approximately 4.4 percent) semi-annually on his or her salary date at the discretion of the appointing authority.

2. An employee whose last performance rating was standard and has not attained step 8 in the salary range of his or her grade should qualify for a merit salary adjustment of 2 steps (approximately 4.4 percent) annually on his or her salary date.
3. Employees with below standard performance ratings should not be eligible for merit increases and corrective action should be taken to improve their job performance.
4. No employee below step 8 of his or her salary grade should receive a merit salary increase exceeding 4 steps (approximately 8.8 percent, depending on the grade level) in any 12-month period.
5. Employees at step 8 or above in their pay grades whose last performance rating is standard or better and who have not attained the top step in their salary ranges should be granted merit salary increases of 2 steps (approximately 4.4 percent) 12 months from their last salary date.

As with any properly functioning performance based pay system, the minority believes that it is imperative that the system it is proposing require: (1) proper performance review training for supervisors, (2) ongoing communications with employees by the personnel division and agency administrators and supervisors about the system, (3) the development of objective job performance standards, and (4) uniformity of application system wide.

Based on existing job performance review statistics, approximately 42 percent of existing state employees receive job performance ratings of above standard or better. It is estimated that this proposal would increase state salary expenditures by approximately \$1,500,000 annually.

This cost, however, would be offset by certain potential benefits including:

1. The motivation of employees to perform at higher levels.

2. The recognition and reward of new employees who make continued above standard contributions to the state.
3. Improved supervision.
4. Better quality performance evaluations.
5. Improved communications between supervisors and employees.
6. Continued reward for longevity if performance is standard or better.
7. Reduced job dissatisfaction and possible reduced turnover for new employees.
8. Recognition that the highest rate of learning and corresponding greatest improvement in job performance occurs within the first few years an employee is in a new job.

The minority believes that if it is demonstrated to new state employees that the state recognizes and rewards them for above standard performance, this will motivate new employees to establish job habits which will stay with them during their careers in state government.

The current process is easier to administer but it is not a productivity oriented system. Now more than ever before productivity enhancing systems are essential.

This proposal would provide an initial departure from the current system and allow for future refinements.

APPENDIX I

Task Force of the Legislative Committee to Study the State
Personnel System, Minority Report to Issue Paper III:
"Modification of NRS Provisions Defining Unclassified
Employees."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM
ISSUE PAPER III
MODIFICATION OF NRS PROVISIONS DEFINING
UNCLASSIFIED EMPLOYEES

MINORITY REPORT

It should be initially noted that the Majority paper was adopted by only four of the eight members of the Task Force. Three members of the Task Force subscribe to the Minority Report.

The only issue at debate is paragraph 6 of the proposed language in NRS 284.140, dealing with the University System.

The Minority suggests the following language:

- "6. [Officers and members of the teaching staff and the agricultural extension department and experiment station staffs of the University of Nevada System, or any other state institution of learning, and student employees of these institutions; but custodial, clerical or maintenance employees of these institutions are in the classified service. The board of regents shall assist the chief in carrying out the provisions of this chapter applicable to the University of Nevada System.]

Employees, other than clerical, of the Chancellor's office, presidents and vice presidents of respective institutions, members of the teaching staff, deans of colleges, agricultural extension agents and student employees of the University of Nevada System. All other employees are in the classified service of the state."

It must be pointed out to the Committee that no one has yet given us an accurate figure as to the number of positions we are discussing. We have heard there may be as many as 800 non-teaching "professional" contract employees within the University System.

Many of these non-teaching "professional" employees are doing exactly the same things as classified jobs in the rest of state government. We have indicated a willingness to compromise on this subject, however, the University's "compromise" is meaningless. The proposal of the majority report will still leave the determination of who is and who is not classified in the hands of the Board of Regents.

We cannot accept the fact that a Business Manager in the University System should receive substantially more money and more benefits than a classified business manager with a larger budget and more responsibility. One of the fundamental aims of a constitutional merit system is equal pay for equal work.

We would remind the committee that the legislature has absolutely no control over the salary, working hours or benefits of these 800 "professional" employees.

APPENDIX J

Task Force of the Legislative Committee to Study the State Personnel System, Minority Report to Issue Paper V: "Factor Ranking Benchmark Job Evaluation Classification System."

TASK FORCE OF THE LEGISLATIVE COMMITTEE
TO STUDY THE STATE PERSONNEL SYSTEM - ISSUE PAPER

FACTOR RANKING BENCHMARK JOB EVALUATION CLASSIFICATION SYSTEM

MINORITY REPORT

We the minority in the vote to "endorse the Factor Ranking Classification System" issue this report to reflect our reasons for voting against the proposal. This report is being prepared by the two members of the Task Force who voted no, but may be signed by others, since the majority's draft report has raised further questions.

BACKGROUND

The Factor Ranking method of classification was first seriously discussed in early 1978. A committee was appointed by the State Personnel Division and the project got underway in the early Spring of that year. The actual survey of the chosen group, Clerical and Technical classes, was done in the early part of June, 1978. The survey was supposed to have been completed in six months with the findings going to the 1979 Legislature. Difficulties of one kind or another pushed the completion date to the late Fall of 1980.

Based upon the turnover of this group (about 4,500 employees) there has been in excess of 100% turnover within the group surveyed, and in theory, no one is in the same job as during the survey period..

In its simplest form, Factor Ranking is a different system of evaluating positions for classification purposes which ranks four factors; i.e., Job Requirements and Difficulty of Work; Responsibility; Personal Relationships and Physical Efforts and Work Environment.

ADVANTAGES

We recognize that there may be advantages to the system. We will allow the majority report to expound on them. The factor ranking system may in fact be good IF IT COULD BE VIEWED IN A VACUUM.

DISADVANTAGES

We speak here of the disadvantages of the proposal before us.

The majority is endorsing a program they have not seen. Only one part of the system has been completed (and that took 3 & 1/2 years). Yet to be completed are the blue collar classes, the professional classes and the managerial classes. The majority is endorsing those studies prior to their being undertaken.

In addition they are saying "In order to modernize and improve the process used in classifying State positions, it is essential that the State adopt the Factor Ranking...etc." We dispute that. There are other states doing a commendable job of classification using basically the same system we have today. The Personnel Division is trying to once again find a simple solution to a complex problem. The carrot being set out is that "If you want faster classifications...adopt factor ranking." We feel that Factor Ranking in and of itself, will not speed up the classification system.

The majority report really fails to address the fact that in each of the various groups that will be studied THE FACTORS MAY BE DIFFERENT AND THE POINT VALUES WILL CHANGE.

An example: Under the clerical/technical factors the category "Physical Efforts and Work Environment" receives a maximum of 25 points. When the so-called blue collar group is done, this category will get considerably more point value in this area. It is certainly true that those employees

Page -3-

required to engage in hard physical labor under trying conditions should be compensated for it by high point values. The inconsistency is that someone in the clerical/technical group could operate under the same conditions but get fewer points.

It is also true that the point value under "Responsibility" could be greater for the professional and managerial classes than the 180 maximum points in the clerical/technical. Therefore a high level clerical employee making management decisions will be paid less than a manager making those same decisions.

We are not proposing that all categories should or can be judged on the same basis. But the statement that the Nevada form of Factor Ranking will bring us equity or comparability is totally incorrect. It will only provide these things within each group studied. There will be NO equity between groups.

Another reason for our decision to withhold support of this motion is that we do not believe that you can separate theory from implementation. We want to know specifics of the implementation.

Some examples: 1) We have not to date seen a single job description for one of the clerical/technical jobs. If the clerical/technical study has been completed we should be able to view all job descriptions for these classes as they will appear under Factor Ranking. 2) Many, many of the people in the clerical/technical series have changed positions since the survey in 1978. Jobs do in fact change with the incumbent. 3) We have no written assurance that each and every affected employee will receive personal notification of their new class and grade with a copy of the new job description. (This is vital because of #2). We want to know, before we vote for something, when and how it will be implemented.

APPENDIX K

Letter, dated June 25, 1982, from Donald Klasic, General Counsel, University of Nevada System, to Assemblyman Joseph E. Dini, Jr., Concerning the Position of the University of Nevada System Relative to Proposed Amendment to NRS 284.140 (6).



University of Nevada System

OFFICE OF THE CHANCELLOR
405 Marsh Avenue Reno Nevada 89509
702 784-4901

June 25, 1982 --

Honorable Joseph E. Dini, Jr.
Chairman
Legislative Committee to Study
the State Personnel System
Legislative Building
Capitol Complex
Carson City, Nevada 89710

Attn: Donald A. Rhodes
Chief Deputy Research Director

Dear Assemblyman Dini:

Donald A. Rhodes telephoned me on June 25, 1982 to inform me that you had requested additional information concerning the position of the University of Nevada System relative to the University's proposed legislation to amend NRS 284.140(6).

Representatives of the University of Nevada System have previously explained their position concerning this matter to the Task Force which your Committee created to assist you in studying the classified system. In addition, as you may recall, Chancellor Robert M. Bersi and I both appeared at a meeting of the Legislative Committee to Study the State Personnel System in Las Vegas on May 13, 1982. I would refer the Committee to the testimony and documents which representatives of the University of Nevada System have presented to the Task Force and to the Legislative Committee to Study the State Personnel System during the whole course of these proceedings.

As was previously explained, the University of Nevada System currently operates on the unified faculty concept. Under this concept, the faculty consists of not only teaching professionals, but non-teaching professionals as well. Treating non-teaching staff above the level of custodial, clerical or maintenance employees as professional employees is in accordance with tradition in universities and colleges throughout the United States. Furthermore, such action on the part of the Board of Regents of the University of Nevada System is in accord with the legal respons-

Honorable Joseph E. Dini, Jr.
June 25, 1982
Page Two

ibilities of the Board of Regents, as established by the Nevada Constitution, and by tradition, as has been recognized by the Legislature in its previous treatment of the personnel policies of the University of Nevada System in Chapter 281 of NRS.

Under the unified faculty concept, wherein the faculty consists of not only teaching professionals, but non-teaching professionals as well, non-teaching professionals include such persons such as the chancellor, the vice chancellors, the presidents, the vice presidents, the deans, assistant deans, directors in the community colleges, and other such administrators in the University of Nevada System. Non-teaching professional staff, however, also includes such diverse individuals as athletic coaches, directors of admissions, registrars, researchers, principal investigators, counselors, clinical psychologists, geologists, graphic artists, etc. These non-teaching professionals usually possess advanced degrees, many of them at a doctorate level. Their work would require knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized, intellectual instruction and study, as distinguished from a general academic education and from training in the performance of routine mental or manual work.

In other words, these individuals perform work that is original and creative in character all of which is essential to the proper functioning of a university. The University of Nevada, of course, is not a regular or routine state agency providing regular or routine services to the tax payers. The University of Nevada is an institution vitally related to the moral, educational and sociological concerns of our society. The University of Nevada simply cannot be treated as another routine agency of the State providing routine services to the tax payers.

Consequently, the persons whom the Board of Regents have included within the non-teaching, professional staff are persons who are required to be put in unclassified, non-teaching professional positions because of the nature of their work, their educational qualifications, their work experience and the traditions of post secondary education in colleges and universities throughout the United States.

Honorable Joseph E. Dini, Jr.
June 25, 1982
Page Three

Furthermore, given the fact that these individuals are traditionally treated as professional employees in other universities, the recruiting of top-flight, highly motivated persons from other universities into the University of Nevada System is made much easier. Because these individuals are treated as unclassified professionals elsewhere, they are enabled to participate in the TIAA-CREFF educators' retirement plan. As you may know, this is a mobile plan which a participant may transfer from one university or school district to another without penalty. To place non-teaching professionals at the University of Nevada System into the classified service would require these individuals to participate in the Public Employees Retirement System which, however beneficial it may otherwise be, is not a mobile plan. Non-teaching professionals from other universities who are already in TIAA-CREFF would not be willing to give up participating in a TIAA-CREFF for the Public Employees Retirement System. Furthermore, from the standpoint of prestige and status, non-teaching professionals who intend to spend their careers in a university setting would prefer to be considered as members of the faculty of the university rather than as classified state employees. Any person currently treated as a faculty member at another educational institution would seriously consider this fact when considering employment at the University of Nevada System. Consequently, the unclassified professional service at the University of Nevada System is an important recruiting tool which would be severely crippled if job positions currently in the professional staff at the University of Nevada System were to be put into the classified state service.

One of the arguments which is made for putting non-teaching professionals of the University of Nevada System into the classified service is that persons in other agencies in state government who have the apparent same job title and perhaps even the same apparent job duties are currently classified in those other state agencies. Our response to this argument is two-fold. First, to compare the University of Nevada System with other routine, technical state agencies is to compare apples with oranges. Second, insofar as the job functions of persons in other agencies are similar to the job functions of persons at the University of Nevada System, the answer may not be that the University of Nevada System is out of step with other state agencies, but that other state agencies may be out of step with the University of Nevada System. In other words, more positions at other state agencies may be classified than are actually warranted by the type of work performed, the educational qualifications of the incumbents and the work experiences of such persons. Certainly, there is no doubt of the fact that treating non-teaching staff above the level of custodial, clerical or maintenance employees as professional employees is definitely in accordance with the tradition in the majority of universities and colleges throughout the United States regardless of what may be done at other state agencies in Nevada or elsewhere.

Honorable Joseph E. Dini, Jr.
June 25, 1982
Page Four

One of the problems involved in the legislation proposed by the Task Force's minority report, which would generally provide that all non-teaching employees at the University of Nevada System be placed in the classified system, is that it is far too inflexible in light of reality at the University of Nevada and much too prone to creating absurdities. The fact has already been pointed out to the Legislative Committee that under the minority report of the Task Force athletic coaches would be in the classified system. The Task Force minority would apparently propose to solve this problem by creating an arbitrary exception in the definition of the classified service for athletic coaches. When it was also pointed out to the Task Force minority that its definition would include administrators such as deans in the classified service, the Task Force minority immediately included deans within one of the exceptions for the classified service. However, no exception has been made for assistant deans, nor has any exception been made for the directors employed in the community colleges of the University of Nevada System. These directors are also administrators. Numerous other examples of such absurdities could no doubt be pointed out.

Obviously, as such absurdities in the minority report are pointed out to the Task Force minority in the future, the minority will probably indicate that additional exceptions to the classified service can be added. The difficulty with this, however, is that subparagraph 6 of NRS 281.140 will eventually resemble a bedsheet.

The sole point of the Legislative Committee to Study the State Personnel System, as I understand it, is merely to set up some well defined and established guidelines as to what jobs are in the classified and the unclassified service. It certainly would hardly seem to be the function of the Legislative Committee or the Legislature itself to directly involve itself in the personnel policies of the University of Nevada System and to specifically indicate, position by position, which employees should be in the unclassified service and which should not thereby making policy for the Board of Regents. Both legally and by tradition, this is a function that should be performed by the Board of Regents. For this reason, the University of Nevada System has proposed legislation for subparagraph 6 of NRS 284.140 which would clearly establish that it is the function of the Board of Regents to define its professional staff. In this way, the Board of Regents would be able to maintain the necessary function of attracting and placing highly qualified non-teaching professionals in its profes-

Honorable Joseph E. Dini, Jr.
June 25, 1982
Page Five

sional staff while at the same time placing the authority to make such determinations where it constitutionally belongs, with the Board of Regents. Additionally, by continuing to retain in the proposed legislation the present provisions of subparagraph 6 of NRS 284.140 that custodial, clerical or maintenance employees are in the classified service, the University of Nevada System would be able to guarantee that non-teaching non-professionals would never be taken out of the classified service. For this reason, therefore, we believe that the language approved by the Task Force for NRS 281.140(6), which was presented to the Legislative Committee on May 13, 1982, is the language best suited to meet the legal and traditional obligations and duties of the Board of Regents for determining the faculty personnel policies of the University of Nevada System. We strongly urge that the language proposed by the majority report of the Task Force, which was presented to the Legislative Committee on May 13, 1982, be adopted and presented to the Legislature.

As both Chancellor Bersi and I pointed out to the Legislative Committee on May 13, 1982, the Chancellor's office intends to present to the Board of Regents a proposed definition of the term "professional staff" so as to establish clearly enunciated and published guidelines on the subject. This definition consists of a variation of the federal Fair Labor Standards Act definitions. The FLSA standards are customarily used by universities and colleges, at least in the western part of the United States, for this purpose.

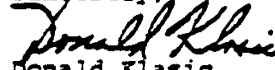
Due to the fact that a proposed definition was not prepared in time for review by the various presidents of the member institutions of the University of Nevada System, the matter was not presented to the Board of Regents at its June meeting. Instead, it is now intended to place this matter on the Board of Regents' agenda for its July 16, 1982 meeting. Since this matter has not yet been presented to the Board of Regents, the Chancellor's office is still unable to present to the Legislative Committee the list of job positions affected by this definition as suggested by the Task Force. We have not yet obtained the permission of the Board of Regents to do so. However, we expect to obtain the Board's permission at the July meeting and will then forward that list to the Committee. In this regard, it should be noted that the Chancellor office is still well within the October 1, 1982 deadline suggested by the Task Force for providing this information to the Committee.

Honorable Joseph E. Dini, Jr.
June 25, 1982
Page Six

In summary, then, the University of Nevada System feels that its proposed language for NRS 281.140(6) is not only correct constitutionally and legally, but simply makes sense given the special characteristics of the University of Nevada System and its needs with respect to personnel matters. As noted above, we would strongly urge that the University's proposed legislative language, as adopted by the majority report of the Task Force and presented to the Legislative Committee on May 13, 1982, be adopted by the Legislative Committee for submission to the Legislature.

Finally, for your information, a copy of this office's proposed definition for the University's professional staff is enclosed. However, given the fact that the presidents of the member institutions of the University of Nevada System have not yet provided their input concerning this definition, it is entirely possible that this proposed definition may not be the final version submitted to the Board of Regents for its approval.

Sincerely,


Donald Klasic
General Counsel

DK/sw

PROPOSED AMENDMENTS TO TITLE 4,
CHAPTER 4 OF THE BOARD OF REGENTS
HANDBOOK

Title 4, Chapter 4 of the Board of Regents Handbook shall be amended by the adoption of a new Section 2.--The remaining sections of Title 4, Chapter 4 shall be renumbered accordingly. The new proposed Section 2 shall read as follows:

Section 2. Standards for Defining the Professional Staff.

Employment positions meeting one or more of the following criteria shall be in the professional staff of the University of Nevada System:

1. The term "executive" position shall include any employee:
 - (a) whose primary duty consists of the management of the institution or service or special unit in which the person is employed or of a customarily recognized department or subdivision thereof; and
 - (b) who customarily and regularly directs the work of two or more other employees therein;
 - (c) who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring and firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight; and
 - (d) who customarily and regularly exercises discretionary powers; and
 - (e) who does not devote more than 20% of the employee's hours of work in the work week to activities which are not directly and closely related to the performance of the

work described in subparagraph (a) through (d) of this section.

2. The term "administrative" position shall include any employee:

- (a) whose primary duty consists of either:
 - (1) the performance of office or nonmanual work directly related to management policies or general business operations of the employee's employer, or
 - (2) the performance of functions in the administration of a school system, or educational establishment or institution, or a department or subdivision thereof in work directly related to the academic instruction or training carried on therein; and
- (b) who customarily and regularly exercises discretion and independent judgment; and
- (c)
 - (1) who regularly and directly assists an employee employed in an executive or administrative capacity, as such terms are defined herein, or
 - (2) who performs under only general supervision work along specialized or technical lines requiring special training, experience or knowledge, or
 - (3) who executes under only general supervision special assignments and tasks; and
- (d) who does not devote more than 20% of the employee's hours worked in the work week to activities which are not directly and closely related to the performance of the work described in paragraphs (a) through (c) of this section.

3. The term "professional" position shall include any employee:

- (a) whose primary duty consists of the performance of
 - (1) work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual or physical processes, or
 - (2) work that is original and creative in character in a recognized field of artistic endeavor (as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination or talents of the employee, or
 - (3) teaching, tutoring, instructing, and lecturing in the activity of imparting knowledge and who is employed and engaged in this activity as a teacher in a school system or educational establishment or institution by which the employee is employed; and
- (b) whose work requires the consistent exercise of discretion and judgment in its performance; and
- (c) whose work is predominately intellectual and varied in character (as opposed to routine mental, manual, mechanical or physical work) and is of such character that the output produced or the result cannot

be standardized in relation to a given period of time;
and

(d) who does not devote more than 20% of the employee's hours worked in the work week to activities which are not an essential part of and necessarily incident to the work described in paragraphs (a) through (c) of this section.

4. This section shall not be deemed to apply to custodial, clerical or maintenance employees of the University of Nevada System who are in the classified service of the State of Nevada as provided in NRS 284.140 (6). This section shall not be deemed to require any person employed in an employment position in the classified service of the State of Nevada at the time this section was adopted to be assigned to the professional staff of the University of Nevada System, nor shall this section be deemed to require any person employed in an employment position in the professional staff of the University of Nevada System at the time this section was adopted to be assigned to the classified service of the State of Nevada.

APPENDIX L

Memorandum, dated September 14, 1982, and Enclosures from Michael R. Alastuey, Director, Budget Division, Department of Administration, to Donald A. Rhodes, Chief Deputy Research Director, Relating to Personnel and Training Resources.



STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710

ROBERT LIST
Governor
HOWARD E. BARRETT
Director

September 14, 1982

MEMORANDUM

TO: Don Rhodes
Research Division
Legislative Counsel Bureau

FROM: Michael R. Alastuey
Budget Division

SUBJECT: Personnel and Training Resources

In response to your memorandum of June 25, 1982, we have solicited from all agencies and compiled additional material depicting the distribution of resources for training, payroll and other personnel-related activity among State agencies and the State Personnel Division.

In addressing Bill Bible's June 22, 1982, memorandum to you, we asked agencies to separate payroll, training, and other personnel-related activities. Such a separation in many instances is difficult since the execution of the payroll function can be closely tied to activities such as interviewing and selection of applicants and remedial measures such as employee discipline. Additionally, the separation of personnel and training functions from the routine supervision of employees is subject to considerable interpretation on the part of responding agencies.

Additionally, as suggested in Mr. Bible's memorandum, we asked agencies to point out positions or fractions of positions which are engaged in personnel, training or payroll activities but which were not specifically designated as such in the Legislatively approved budget. You will notice that the full-time equivalent employee count on this attachment exceeds that of the material we gave you on April 28, 1982, by over forty full-time equivalent positions. A great many of these positions are made up of minor fractions of full-time positions who work on personnel matters for only part of their time, and as addressed previously, is subject to considerable interpretation by responding agencies.

Further, the position count on this attachment includes the Employee Relations Officer in the Governor's Office. While the existence of this position does reflect an involvement in personnel matters by an agency other than the Personnel Division, it was not included in earlier counts since it was our understanding that the issue under examination was that of the balance of resources between Personnel Division and the operating agencies served by the Division.

Don Rhodes
September 14, 1982
Page 2

Finally, although the fiscal year 1981-82 books are still open and actual expenditures for that fiscal period are not yet known, we did attempt to indicate the number of vacant personnel, training and payroll positions in each agency at the time of the review in mid-August, 1982. A cursory review reveals comparatively few vacancies (8.5 vacant versus 161.59 full-time equivalent positions) which may be an indication that resources available to agencies for personnel-related activity are almost fully utilized.

We recognize that the issues confronting the Committee are of substantial scope, and that further questions may arise. In that event, we will try to assist you.

Should you have any questions, please call.

MRA/rs

Enclosures

Budget Division
September 14, 1982

TOTAL PERSONNEL, TRAINING, AND PAYROLL RESOURCES
Centralized Versus All Other
(Based on FY 1981-82 Budget)

	<u>F.T.E. Positions</u>	<u>Positions Cost</u>	<u>Travel</u>	<u>Operating</u>	<u>Data Processing</u>	<u>Training Category</u>	<u>Other</u>	<u>Total</u>
Centralized Resources								
Personnel Division	54.50	\$1,145,750	\$16,000	\$337,444	\$269,827	\$ 20,000	\$ 7,684	\$1,796,705
General Fund Training						20,000		20,000
Governor's Office	1.00	33,738						33,738
Total Centralized	<u>55.50</u>	<u>\$1,179,488</u>	<u>\$16,000</u>	<u>\$337,444</u>	<u>\$269,827</u>	<u>\$ 40,000</u>	<u>\$ 7,684</u>	<u>\$1,850,443</u>
Other Agency Resources (Combined)	<u>106.09</u>	<u>2,323,783</u>	<u>55,104</u>	<u>144,848</u>	<u>307,650</u>	<u>633,870</u>	<u>96,590</u>	<u>3,561,915</u>
Grand Total	161.59	\$3,503,271	\$71,104	\$482,292	\$577,477	\$673,870	\$104,274	\$5,412,288

Budget Division
September 14, 1982

FISCAL YEAR 1981-82 PERSONNEL, PAYROLL AND TRAINING RESOURCES

	<u>Travel Cost Personnel</u>	<u>Travel Cost Training</u>	<u>Operating Cost Personnel</u>	<u>Operating Cost Payroll</u>	<u>Operating Cost Training</u>	<u>Data Processing Personnel</u>	<u>Data Processing Payroll</u>	<u>Data Processing Training</u>	<u>Training Category</u>	<u>Other</u>	<u>Total budgeted</u>
General Fund Training Personnel Division ^a	\$ 14,500	\$ 1,500	\$ 285,485	\$ 25,803	\$ 26,156	\$	\$ 269,827	\$	\$ 20,000	\$ 7,684	\$ 20,000
Dept. of General Services									20,000		650,955
Transportation	2,280	7,500	5,300	3,400	54,400	3,200	10,250	200	125,890	9,127 ^b	221,547
Motor Vehicles ^c	560	1,410			5,778				21,400	87,463 ^b	116,611
Parole and Probation					6,534						6,534
Prison System	1,600	2,395							16,032 ^d		20,027
Public Defender		2,084	750	750	750				3,275		7,609
Gaming Control									50,000		50,000
Employment Security	4,500		41,000	900			3,000		107,547		156,947
State Industrial Insurance System	4,322		7,230				(g)		27,579		39,131
Industrial Attorney									2,696		2,696
Hearings and Appeals		1,700							2,340		4,040
Education	354		2,166								2,520
University System						81,000 ^f	210,000 ^f				291,000
Director, Human Resources											
Aging Services											
Health Planning									3,000		3,000
Health Division			750	1,500	50				39,430		41,730
MH/MR	225		2,274	245					67,359 ^e		70,103
Rehabilitation	50	500		4,017					56,779 ^e		61,346
Welfare	574	3,265							32,134		35,973
Youth Services Division											
Agriculture									2,600		2,600
Conservation		2,500		575					5,918		8,993
Wildlife									4,000		4,000
Military			10	270							280
Civil Defense	100		200	50							350
Equal Rights	500	5,000	925	462	462				3,000		10,349
Indian Commission	50		100	250							400
Museums & History											-0-
Public Service Commission		13,500		1,000	2,500				10,000		27,000
Labor Commission											-0-
Community Services											-0-
Retirement											-0-

Fiscal Year 1981-82 Personnel, Payroll and Training Resources
 Budget Division
 September 14, 1982

	<u>Travel Cost Personnel</u>	<u>Travel Cost Training</u>	<u>Operating Cost Personnel</u>	<u>Operating Cost Payroll</u>	<u>Operating Cost Training</u>	<u>Data Processing Personnel</u>	<u>Data Processing Payroll</u>	<u>Data Processing Training</u>	<u>Training Category</u>	<u>Other</u>	<u>Total Budgeted</u>
Energy											-0-
Attorney General											-0-
Controller									4,000		4,000
Financial Institutions									6,600		6,600
Housing Division									1,000		1,000
Historical Society	45	90		250							385
Economic Development											-0-
Taxation									8,360		8,360
Data Processing									32,931		32,931
State Library											-0-
Taxicab Authority											-0-
Employee Management											-0-
Relations Board											-0-
Governor's Office											-0-
Totals	\$29,660	\$41,444	\$346,190	\$ 39,472	\$96,630	\$84,200	\$493,077	\$200	\$673,870	\$104,274	\$1,909,017

- Personnel Division numbers do not include Cooperative Personnel Services or Inter-governmental Personnel
- Academy and Switcher costs related to training.
- POST Program not included since training provided to law enforcement agencies throughout the State.
- Does not include Interim Finance Allocations.
- Intended to include staff training only. Division also has funds for training of non-staff persons associated with service providers.
- Related to Personnel and Payroll Data Processing.
- Although there are data processing costs related to payroll processing, these could not be isolated by the agency.

Budget Division
September 14, 1982

FISCAL YEAR 1981-82 PERSONNEL, PAYROLL AND TRAINING POSITIONS AND COSTS

Agency	Personnel Positions Budgeted	Personnel Positions Cost	Personnel Positions Vacant	Payroll Positions Budgeted	Payroll Positions Cost	Payroll Position Vacant	Training Position Budgeted	Training Position Cost	Training Position Vacant	Total FTE Positions	Total Position Cost	Total FTE Vacant
Personnel Division ^a	44.95	\$ 927,434	2.75	4.65	\$101,794		4.90	\$116,522	.75	54.50	\$ 1,145,750 ^c	3.50
Dept. of General Services	.51	8,933		1.05	16,303					1.56	25,236	
Transportation	8.75	178,257		1.00	18,797		3.00	71,865		12.75	268,919	
Motor Vehicles	5.00	118,156		.75	11,113		4.00	96,748		9.75	226,017	
Parole and Probation	1.00	21,410					1.00	30,402		2.00	51,812	
Prison System	3.00	62,460		1.50	20,403		3.00	66,276		7.50	149,139	
Public Defender	.05	981		.05	981					.10	1,962	
Gaming Control	1.80	46,706		.95	16,692		1.05	34,816		3.80	98,214	
Employment Security	6.00	120,762	2.00	1.00	15,465		3.00	52,704	3.00	10.00	188,931	5.00
State Industrial Insurance System	3.00	59,009		1.00	16,855		2.00	41,515		6.00	117,379	
Industrial Attorney	.01	188		.03	535					.04	723	
Hearings and Appeals	.02	360		.03	540					.05	900	
Education	.93	20,233		.44	8,781		.12	2,463		1.49	31,477	
University System	13.25 ^b	316,391								13.25	316,391	
Director, Human Resources	1.00	33,530								1.00	33,530	
Aging Services				.05	927					.05	927	
Health Planning	.05	900		.04	573					.09	1,473	
Health Division	1.00	23,371		.50	8,100		.10	1,820		1.60	33,091	
MH/MR	5.71	148,426		2.94	49,783		3.70	102,319		12.35	300,528	
Rehabilitation	1.00	15,127					1.00	24,281		2.00	39,408	
Welfare	2.55	55,788		1.95	41,146		1.05	29,561		5.55	126,495	
Youth Services Division	1.15	20,989		.63	11,772		.53	16,563		2.31	49,324	
Agriculture	.40	8,945		.25	3,357					.65	12,302	
Conservation	.98	19,039		1.83	42,615		.30	13,217		3.11	74,871	
Wildlife	.63	16,406		.91	17,501		.03	417		1.57	34,324	
Military	.38	8,868		.20	3,357		.15	4,010		.73	16,235	
Civil Defense	.33	8,124		.20	4,910		.18	3,939		.71	16,973	
Equal Rights	.05	981		.15	2,944		.02	392		.22	4,317	
Indian Commission	.02	250		.05	600					.07	850	
Museums and History	.10	1,963		.15	2,820					.25	4,783	
Public Service Commission	.25	2,934		.25	2,934		.25	2,934		.75	8,802	
Labor Commission				.05	900					.05	900	
Community Service				.05	1,342					.05	1,342	
Retirement	.08	1,794		.07	1,633					.15	3,427	

Fiscal Year 1981-82 Personnel, Payroll and Training Positions and Costs - Continued
 Budget Division
 September 14, 1982

Agency	Personnel Positions Budgeted	Personnel Positions Cost	Personnel Positions Vacant	Payroll Positions Budgeted	Payroll Positions Cost	Payroll Positions Vacant	Training Positions Budgeted	Training Positions Cost	Training Positions Vacant	Total FTE Positions	Total Position Cost	Total FTE Vacant
Energy				.05	707					.05	707	
Attorney General	.30	8,030		.40	7,640					.70	15,670	
Controller				.20	3,154					.20	3,154	
Financial Institutions	.60	1,864		.20	2,485		.25	4,537		1.05	8,886	
Housing Division	.10	1,236		.02	446					.12	1,682	
Historical Society	.02	575		.05	900					.07	1,475	
Economic Development				.04	606					.04	606	
Taxation	.60	10,805		.10	1,801		.05	900		.75	13,506	
Data Processing	.56	14,103		.44	7,693		.29	10,018		1.29	31,814	
State Library	.05	1,351		.11	2,233		.02	446		.18	4,030	
Taxicab Authority	.03	414		.05	652					.08	1,066	
Employee Management												
Relations Board				.01	185					.01	185	
Governor's Office	1.00	33,738								1.00	33,738	
Totals	107.21	\$2,320,831	4.75	24.39	\$453,975		29.99	\$728,465	3.75	161.59	\$3,503,271	8.50

- Personnel Division numbers do not include Cooperative Personnel Services or Intergovernmental Personnel.
- University positions not broken down as Personnel, Payroll or Training.
- Excludes salary adjustment reserve, salary savings factor, and board salary for purposes of comparability.

APPENDIX M

Cooke, David R., "Report on The Status of The Nevada Personnel System Submitted to the Nevada Legislative Committee C." The Council of State Governments, June 11, 1982.

REPORT ON THE STATUS OF THE NEVADA PERSONNEL SYSTEM

Submitted to

The Nevada Legislative Subcommittee "C"

By

The Council of State Governments

June, 1982

EXECUTIVE SUMMARY

The Nevada personnel system has many positive aspects. Listed below are a few of them:

- Its grievance program is equal to the best in the country.
- Its performance appraisal system is one of the best in the country.
- Its training function, especially with the new 40-hour program, is becoming equal to others.
- Its special non-merit recruitment program is unique and equal to Illinois', who is considered the leader.
- Placement of laid-off personnel in vacant positions is excellent and equal to others at the state and local level.
- Special program assignments such as job freezes, unusual staffing of new facilities, etc., are handled very expeditiously.

However, there are a number of suggestions for improvement which, if implemented, could enhance the service aspects of the Nevada personnel system, as follows:

- Decentralize the employment and classification and compensation functions with an annual audit by the C.P.D., as outlined herein.

- Increase budgets according to the chart enclosed, and establish new positions in agency personnel departments at the technical and clerical level with few exceptions, as outlined herein. (Existing personnel positions should be very carefully reviewed prior to any upgrade.)

- The establishment of a standing legislative personnel committee, as outlined herein.

- Change the current merit certification rule of 5 to 7 or 10, and purge each list of eligible employees on a regular basis at least annually--preferably every six months.

- Establishment of a fast response mechanism such that reclassifications can be processed on at least a 15-working-day basis.

- Complete and install the factor ranking benchmark system prior to any decentralization of the classification and compensation function. If such is not done, a more quantitative system--such as a point factor system--should be implemented in order to avoid the problems of a whole job ranking system where the analyst compares each new whole job with existing jobs. Use of a whole job ranking system requires the analyst to know each job and organization very well, and often that knowledge is lost or not documented for others to verify or use later. A point factor system relies on the comparison of each job factor with a set of factors broken into various degrees which serves as a standard and requires less dependency on an analyst's cumulative knowledge.

- Establish a mechanism in the C.P.D. to determine if a reclassification request should become part of an occupational study; i.e. a study of all similar classes. If a reclass request is to become part of an occupational study, a study agenda--including timeframes, targets for data gathering, data analysis, presentation time back to agencies, and implementation dates--should be established. All agencies and responsible parties should be informed there will be no reclassifications during the occupational study. Such a freeze should be no

longer than 12 months.

- Additional manpower needed for the audit phase of occupational studies should be drawn from the separate agency personnel departments and formed into teams with lead analysts from the C.P.D. Obviously, agency personnel assisting in the audit phase of occupational studies should not be assigned to conduct audits in their own agencies.

- Grant authority to the C.P.D. to reallocate, or place a class in a higher grade, based on legislative committee review with appropriate documentation between sessions.

- Automate the employment, classification and compensation, and employee records system. Such a system should be integrated with the budget and financial office with a single employee document for employment, classification and compensation, and employee records--along with other changes outlined herein.

- Develop a usable looseleaf staff personnel administrative guide which sets forth the operational aspects and rules of the personnel system in a consistent and understandable one- or two-page manner. This would serve as a personnel operations manual for agency and departmental employees--a succinct "how to" manual to help them get the job done.

- Begin management and employee audits by the staff of the central division. These visits should enhance communication at the operational, rather than decision or command levels of the C.P.D. and the agencies, and thus speed service. Also delegate decision-making at the C.P.D. to the lowest level possible and review exceptions to policy.

- Establish a regular meeting between C.P.D. management and agency personnel officers and managers to obtain feedback on managerial and operational problems, as outlined herein.

REPORT ON THE STATUS OF THE NEVADA PERSONNEL SYSTEM

Submitted to

The Nevada Legislative Subcommittee "C"

By

The Council of State Governments

June 1982

For clarity, the report is divided into topical areas with four distinct reporting categories for each area; i.e. Concern, Current Trends, Nevada Pattern, and Recommended Improvements.

A. Staffing and Organization Patterns

(Note: This issue cannot be addressed adequately without dealing with the issue of centralization vs. decentralization.)

1. Concern—Is the number, level, and type of position in the central and agency personnel offices adequate to operate the current centralized personnel program and/or a decentralized program?

Should staff resource be redistributed?

2. Current Trends—There are three:

- a) Strong centralization with personnel policies, management and operational control exercised from the central office. Employees who handle agency personnel actions often report to a manager in the central personnel office, even though they may be located in the agency. Our last survey indicated the following:

- 1) One personnel employee to every 168 state employees. This includes both clerical and professional employees in both the central and agency personnel departments. Agencies with fewer employees had a greater ratio due to the necessity of providing the same type, and in some cases the same level, of personnel services as larger agencies. This ratio, of course, varied with the type and level of services provided by the personnel division.
- 2) The ratio of clerical workers to professional workers within

the central personnel office was: one clerical for every 1.7 professional or technical employees. The ratio in the agencies was one clerical worker for every .85 professional or technical employees.

- b) Moderate or equal centralization and decentralization—The policies, rules and regulations are promulgated by the central division. Large and medium-size agencies carry out these rules and regulations with oversight and annual or semi-annual audits from the central division. Agency personnel staff reports to the agency personnel director who reports to agency management. There are both specialists and generalists on the agency personnel staff, depending on the size. Under this plan, the central staff remains at approximately the same level, while the agencies' staff tend to increase slightly. By necessity, agencies add personnel generalists to handle the professional and technical duties delegated.
- c) Highly decentralized—The policies and procedures are promulgated by the central personnel division. All functions such as employment, classification, etc. are performed by the agencies within specific guidelines laid out in a decentralization agreement between the central personnel division and the agency. Semi-annual and annual audits are conducted by the central personnel division. If agencies do not meet standards, their decentralized authority is revoked for a specific time period, or until the agency develops the expertise to administer the function. With this pattern, both the clerical and professional staffs increase at the agency level, each assuming more technical and specialized duties. The central personnel staff may even grow slightly to perform the detailed monitoring and performance audit of agencies' personnel functions.

3.3. Nevada Pattern—Currently, Nevada follows Pattern (a) and (b) as described above.

A. Those agencies which are most highly decentralized are as follows:

<u>Agencies</u>	<u>Functions Delegated</u>	<u>Priority Functions Further Delegation</u>
transportation	employment training employee relation- grievances, etc. benefits processing	classification compensation surveys benefits surveys and analysis
university system	employment classification training employee relation- grievances, etc.	compensation surveys benefits surveys and analysis
E.S.D.	classification some employment training	employment compensation and benefit surveys

B. Those agencies with some decentralization are as follows:

<u>Agencies</u>	<u>Functions Delegated</u>	<u>Priority Functions Further Delegation</u>
motor vehicles prison system gaming NIC education human resources health rehabilitation	some employment training benefit processing employee relations- grievances	employment classification compensation surveys

C. Those agencies experiencing very little or no decentralization are as follows:

<u>Agencies</u>	<u>Functions Delegated</u>	<u>Priority Functions Further Delegation</u>
MH/MR	training some employment	employment classification

Although some agencies have been delegated a high or moderately high degree of responsibility, there appears to be some reluctance by the

agencies to fully accept, staff for, and carry out the high degree of responsibility associated with delegated authority for various personnel functions. One example is the desire by the Department of Motor Vehicles to return the responsibility of examination to the central personnel division and a request not to be responsible for classification (as was mentioned by their personnel representative in the legislative hearings of March 4 and 5). This is due in part to lack of enough qualified agency staff and in part to the real and often perceived pressure on agency personnel staffs by agency departments to, on the one hand, provide the agency with a quick decision in accordance with a department's wishes and, two, the need to uphold and follow the policies and guidelines of the classification system.

4. Recommended Improvements for Nevada:

- a) Outline in detail a policy for the decentralization of the following functions:
 - 1) Administration and records
 - 2) Employment
 - 3) Classification and compensation
 - 4) Employee relations and benefits
- b) Draw up a model decentralization agreement between the central personnel division and the agencies. It should:
 - 1) Specify the functions delegated
 - 2) Specify the responsibility and authority delegated
 - 3) Specify the responsibilities and authorities reserved for the central personnel division and not delegated including the rule, regulation and procedure to be followed

- 4) Specify the audit authority of the central personnel division and the rule governing the decentralization of any function or part thereof
- 5) Specify under what condition decentralized functions will be recentralized
- c) Determine annually (in writing) which delegated responsibilities an agency wishes to accept. Part of the process should be the outlining of the steps for accepting and implementing such delegated authority. An example is determining the training needed and required of agency personnel staff prior to carrying out a decentralized program.
- d) Work toward the decentralization of those functions listed under priority functions further delegation under preceding item number 3. (Nevada Pattern page 3)
- e) Determine current staffing patterns and future staffing patterns of agency personnel offices based on the functions as outlined in Chart 1, allocate position to agencies based on Chart 2. (Chart 1 and 2 at end of report.)

Note: You can use Chart 3 as a general guide for evaluation of current and proposed staff and budget levels based on functions delegated to agencies rather than conducting your own study.

- f) Based on the national staffing ratio of 1 employee in the CPD to every 168 state employees allocate at least 59.5 employees to the Central Personnel Division.

B. Expenditure Patterns

1. Concern--Is the current expenditure for personnel functions too much or too little or can the funds be allocated more effectively?
2. Current Trends--The various budgets for both the central and agency departments throughout the country vary widely, depending on the number of functions assigned. For example, some personnel division budgets contain line items for insurance and worker compensation funds, etc. while others do not. The only consistent baseline found to determine an accurate

budget allocation was the average salary of employees within the various personnel divisions. Mean salaries ran between \$16,000 and \$19,900 per employee/year when the staff ratio of professional/technical to clerical remained at about 50 percent. The majority of personnel departments at the central and agency levels had almost an even ratio between clerical and professional/technical employees. The trend is moving slightly toward more professional and technical rather than clerical employees as the automation of personnel systems increase. We also found that between 60 and 75 percent of most personnel department budgets went for salaries and fringe benefits, while between 25 and 40 percent went for other operating expenses.

3. Nevada Pattern--On an individual basis, Nevada's salaries for personnel employees ran above the national average from approximately 1 to 70 percent. The average salary for Nevada personnel employee of \$23,885* was 21 percent above the national average for departments with a 50 percent ratio of professional/technical to clerical. This is not unusual because Nevada has a much higher ratio of professional and technical to clerical employees in its departments and many employees are long term. In one agency, the ratio is four professionals/technicians to one clerical. In the central department, the average salary was approximately 12 percent above the national mean for staffs with a ratio of 50 percent professional/technical to 50 percent clerical. Here again, the ratio of professional/technical to clerical employees runs more than 50% approximately 33% could be assumed clerical and there are a number of long-term employees. In summary, the actual salaries paid are not out of line with the salaries paid personnel department employees in other states, especially when compared with departments having a higher ratio of professionals/technical to clerical. The current Nevada total expenditure for personnel depart-

*Nevada average figure based on combination of memo, "personnel and training resources" to Don Rhodes from Howard E. Barrett, March 12; and memo from James F. Wittenberg to D. R. Cooke on "detailed staffing", April 20, 1962.

ments is \$4,145,423—or approximately \$14.0 per state employee. This is well within the range of both state and local governments nationally who spend from between \$177 to well over \$600 per employee to run their department.

4. Recommended Improvements for Nevada:

- a) No change in budget allocation except for increases for technical and clerical* personnel, based on the acceptance of more decentralized responsibility. Require agencies to indicate their current responsibility using Charts 1 and 2; allocate budget requirements for the number of new staff as indicated on Chart 2. See Chart 3 as a general guide.
- b) When allocating budget resources to agencies for their central personnel functions, require detailed documentation for any request of funds that is over the aggregate budget figure obtained by multiplying the total number of agency employees by the dollar amount per employee. See chart below: Note—Max budget also appears on Chart 3 and is tied to staff levels and level of personnel functions delegated as outlined on Chart 1.

Total number agency employees	25	50	100	200	400	800	1,200	1,600	2,000	Over 2,500
Max. dollar amount per employee (adjusted annually for inflation)	\$ 2,000	1,700	1,100	750	450	300	250	225	225	200
Max. aggregate budget amount based on level of delegations see Chart 1	\$50,000	85,000	110,000	150,000	180,000	240,000	300,000	360,000	450,000	--

Chart is based on national trends: 1) Considered were level of services provided by agency personnel departments. 2) Support provided by the central division even with full delegation. 3) Approximate amounts spent per employee relative to total employee population per agency.

*In most agencies there appears to be a sufficient number of higher level administrative and professional personnel positions. As duties are delegated to the agencies technical and clerical level position are those which should be added to provide day to day service. This will help to strengthen the operational and service aspects of the personnel programs at the agency levels.

C. Liaison and Communication Between the Central Personnel Division and the Legislature

1. Concern—Keeping the Legislature informed of current trends, policy, managerial and operational changes in the Nevada personnel system.
2. Current Trends—In order for the Legislature to maintain a handle on the fast-moving changes in the personnel arena including decentralization, expenditures, staffing, and human resource systems innovations, a number of state and local jurisdictions established a personnel committee within the Legislature which met either monthly or bi-monthly. Where such committees exist, it is usually a routine matter for them to review any changes made by the executive charged with administering the rules and procedures governing the personnel operation, especially those having fiscal impact.
3. Nevada Pattern—A variety of studies of the personnel function are conducted and are often overlapping and duplicative.
4. Recommended Improvements for Nevada:

Establish a standing personnel oversight committee. This committee should keep updated on all policy, managerial and operational changes and issues. Such familiarity will benefit both the executive and legislative branches and pave the way for a more smoothly run personnel function by having all parties in the governing process informed as to strategic, managerial, and operational issues, problems and solutions and innovations on a continuing basis. The committee's composition and staffing has been one of concern to the executive and legislative branches alike. The best mix for such committees has been longer-term legislative members with a feel for the intricacies of state government, and with a variety of administrative, legal and business

backgrounds. Typically, the committees have been staffed by an analyst with a broad theoretical and practical management background.

D. Appropriateness of Personnel Function: --

1. Concerns--The adequacy of the various functions of the central personnel division including recruitment, classification and compensation, records and data processing.
2. Current Trends--Recruitment (employment process). Decentralize the recruitment examination, placement and orientation of new employees as much as possible. Purge the certification lists regularly.
 - a. Nevada Pattern--Currently delegating between 5 and 90 percent of the recruiting and between 0 and 95 percent of the examining. None of the certification is delegated.
 - b. Recommended Improvements for Nevada--Decentralize the recruitment and examination functions (i.e. employment function) in accordance with Chart 3 at the end of the report. Change the merit certification rule from 5 to 7 or 10, then purge the list of eligible employees on a regular basis at least annually, preferably every six months. Outline, with the help of job knowledge experts from the agencies, qualifying standards to be used by qualification technicians who examine applications for certification. Publish these standards and provide training to the qualifications examiners in the C.P.D.
3. Current Trend--Classification: Decentralization of the classification function, while at the same time making it more quantifiable, are the current trends. There are a few jurisdictions which have decentralized all day-to-day classification action, such as Kansas. Grade reallocation or changes, the conducting of occupational studies of entire classes, the writing of class specifications, and establishing class standards, remain the responsibility of the central personnel division. However, where one class is unique to one or two agencies, they have done most of the work. A number of other jurisdictions have delegated the

classification of positions such as the unskilled, semi-skilled, clerical and paraprofessional levels. The quantification of classification procedures has enabled classification processing to be completed much more quickly. The decision process is based on written quantifiable standards and less on an analyst's knowledge of how positions compare.

- a. Nevada Pattern--Currently using whole job rank methods which is the comparison of whole jobs with each other. This method is based on knowledge of how whole jobs compare with each other which is usually in the analyst's head. The factor ranking benchmark job comparison study has progressed to where it could be implemented for approximately 50 percent of the class. Further implementation for all classes statewide would require approximately \$2,000,000.
- b. Recommended Improvements for Nevada--
 - 1) Complete the factor ranking classification study and install it within 24 months. If this system is not installed, a simpler quantitative point factor system should be installed prior to decentralizing classification on a wide scale.
 - 2) Establish a fast response mechanism within C.P.D. for day-to-day reclassification so that requests for reclasses can be completed within 15 working days. If daily reclassification is decentralized, this mechanism should still be installed to handle daily classification with the same response time indicated above. Assigning a small group of analysts to service agencies on a daily basis would provide a complete contact between C.P.D. and agencies at the operational level. One or two analysts should be assigned to handle agencies daily requests for C & C services, while other analysts could be assigned longer-term occupational or class studies or crash projects as needed.

- 3) The establishment of a mechanism in C.P.D. to determine if a daily reclassification request should become part of an occupational study of all similar classes such as all clerical or all engineering jobs, etc. If the job is to become part of an occupational study, a study agenda including time frames for data gathering, data analysis, presentation of results to agencies and implementation should be established. If an occupational study will take longer than 12 months from the date of a requested reclass for any particular position, the job should be reclassified immediately. At a minimum, the time frame for freezing reclasses for any class should be well published and not exceed 12 months.
- 4) Occupational studies of related class should be set up on a rotating basis. Each occupational area such as clerical, engineers, etc., should be studied every 3 years and no less frequently than every 5 years. All such studies should be planned, organized and conducted as quickly as possible by the C.P.D. using selected manpower from agency personnel departments in order to speed the study. If agency personnel department employees are not used for the analysis phase they should be used for data preparation and gathering, which includes on site audits. They should also be used in the implementation which includes explaining the new class concepts, etc., resulting from the occupational study. Agency personnel should not audit positions in their own agencies which are part of the study but should be assigned audits in other agencies.
- 5) Special teams including agency personnel analysts should also be assigned to conduct salary and compensation surveys including data gathering and making comparative analyses, etc. The layout and organization of such compensation studies should be done in detail by C.P.D. so that all team members can proceed effectively and efficiently.

- 6) Authority should be granted to the C.P.D. to reallocate or place a class in a higher pay grade, based on legislative committee review and appropriate documentation between legislative sessions.

4. Current Trend--Records and data processing--Most departments have gone to one employee transaction form, one form for job descriptions, and many have automated test scoring and placed eligible lists on computers which can be accessed by agencies via phone lines.

- a. Nevada Pattern--Employee transactions and job descriptions are on separate forms. Turnaround forms are keyed to the Central Data Bank. C.P.D. has online access in order to mix and match data concerning employees.

- b. Recommended Improvements for Nevada--

- 1) Place more terminals in outlying C.P.D. facilities to handle current workload.
- 2) Place the certification process online so certification of eligibles can be obtained instantly by agencies with high turnover and those in remote areas.
- 3) Study the possibility of an automated system for the examination, classification and compensation, and training functions. For example: the automation of the availability check of applicants would speed purging of certification lists, and thus speed the employment process.

E. Personnel Management

1. Concern--Management of the personnel function at the central and agency levels.

2. Current Trends--The current trend is to integrate the personnel function as part of the day-to-day management process at the supervisory level. This requires that all levels of employees be training in and have access to the personnel policies, and understand their managerial purposes and operational aspects. Communication is being established between various levels of the

central personnel division, the agency personnel offices and agency managerial, supervisory and employee levels.

3. Nevada Pattern--Much communication has taken place between top level management of C.P.D., top agency personnel officers, and high level agency managers, especially during crisis situations and periods of program implementation. Less contact has occurred between professional, technical, clerical and other employees at the C.P.D. and agency personnel and department levels.
4. Recommended Improvements for Nevada--
 - a. Develop a loose-leaf staff personnel administrative guide which sets forth the operational aspects and rules of the personnel system in a consistent, understandable one or two page form for each topical area: employment, grievances, pay, performance evaluation, etc. ... This would serve as a personnel operations manual for all agencies. Such a succinct "how to" manual seems to be a prerequisite to better understanding and application of the personnel system.
 - b. The conducting of more employee relation audits with managers, supervisors and employees by the staff of the central division will help enhance communications at the operational levels of both the C.P.D. and the agencies. Along with this effort should come the delegation of decision making to the lowest possible level in the C.P.D. relative to the day to day operations--such decisions should be based on policies and C.P.D. management should review decisions which are exceptions to established policy, not as a matter of routine. Training of C.P.D. staff to recognize such exceptions is imperative and will require much feedback between management and employees in the C.P.D.
 - c. Establish a regular meeting between C.P.D. and agency personnel officers and agency managers, to obtain feedback on managerial and operational problems.

- d. Have agency personnel officers hold similar meetings with agency managers, supervisors and employees, and invite C.F.D. staff for input and feedback on problems and possible solutions.

The above recommendations are designed to enhance communication between and among agencies at all levels.

Chart 1
LISTING OF PERSONNEL FUNCTIONS IN PRIORITY
ORDER WHICH CAN BE DELEGATED TO AGENCIES

<u>Employment</u>	<u>Classification & Compensation</u>	<u>Employee Relations, Training, & Benefits</u>
1 Recruiting & EEO	1 Data storage & retrieval	1 Sign-up for benefits
2 Interviews	2 Data collection & storage	2 Explain benefits
3 Testing	3 Data preparation & review	3 Arrange training
4 Placement	4 Analysis & recommendation to CPD on individual actions	4 Conduct benefit surveys & analyze data
5 Orientation	5 Analysis & recommendation on occupation or multi-position studies to CPD	5 Administration of grievance system
	6 Decide on daily reclassification	6 Administration of disciplinary system
	7 Conduct labor market surveys & recommend compensation changes to CPD	7 Arrange for developing and conducting of training sessions

Administration & Records

- 1 Employee records, storage & retrieval
- 2 Day-to-day employee supervision & expenditure approval
- 3 Periodic program & budget review
- 4 Program & budget planning, & resource allocation

Explanation:

Typically, agencies personnel departments are charged with carrying out four basic functions: employment, classification and compensation; employee relations; including training and benefits; and, administration and records, with sub-duties under each function as listed on Chart 1 above. The sub-duties are generally listed in their order of difficulty and complexity.

Chart 2

GUIDE CHART FOR STAFFING NEEDED BASED ON
PERSONNEL FUNCTIONS DELEGATED TO AGENCIES

Delegated Functions as listed in Chart 1									
7	3	4	5	6	8	9	10	11	12
6	3	4	5	5	7	8	9	10	11
5	3	4	4	5	6	7	8	9	10
4	3	3	4	4	5	6	7	8	9
3	3	3	3	3	5	5	6	7	8
2	2	2	3	3	4	4	5	5	6
1	1	2	2	3	3	4	4	4	4
Population of agency	25	50	100	200	400	800	1200	1600	2000

Explanation:

Chart 2 indicates the total agency employee population on the X axis and the subfunctional areas on the Y axis. For example, the number 1 on the Y axis corresponds with all of the subfunctions (i.e., employee records and retrieval, recruiting and EEO, data storage and retrieval and sign-ups for benefits), listed on Chart 1 under each major functional area. Similarly, numbers 2 through 7 on Chart 2 stand for all the subfunctions listed by each respective number on Chart 1.

The numbers within the matrix boxes indicate the number of employees needed to carry out the particular level of delegated functions for a particular size employee population.

How to Read Chart--Find the population of the agency on the X axis, then find the level of functions delegated on the Y axis. The box where the two axis' juncture will indicate the total number of staff needed to perform the level of functions delegated based on population to be served. For example, if an agency has a population of 200 employees and has been delegated the personnel functions listed on Chart 1 at level 4 the agency will need a staff of approximately 4 employees to carry out the functions delegated.

E 1-5=Employment Functions 1-5 Chart 1
C & C 1-7=Classification and
compensation function
1-7 Chart 1

CHART 3
SUMMARY CHART OF STAFFING AND BUDGET BASED ON
AMOUNT OF DECENTRALIZATION OR DELEGATION OF FUNCTIONS

(See reverse for explanation
of columns 4-7)

1 Agencies	2 Current Staffing	3 Current Budget	4 Current Expected Function Level	5 Decentralize	6 New Staff Based on Decentralization	7 Max. Budget
Transportation	8	\$368,420	5	E 1-5 C & C 1-7	10	303,049
Motor Vehicles	3	183,451	1	E 1,2,4,5 C & C 1-4	6 or 7	225,150
ESD	4	260,100	2	E 1-5 C & C 1-5	6	189,900
Prison System	7	144,768	5	E 1-5 C & C 1-7	9	241,800
Gaming	3	132,767	3	E 1,2,4,5 C & C 1-4	5	163,200
NIC	5	128,172	3	E 1-5 C & C 1-5	6	214,650
Education	2	--	2	E 1-5 C & C 1-2	3	Insufficient data
University System UHR UHV	10	220,639	7	E 1-5 C & C 1-7	11	314,100
Human Resources	1	33,532	--	E 1-2 C & C 1-2	1.5	Insufficient data
Health & Health Planning	1	65,800	--	E 1-2 C & C 1 & 2	1.5	Insufficient data
MI/MR	6	163,199	3	E 1-5 C & C 1-5	7	257,250
Rehabilitation	2	117,392	1	E 1-5 C & C 1-4	3 or 4	151,500
Welfare	5	146,203	3	E 1-5 C & C 1-5	6	219,150
Correction	1	21,100	1	E 1-1	2 or 3	122,000

Explanation of Columns 4 - 7

COLUMN

- | | |
|---|---|
| 4 | Level of personnel functions that should be carried out based on current staff. (See Chart 1) This level of function is not necessarily being met. |
| 5 | Additional personnel functions which can be delegated. Some are in part being carried out by the agencies but not at a satisfactory or efficient level; yet staff exist (see column 4) in sufficient numbers in some agencies to carry out the level of function indicated in column 4. However, work flow, organization of work, and expertise and motivation of staff may not be at a level to achieve or carry out expectations. Usually those functions listed in column 4 are carried out to some degree, but the effectiveness and efficiency with which they are administered is lacking, thus they appear in column 5 so they can be reemphasized and formally delegated. |
| 6 | Maximum staff based on delegation of additional functions. |
| 7 | Maximum budget based on additional delegation. |

APPENDIX N

Memorandum, dated September 24, 1982, from James F. Wittenberg, Chief, Personnel Division, to Donald A. Rhodes, Chief Deputy Research Director, entitled "Summary of Personnel Division Accomplishments."



NEVADA

STATE PERSONNEL DIVISION

JAMES F. WITTENBERG
Personnel Administrator

MEMORANDUM

CARSON CITY

TO: Don Rhodes, Chief Deputy Research Director
Legislative Council Bureau

FROM: James F. Wittenberg, Administrator
State Personnel Division *James F. Wittenberg*

DATE: September 24, 1982

SUBJECT: Summary of Personnel Division Accomplishments

The following are a number of accomplishments that the Personnel Division has achieved during the past decade that support our contention that Nevada's Personnel System is a sound and modern system of Personnel Management:

1. Work Performance Standards:

Nevada was one of the first states in the nation to develop a statewide system of work performance standards. This project was initiated in 1975 and completed in 1978. The objectives of this project was to improve productivity as well as the performance evaluation and employee discipline processes. These are extremely important personnel management functions that bear directly upon the overall performance of State government.

Nevada received national recognition for this accomplishment from the U.S. Office of Personnel Management.

2. Employee Grievance Procedures:

The grievance procedures (Rule XIV) was established over 10 years ago. The rule provides for binding third party resolution of employee grievances. A modern personnel system must have such a procedure for sound employee management relations.

The Employee Management Committee is composed of three managers appointed by the Governor, and three employees recommended by employees or employee groups and appointed by the Governor.

The National Council of State Government study cited this procedure as one of the best in the country.

3. Special Recruitment Program:

Staff has been assigned to difficult to recruit positions, in highly skilled, professional or administrative positions in acute manpower shortage areas. This procedure utilizes the private sector approach to recruitment. The organizational change was made 18 months ago after seeing the State of Illinois model at a professional conference.

This mechanism has proved very effective in cutting response time in difficult to recruit areas, thereby, providing an improved personnel service in critical areas.

This program was cited as a national leader by the National Council of State Government's study.

4. Affirmative Action E.O.E.:
(Title VII Statutory Mandate)

During the past fifteen years the State of Nevada has not lost one case in the Title VII area which prohibits discrimination in the areas of race, color, religion, sex, or national origin.

During this time when millions of dollars in monetary awards and court ordered hiring quotas were the rule, Nevada State Government has not lost a single court case in the EEO area.

Sound Personnel practices have resulted in the avoidance of any such adverse decisions against State government.

5. Classification:

The Personnel Division modernized its classification system through the adoption of the Factor Ranking System.

This was a major undertaking within existing resources.

The system modernized the classification process dramatically and has been recommended by every study group that has studied the State Personnel system.

6. Supervisory/Managerial Training:

By Executive Order and then by Personnel regulations, Governor List has mandated that each newly appointed supervisor and manager attend a minimum of five days of appropriate training within six months of appointment to a supervisor and management level position. In order to comply with this mandate the Personnel Division's Training Unit increased the number of existing offerings in Work Performance Standards, Employee Appraisal, Elements of Supervision, and Essentials of Management. Further additional managerial offerings include the Kepner-Tregoe five day Government Management Seminar, Stress and Time Management and Interpersonal Relations and a newly developed course titled "Effective Letter and Report Writing".

7. Cooperative Government Training:

In the 1971-72 period when the State of Nevada set the trend for future intergovernmental activities between state and local agencies with its "Cooperative Government Training" project. This project brought together Nevada state and local agencies to identify statewide training needs and to develop the capability to meet these needs. This project brought the opportunity to demonstrate the importance of "employee development" by showing the direct impact employee development has on reducing employee turnover and inefficiency, and retaining experienced personnel through a system of upward mobility.

8. University System Cooperative Training:
The Personnel Division and the University of Nevada System have worked cooperatively together over the years to develop higher education offerings for State employees. These include an AA in Corrections, a certificate program in Public Administration, a master's in Public Administration, General University Extension and Continuing Education courses.

A program of off-campus undergraduate and graduate course offerings in Public Administration has also been cooperatively developed.
9. Occupational Assistance:
The Occupational Assistance program was proposed by the Personnel Division and received Legislative support in 1973. This program provides counseling services to State employees and their families in the area of drug and alcohol abuse, as well as, all other problem areas which affect employee job performance. The goal is to reduce significant losses in productivity due to personal adjustment problems which impair job performance. The program is devoted to detection, prevention, education, short term counseling, referral, treatment and follow-up. OAP provides services to both management and individual employees. Training of supervisory personnel helps in recognizing and confronting troubled employees often before a crisis stage is reached. Valuable employees are saved when major signs are noted and treatment made available on a timely basis. To date over 1,700 State employees have been served under this program. The program was cited by the U.S. Office of Personnel Management as an outstanding example of progressive personnel programs.
10. Cooperative Personnel Services:
Beginning in 1974, technical aspects of personnel administration in the public sector increasingly caused local governments to request technical assistance from the State Personnel Division. Assistance was being requested in the areas of classification and pay administration, recruitment and examining, personnel policy and rule development, as well as, standards and appraisal system implementation. An Intergovernmental Personnel Act grant provided the seed funding to start up the program. CPS became independent of direct IPA funding in January, 1976 and provided a full range of technical assistance to Nevada jurisdictions upon request on a "cost only" basis consistent with NRS 284.135. CPS has provided technical personnel assistance to many Nevada jurisdictions including: Washoe County, City of Las Vegas, Clark County, Carson City School District, Carson-Tahoe Hospital, Washoe County School District, City of Yerington, Lyon County, Churchill County, Boulder City, City of Henderson, Douglas County, Mineral County, City of Ely, White Pine County, Humboldt County, City of Winnemucca, Humboldt County Hospital, City of Sparks and the Churchill County School District. Services ranged from classification system maintenance to personnel policy formulation.

11. Intergovernmental Personnel Act:

The Intergovernmental Personnel Act was passed into law by the U.S. Congress in January 1971. The most widely known and used provision of the IPA, is the one that provides federal grants to State and local government agencies to be used in improving personnel systems and providing training to employees. In Nevada, we have received nearly one million dollars in IPA grants since the first grant was awarded in 1972. These grants have gone to assist nearly every city and county in Nevada in developing classification and compensation plans and systems; recruitment and examining programs; productivity analysis team building; supervisory and management training; EEO and Affirmative Action training; training in public sector collective bargaining law; pre-session orientation and training for Nevada Legislators; and many other programs that have benefited State and local government agencies alike.

In appreciation for his support of improvements in Public Personnel Administration, Governor O'Callaghan, received the U.S. Civil Service Commission special citation for distinguished citizens in 1977. The Chief of the Personnel Division also received a special citation for contributions to the advancement of Public Personnel Management.

12. Comprehensive Personnel Management Improvement Project:

Nevada's achievements in personnel management were recognized nationally in 1975 when it was the designated state from the Western Region of OPM to participate in the Presidential level "Comprehensive Personnel Management Improvement" project.

The overall action plan developed by Nevada focuses on common statewide needs which, through concerted effort, brought Nevada public jurisdictions together to work cooperatively on strengthening State Personnel management capabilities. Some of the twenty-five specific improvement projects included strengthening Affirmative Action Plans and Equal Employment Opportunity; increase effectiveness of the Occupational Health Program; strengthen effectiveness of the State's Labor Relations program and improve information, budgetary and manpower planning system.

13. Productivity:

Through the Comprehensive Personnel Management Improvement Project, the State of Nevada became one of the first states in the nation to implement a productivity improvement program. The concept of productivity analysis was presented to the 1977 Legislative Session and the program was approved for State funding. Studies by the Personnel Division productivity unit resulted in recommended savings in excess of \$1,300,000. In 1979 of the Legislature determined that this function would be more appropriately placed in the Legislative Branch of State Government.

Nevada received national recognition in the area of productivity in Government as a result of this program.

14. Turnover Program:

Beginning in 1978, when the computerized personnel information system was implemented, the Personnel Division developed what has become an increasingly improved turnover analysis program. This program involves identifying and analyzing patterns and trends in the State's turnover. When turnover analysis reveals conditions which contribute to a level of turnover that should be reduced, efforts are undertaken to concentrate upon reduction of the identified turnover contributions.

State turnover is assessed on a statewide basis; by department, division and by sub-groups within a division where appropriate; by classification, class series and occupational area. Attention is focused on groups having higher than average avoidable turnover.

In making comparative analyses, turnover experienced by other public and private employers is analyzed.

The reasons for termination are assessed to identify changes in patterns and new trends. To supplement and refine this information, former employees have been surveyed, exit interviews have been conducted and agency administrators have provided input. The state of the economy is evaluated as well as the supply and demand of workers in various occupations.

Solutions to reducing high turnover have been as varied as the causes. General solutions have included increased training, restructuring of occupational groups which increased promotional opportunities, refinement of recruitment and selection processes to attract better qualified applicants, and increased communication with employees via newsletters and surveys. Increased compensation has been recommended in some classes when supported by other factors.

Turnover for fiscal year 1982 was 12%. This is a reduction of 14% since the past high in 1980 of 26%.

15. Sick Leave Analysis Program:

The responsibility for actual sick leave control rests with the agencies. Administrators are advised to recognize problem areas. It is also stressed that reducing the incidence of absenteeism reduces the need for overtime and extra staffing thus improving productivity.

Agencies are provided with sick leave usage and accrual reports on a bi-weekly basis. These show individual usage. Annually, a report is generated which reflects average sick leave usage by agency. Average sick leave usage for State government as a whole is also determined from this report. Comparisons are made to statistics on national and western state governments sick leave usage. Nevada's average usage of 7 to 8 days of sick leave per year per employee continues to compare favorably to other public employers.

16. Statewide Re-employment Program:

Extensive efforts have been made by the State Personnel Division to place individuals laid off in other vacant positions in State Government. This has involved close and constant monitoring of all layoffs, working with those affected to determine qualifications and interests, placing these individuals on appropriate eligible lists and frequent "selling" of the individuals to hiring agencies. The State Personnel Division made numerous presentations to agencies and employees regarding layoff procedures. Focal points within the Personnel Division were established to ensure affected employees had immediate access to the services provided and to ensure that the layoff procedures were being implemented consistently, fairly and in accordance with established regulations. To date, over 80% of the 425 individuals affected by layoff have been placed in other State positions thus salvaging the training investment and keeping the majority of those affected by layoff in State employment.

16. Test Validation:

In the recruitment and examination area, the Division took a leadership role in the establishment of job related written and oral examinations. This included entering into a bi-state agreement with the California Selection Consulting Center and developing staff expertise to offer training and technical guidance to local governments in Nevada. A subsequent assessment by the U.S. Civil Service Commission concluded that the Division exceeded the original goals by developing content, valid written and structural oral examinations for six entry level State classifications, and utilization of self-assessment techniques in validating examinations for fourteen skilled and semi-skilled classifications. Additionally, cities and counties in Nevada were classified through a consortive effort that provided technical courses for State and local personnel representatives to improve examining operations.

On a continuing basis, the Division has explored innovative alternative methods of testing to effectively assess the qualifications of candidates. This includes weighted application evaluation, matrix-type training and experience assessments, agency assessment interviews and performance oral examinations.

Statute changes have been initiated by the Division which allows for expedited recruitment approaches for classifications where examinations are not necessary. This has led to more timely appointments for classifications requiring a licensure or certification, difficult to recruit situations and for recruitments where less than five candidates apply for the vacancy.

17. Job Freeze Program:

The first job freeze mandate by Governor List in January 1981, was assigned to the Personnel Division. To administer, this involved review of some 1,500 requests over a six month period and required extensive communications/negotiations with other State agencies. as a result of this review 20% of the requests were denied.

JFW:sm

APPENDIX 0

Compilation of Responses from State Agency Administrators to
Questionnaire Soliciting Comments About Personnel Division/
System (February 1982).

COMPILATION OF RESPONSES FROM STATE AGENCY
ADMINISTRATORS TO QUESTIONNAIRE SOLICITING
COMMENTS ABOUT PERSONNEL DIVISION/SYSTEM
February 1982

1. WHAT DO YOU THINK ARE THE MOST PRESSING PROBLEMS, IF ANY, IN
THE PERSONNEL DIVISION/SYSTEM?

<u>Frequency</u>	<u>Response</u>
19	Delays and inconsistencies in recruitment.
10	Personnel division tendency to be too control-oriented and not service-oriented.
7	Delays and inconsistencies in reclassification.
6	Inadequate, inept personnel division administrators and staff.
4	Lack of trained personnel familiar with federal and state personnel-related mandates and procedures.
4	Restrictions on employment, termination and other personnel practices.
3	Lack of personnel division plans, priorities and good policies.
3	Lack of communication with agencies.
3	Promotion practices.
3	The over-centralization of personnel functions.
2	Delays and errors in certification.
2	Lack of contact person in the personnel division to assist agencies with personnel problems.
2	Lack of effectiveness in providing statutorily mandated personnel services.

1. WHAT DO YOU THINK ARE THE MOST PRESSING PROBLEMS, IF ANY, IN THE PERSONNEL DIVISION/SYSTEM? (continued)

<u>Frequency</u>	<u>Response</u>
2	Inability to adequately evaluate applicants' qualifications to satisfy professional specialized position requirements.
2	Inaccurate recruitment list information.
2	Inadequate classification system which leads to inequities in classifications.
2	Lack of sufficient staff to meet recruitment, classification and training needs of agencies.
2	Poor public image caused by discourteous behavior and lack of adequate services to citizens applying for state employment.
2	Lack of flexibility and preparation in hiring hard to fill positions.
2	Insufficient/poor payroll operations.
1	Difficulty in getting policy change instructions in writing from personnel division.
1	Hiring of nonresidents for key positions.
1	Hiring of "double dippers."
1	Tendency to upgrade positions/classifications without consulting appointing authority.
1	Restrictiveness of "rule of 5" for hiring purposes.
1	Lack of supervisory training.
1	Insufficient automation capabilities.
1	Employee turnover in the personnel division.
1	Inability to recruit qualified applicants.

1. WHAT DO YOU THINK ARE THE MOST PRESSING PROBLEMS, IF ANY, IN THE PERSONNEL DIVISION/SYSTEM? (continued)

<u>Frequency</u>	<u>Response</u>
1	Inadequate manual for personnel rulings.
1	Personnel unable to transfer between agencies to appropriate level positions.--
1	Personnel division practices which are counterproductive to agency management.
1	The system is over-protective of employees.

WHAT ARE YOUR SUGGESTIONS FOR REMEDYING THOSE PROBLEMS AND IMPROVING THE OPERATION OF THE PERSONNEL DIVISION/SYSTEM?

<u>Frequency</u>	<u>Response</u>
	<u>CLASSIFICATION</u>
4	Decentralize classification function.
3	Establish a more equitable classification system.
2	Implement factor ranking.
1	Assign more personnel division staff to classification and pay functions.
	<u>COMMUNICATIONS</u>
5	Improve personnel division communications with agencies about payroll procedures, rules, agency problems, and recruitment requests or problems.
	<u>GENERAL POLICY</u>
6	Reorient the personnel division staff from a central function to a primary mission or philosophy of service to agencies.

1. WHAT DO YOU THINK ARE THE MOST PRESSING PROBLEMS, IF ANY, IN THE PERSONNEL DIVISION/SYSTEM? (continued)

WHAT ARE YOUR SUGGESTIONS FOR REMEDYING THOSE PROBLEMS AND IMPROVING THE OPERATION OF THE PERSONNEL DIVISION/SYSTEM? (continued)

Frequency

Response

GENERAL POLICY (continued)

- | | |
|---|---|
| 2 | Permit agencies to establish their own personnel policies with auditing by the personnel division. |
| 1 | Distinguish between the services provided by state personnel as the central personnel system and the services provided by agency personnel staff as management functions. |
| 1 | Reduce dependence of the personnel division upon agencies to provide basic services for the division. |
| 1 | Respond more promptly to desk audits. |
| 1 | Limit the personnel division's functions to classification, salary, data research, and serving as a service resource to agencies. |
| 1 | Give more authority to classification analysts in the personnel division to make final decisions. |
| 1 | Assign central personnel division staff to work with specific agencies. |
| 1 | Make personnel-related laws and regulations less restrictive. |

PAYROLL

- | | |
|---|---|
| 2 | Decentralize payroll functions. |
| 1 | Add a professional accountant to the payroll section in the personnel division. |

1. WHAT DO YOU THINK ARE THE MOST PRESSING PROBLEMS, IF ANY, IN THE PERSONNEL DIVISION/SYSTEM? (continued)

WHAT ARE YOUR SUGGESTIONS FOR REMEDYING THOSE PROBLEMS AND IMPROVING THE OPERATION OF THE PERSONNEL DIVISION/SYSTEM? (continued)

<u>Frequency</u>	<u>Response</u>
<u>RECRUITMENT</u>	
9	Make recruitment/classification a joint effort by agencies and personnel division.
8	Decentralize recruitment function.
3	Shorten application period.
3	Keep eligibility lists current.
3	Process examinations more quickly.
3	Give examinations as applications are received.
2	Computerize the certification function/automate the personnel division.
1	Eliminate testing for professional positions.
1	Employ better qualified personnel division recruitment staff to evaluate professional qualifications.
1	Use advertisements in professional journals or newspapers in a more timely fashion for recruitment purposes.
1	Restrict jobs to Nevadans.
1	Increase personnel division's coordination with state-approved employment agencies.
1	Allow agencies to hire qualified people at higher than the beginning step.

1. WHAT DO YOU THINK ARE THE MOST PRESSING PROBLEMS, IF ANY, IN THE PERSONNEL DIVISION/SYSTEM? (continued)

WHAT ARE YOUR SUGGESTIONS FOR REMEDYING THOSE PROBLEMS AND IMPROVING THE OPERATION OF THE PERSONNEL DIVISION/SYSTEM? (continued)

<u>Frequency</u>	<u>Response</u>
<u>RECRUITMENT (continued)</u>	
1	Eliminate all point preferences for recruitment.
1	Completely reorganize the recruitment testing/qualification system.
<u>STAFF</u>	
4	Add additional qualified staff to personnel division.
3	Perform complete reorganization of personnel division.
<u>TRAINING</u>	
3	Improve training of personnel division staff and agency personnel officers.
1	Encourage university system to provide training.
<u>OTHERS</u>	
2	Streamline disciplinary review and grievance processes.
1	Establish an unbiased arbitration committee to mediate disputes between personnel and agencies on reclassification.
1	Create in-house personnel departments in each agency.

2. PLEASE STATE YOUR OPINION ABOUT THE EFFECTIVENESS OF THE FOLLOWING PERSONNEL SERVICES:

Ranking of Personnel Functions

	<u>Very Effective</u>	<u>Satisfactory</u>	<u>Ineffective</u>	<u>Total</u>
Recruitment	1	9	32	42
Classification	3	15	25	43
Training	4	25	13	42
Administrative	4	15	21	40

Frequency

Response

CLASSIFICATION

- 1 Classification work is good but delays in completing process cause problems.
- 1 Factor ranking would improve classification.
- 1 The classification function is not consistent from one agency to the next.
- 1 Classification is arbitrary.

COMMUNICATIONS

- 2 Improve overall communications between the personnel division and operating agencies.
- 1 Improve communications to the general public about job opportunities.
- 1 More information is needed concerning personnel division rules, regulations and policy change instructions.
- 1 Personnel division employees make statements to prospective employees when they are not qualified to do so.

GENERAL POLICY

- 1 Takes too long for personnel laws or regulations to be implemented after passage.

2. PLEASE STATE YOUR OPINION ABOUT THE EFFECTIVENESS OF THE FOLLOWING PERSONNEL SERVICES: (continued)

<u>Frequency</u>	<u>Response</u>
<u>GENERAL POLICY (continued)</u>	
1	System too inflexible concerning rules and regulations.
1	No long-range planning or public relations efforts by the personnel division.
1	System is overly conservative and errs in support of protection of employees versus administration having control over subordinates.
1	Personnel division's tendency to be too control-oriented and not service-oriented.
1	Nothing ever seems to be accomplished in a well-coordinated and efficient manner.
1	The personnel system needs to be reorganized.
1	No coordination between personnel division and agencies.
<u>PAYROLL</u>	
1	Personnel division should attempt to have fiscal pay period correspond with reporting pay period.
<u>RECRUITMENT</u>	
1	Professional recruitment is extremely difficult.
1	Improve oral board procedures to ensure applicants will be available for interviews.
1	Tests are inappropriate for trainee-level positions.

2. PLEASE STATE YOUR OPINION ABOUT THE EFFECTIVENESS OF THE FOLLOWING PERSONNEL SERVICES: (continued)

<u>Frequency</u>	<u>Response</u>
1	Use advertisements in professional journals or newspapers in a more timely fashion for professional recruitment purposes.
1	Personnel division frequently does not allow agencies to hire applicants which the agencies feel are most qualified.
1	System does not attract enough qualified older workers.
1	Personnel division provides low quality applicants.
1	Recruitment is nonexistent, posting a job announcement is in no way recruitment.

STAFF

1	This is the fifth state government I have served. The Nevada personnel system tops all others in ineptness and frustrations which disenchant administrators, supervisors and workers.
1	For this agency, recruitment and classification have been a very difficult process which I can only assume comes under ineffective administration.

TRAINING

3	Training offered too basic, outdated and ineffective for agency needs.
3	Need to provide training in the trades, technical or professional areas.
1	Training could be more progressive and innovative, but the division is probably doing a satisfactory job within budget and personnel constraints.

2. PLEASE STATE YOUR OPINION ABOUT THE EFFECTIVENESS OF THE FOLLOWING PERSONNEL SERVICES: (continued)

<u>Frequency</u>	<u>Response</u>
	<u>TRAINING (continued)</u>
1	Provide more funds for college courses.
1	Give each agency its own training funds.
1	Training barely exists because of insufficient funds.

ON AN AVERAGE, HOW LONG DOES A RECRUITMENT OR CLASSIFICATION REQUEST TAKE FROM DATE OF REQUEST BY THE EMPLOYEE OR AGENCY TO COMPLETION?

	<u>Recruitment</u>	<u>Classification</u>
Less than 2 weeks	1	
1 month	3	2
6 weeks	7	2
2 months	13	10

OTHER - PLEASE INDICATE:

60 to 90 days	3	3
3 months	2	
3 to 4 months	5	3
4 to 6 months	2	2
4 months to 1 year	1	
5 to 13 months		1
6 months		5
6 months to 1 year	1	
6 to 18 months		3
10 months		1
1 year		2
1 to 3 years	1	1

HOW COULD THESE PROCESSES BE IMPROVED OR SPEEDED UP?

<u>Frequency</u>	<u>Response</u>
	<u>CLASSIFICATION</u>
5	Delegate classification responsibility to operating agencies.

2. PLEASE STATE YOUR OPINION ABOUT THE EFFECTIVENESS OF THE FOLLOWING PERSONNEL SERVICES: (continued)

HOW COULD THESE PROCESSES BE IMPROVED OR SPEEDED UP?
(continued)

<u>Frequency</u>	<u>Response</u>
<u>CLASSIFICATION (continued)</u>	
4	Implement factor ranking.
3	Give more authority to classification analysts in personnel division to make final decisions.
2	Make classification a joint effort by agencies and personnel division.
1	Implement a more equitable and objective classification system.
1	Classification problems could be reduced by letting department or agency heads determine job specifications.
1	Ensure that classification personnel are knowledgeable about classification studies they perform.
<u>GENERAL POLICY</u>	
2	Personnel division should concentrate less on State of Nevada Employee Association (SNEA) opinions concerning recruitment, reclassification and pay system matters.
1	Delegate functions to agencies which have personnel analysts.
1	Make personnel-related rules and regulations less restrictive.
1	Give more prompt attention to requests.
1	Streamline general procedures.

2. PLEASE STATE YOUR OPINION ABOUT THE EFFECTIVENESS OF THE FOLLOWING PERSONNEL SERVICES: (continued)

HOW COULD THESE PROCESSES BE IMPROVED OR SPEEDED UP?
(continued)

<u>Frequency</u>	<u>Response</u>
<u>RECRUITMENT</u>	
5	Delegate recruitment responsibility to operating agencies.
4	Ensure that certification lists are accurate and current.
2	Make recruitment a joint effort by agencies and personnel division.
2	Provide for and allow recruitment shortcuts on notices, oral boards and exams.
1	Recruitment for established lists only takes 2 weeks; otherwise, 3 months.
1	Eliminate test validation requirements and put the burden of appeals regarding test questions on agencies.
1	Revise tests to test for technical expertise only.
1	Recruitment could be expedited by hiring through private state-approved employment agencies.
1	This agency is small and has a low rate of turnover so not a lot of activity in recruitment and classification changes. Administrative aide lists have always arrived promptly and the division has been able to hire within days. The professional position recruitment occurred within sufficient time, taking into consideration test development, advertising, and so on.
1	Require personnel division to be more active in recruiting employees outside of state government.

2. PLEASE STATE YOUR OPINION ABOUT THE EFFECTIVENESS OF THE FOLLOWING PERSONNEL SERVICES: (continued)

HOW COULD THESE PROCESSES BE IMPROVED OR SPEEDED UP?
(continued)

<u>Frequency</u>	<u>Responses</u>
	<u>STAFF</u>
3	Increase personnel division staff.
1	Increase staff productivity.
1	Improve training for personnel staff in technical areas.
	<u>TRAINING</u>
1	Improve training for personnel staff in technical areas.

3. PLEASE DESCRIBE ANY CHANGES YOU BELIEVE NEED TO BE MADE IN PERSONNEL-RELATED LAWS OR REGULATIONS.

<u>Frequency</u>	<u>Response</u>
	<u>DISCIPLINE</u>
2	Reduce the number of levels in the disciplinary appeals process.
1	Amend Personnel Rule III F.4. to require that demoted employees receive at least 5 percent reduction in pay instead of at least a "1 step" decrease.
	<u>GENERAL POLICY</u>
4	Reduce as much red tape as possible in personnel rules.
2	Provide for flexibility in personnel-related laws and regulations.

3. PLEASE DESCRIBE ANY CHANGES YOU BELIEVE NEED TO BE MADE IN PERSONNEL-RELATED LAWS OR REGULATIONS.

Frequency

Response

PAY AND PERFORMANCE

- | | |
|---|---|
| 2 | Require job evaluation performance reviews. |
| 1 | Provide more job security for permanent employees. |
| 1 | Reduce the number of pay steps from 15 to 7 in each pay grade. |
| 1 | Restrict personnel division's involvement in the development of agencies' job performance standards. |
| 1 | Repeal retained rate provision contained in Personnel Rule III D.4. |
| 1 | Allow part-time employees to receive merit salary increase after 6-month tenure instead of the current 2,088 hours requirement. |
| 1 | Amend the laws to allow state agency heads more discretion in providing promotion and salary increases. |
| 1 | Clarify the difference between salary adjustment for increased production and reclassification. |
| 1 | Retain longevity credit provisions for employees who leave state service for short periods of time. |

PROBATION

- | | |
|---|---|
| 1 | Amend Nevada Revised Statutes, Section 284.300, to include the provisions of Personnel Rule VI D.4. relating to the return rights of employees to former positions if rejected during probationary period in new positions. |
| 1 | Repeal Personnel Rule VIII C.4., "rejection of probationary employees." |

3. PLEASE DESCRIBE ANY CHANGES YOU BELIEVE NEED TO BE MADE IN
PERSONNEL-RELATED LAWS OR REGULATIONS. (continued)

Frequency

Response

PROMOTIONS

- | | |
|---|--|
| 2 | Make laws relating to promotion more flexible to permit consideration of persons outside of state service. |
| 1 | Make transfers between agencies easier for employees in promotional track positions. |

RECRUITMENT

- | | |
|---|---|
| 5 | Increase "rule of 5" to "rule of 10" for hiring purposes. |
| 2 | Amend the law to provide for the payment of moving expenses for hard to recruit professional employees who are recruited from out-of-state. |
| 1 | Amend the rules to allow starting salary above minimum when recruiting experienced personnel. |
| 1 | Eliminate all preference points. |
| 1 | Eliminate veterans' preference points. |

SICK LEAVE

- | | |
|---|---|
| 1 | Clarify Personnel Rule VII D.10. to indicate the amount of accumulated sick leave an employee may use for adoption purposes or maternity leave. "The rule appears to allow an employee to use all accumulated leave for such purposes." |
| 1 | Shorten maternity leave to a maximum of 3 months. |
| 1 | Repeal the chronic illness sick leave account provision contained in Personnel Rule VII D.3. |

4. WHAT, IF ANY, OF THE PERSONNEL DIVISION'S FUNCTIONS SHOULD BE DELEGATED TO OPERATING AGENCIES?

<u>Frequency</u>	<u>Response</u>
22	Recruitment and examination functions (part or all).
13	Classification/reclassification functions.
7	Pay decisions.
5	Promotions..
5	None.
4	Training functions.
2	Development of job specifications.
1	All except overview or monitoring function to assure consistent compliance with laws and regulations.
1	All personnel functions if provided staff.
1	All except payroll, compilation of work force statistics and training.
1	None unless there is a proportionate reduction in fees currently charged agencies (if they do that, recruitment).

HOW SHOULD THIS BE DONE?

<u>Frequency</u>	<u>Response</u>
7	Through cooperative agreement with definite guidelines to be followed.
5	With monitoring and validating functions retained by personnel division.
4	Through revision of regulations and statutes.
3	By permitting agencies to advertise, solicit and screen for their own vacancies.

4. WHAT, IF ANY, OF THE PERSONNEL DIVISION'S FUNCTIONS SHOULD BE DELEGATED TO OPERATING AGENCIES? (continued)

HOW SHOULD THIS BE DONE? (continued)

<u>Frequency</u>	<u>Response</u>
2	Through better coordination with personnel division.
1	By making department heads totally responsible for the operation of their agencies.
1	By increasing agency personnel staff with training provided by personnel division.
1	Reorganization of personnel division through administrative assignments and changes.
1	By transferring training funds back to agencies.
1	It is already being done.
1	Personnel division should process recruiting requests using methods besides state list sources such as magazine and newspaper ads. The division should also spot check credentials.

HOW WOULD THIS IMPROVE THE OPERATION OF THE PERSONNEL FUNCTIONS OF THE STATE?

<u>Frequency</u>	<u>Response</u>
16	Personnel functions would be expedited.
8	Would free state personnel division staff to work on problem areas and better methods. It would also give the division time to plan and to communicate better with agencies.
8	Agency administrators, who better know their needs, will be more responsible for personnel matters and for the general operation of their departments.

4. WHAT, IF ANY, OF THE PERSONNEL DIVISION'S FUNCTIONS SHOULD BE DELEGATED TO OPERATING AGENCIES? (continued)

HOW WOULD THIS IMPROVE THE OPERATION OF THE PERSONNEL FUNCTIONS OF THE STATE? (continued)

<u>Frequency</u>	<u>Response</u>
2	Services will be more responsive and the needs of both employees and employers will be better met.
2	Reduce the workload of the personnel division and improve efficiency of state government.
2	Improve the quality of the recruitment process.
1	Eliminate duplication of efforts.
1	Permit agencies to establish priorities for their personnel needs.
1	Allow competent employees to be appropriately rewarded.
1	Would allow the reassignment of personnel division recruitment staff to other functions.

5. ON THE OTHER HAND, WHAT IS YOUR REACTION TO PUTTING ALL PERSONNEL STAFF IN THE OPERATING AGENCIES UNDER THE DIRECT CONTROL OF THE PERSONNEL DIVISION IN A SIMILAR WAY TO WHICH DEPUTY ATTORNEYS GENERAL WORK UNDER THE ATTORNEY GENERAL'S OFFICE? (NOTE: UNDER THIS SYSTEM, THE PERSONNEL STAFF WOULD STILL BE ASSIGNED TO AGENCIES BUT WOULD BE BUDGETED THROUGH THE PERSONNEL DIVISION AND COULD BE TRANSFERRED FROM AGENCY TO AGENCY IF THE NEED AROSE.)

<u>Frequency</u>	<u>Response</u>
24	Negative.
12	Positive.
2	Personnel division would not be more responsive to agency needs.

5. ON THE OTHER HAND, WHAT IS YOUR REACTION TO PUTTING ALL PERSONNEL STAFF IN THE OPERATING AGENCIES UNDER THE DIRECT CONTROL OF THE PERSONNEL DIVISION IN A SIMILAR WAY TO WHICH DEPUTY ATTORNEYS GENERAL WORK UNDER THE ATTORNEY GENERAL'S OFFICE? (NOTE: UNDER THIS SYSTEM, THE PERSONNEL STAFF WOULD STILL BE ASSIGNED TO AGENCIES BUT WOULD BE BUDGETED THROUGH THE PERSONNEL DIVISION AND COULD BE TRANSFERRED FROM AGENCY TO AGENCY IF THE NEED AROSE.) (continued)

Frequency

Response

- | | |
|---|---------------------------------|
| 1 | Proven ineffective in the past. |
| 1 | Smaller agencies would suffer. |

6. WHAT DO YOU BELIEVE ARE THE MOST PRESSING AUTOMATION OR EQUIPMENT NEEDS OF THE PERSONNEL DIVISION?

Frequency

Response

- | | |
|---|---|
| 9 | Certification/eligibility lists and functions. |
| 4 | Payroll and personnel files. |
| 2 | Employee leave information. |
| 2 | Reclassification functions. |
| 2 | None -- it will not help. The problem is people, not lack of equipment. You are seeking a technological solution to a personnel resource problem. |
| 1 | Terminals within agencies to provide input and receive information on payroll records. |
| 1 | Decentralization of functions to agencies through on-line system data banks. |
| 1 | Computer to do specialized, in-depth, statistical recordkeeping and analyses. |

6. WHAT DO YOU BELIEVE ARE THE MOST PRESSING AUTOMATION OR EQUIPMENT NEEDS OF THE PERSONNEL DIVISION? (continued)

IF THE PERSONNEL DIVISION RECEIVED THIS EQUIPMENT, HOW WOULD THE OPERATION OF THE PERSONNEL SYSTEM BE IMPROVED?

<u>Frequency</u>	<u>Response</u>
4	Efficiency and effectiveness would be increased with an eventual cost saving.
3	It would expedite personnel functions.
2	It would improve quality of management information.
2	It would reduce personnel staff time now spent on repetitive manual recordkeeping activities.
1	Fewer errors, fewer delays, increased productivity would occur.

7. DO YOU THINK PROMOTIONS ARE GIVEN FAIRLY IN STATE GOVERNMENT?

<u>Frequency</u>	<u>Response</u>
24	Yes
16	No
5	Favoritism (the "buddy" system) seems to take precedence over past job performance.
3	Many promotions are given on basis of time in state service; large percentage of state employees are poorly educated and only have state job experience; also, they are flawed by only having to perform at a nonproductive level.
2	Permit administrators to promote from within or hire from outside so that the best qualified candidate is chosen.

7. DO YOU THINK PROMOTIONS ARE GIVEN FAIRLY IN STATE GOVERNMENT? (continued)

<u>Frequency</u>	<u>Response</u>
2	There is a fine line of administrators being able to promote based on personal preference or on ability and performance. I have only rarely seen abuses occur.
1	Opportunities for promotions are limited because of the classification system.
1	A closed shop is created because of personnel regulations.
1	Promotion system needs to be improved to allow people with administrative or technical skills to transfer between agencies.
1	In the last budget I submitted I requested, in order of importance to the agency, three upgrades. I was not consulted on any of them and the least important was given the upgrade.
1	I think promotions are basically fair within the limits of the system.
1	It is impossible to completely eliminate favoritism.
1	There is a lack of consistency from agency to agency.
1	Present system does not reward those who try to achieve -- in some cases they are actually penalized in an economic sense.
1	There is too much red tape in personnel division.
1	The response to this question should be based on review of personnel division records.

7. DO YOU THINK PROMOTIONS ARE GIVEN FAIRLY IN STATE GOVERNMENT? (continued)

HOW WOULD YOU IMPROVE THE PROMOTION SYSTEM?

<u>Frequency</u>	<u>Response</u>
4	Expand "rule of 5" to "rule of 10."
3	By making promotions based more on objective factors and tests (i.e., points for time and classification, test scores, awards, training, commendations).
2	Give administrators more discretion of promotion by open competitive or divisional promotion.
2	Implement a system where people are rewarded with raises or bonuses for outstanding performance.
2	Provide for input from agency administrators in reviewing promotion or upgrade requests.
1	Require less written examinations and use more oral examinations.
1	Allow for resume' evaluation on final score.
1	Eliminate as much of the red tape as possible.
1	Provide incentives to make a career of state government.
1	Ensure promotions are made on job performance.
1	Increase pay spread between grades and steps.
1	Make examinations more relevant to the job that will have to be performed.
1	Require that written and oral examinations be administered by state personnel staff with noninvolvement of agency and supervisor.

7. DO YOU THINK PROMOTIONS ARE GIVEN FAIRLY IN STATE GOVERNMENT? (continued)

HOW WOULD YOU IMPROVE THE PROMOTION SYSTEM? (continued)

<u>Frequency</u>	<u>Response</u>
1	Make sure department and agency heads are well-trained and experienced. Then, let them promote the people who produce -- regardless of time in state service.
1	Create a better position announcement process.
1	Redesign performance evaluations and develop minimum qualifications (MQ's) that are reasonable for the job to be done.
1	Managers need flexibility to provide other subtle perks, i.e., additional time off, discretion for giving a "vacation day," and so on, and/or ability to reclassify a person into a title description that adequately reflects their responsibilities.
1	Initiate competitive exams (oral and written) for those positions considered important by the agency.

8. IN YOUR OPINION, IS TRAINING FOR SUPERVISORS ADEQUATE?

<u>Frequency</u>	<u>Response</u>
19	Yes
18	No
3	Courses being offered are very good. I feel we need refresher type workshops for long-term supervisors to keep their supervisory skills at a high level. It is too easy to slip into a pattern.
3	Steps have been taken to correct deficiency by governor's mandate on supervisory training.

8. IN YOUR OPINION, IS TRAINING FOR SUPERVISORS ADEQUATE?
(continued)

<u>Frequency</u>	<u>Response</u>
2	Courses are too basic, outdated and not in keeping with current management practices.
2	Training for managers is inadequate.
1	Agencies should be given adequate training budgets to internally address supervisory training on an ongoing basis.
1	In some cases courses are outdated and, additionally, need to relate more to technical, managerial aspects.
1	Obviously not. If it were, the press, legislators and SNEA would not always be sniping at supervisors and administrators.
1	Supervisors should be tested for weaknesses prior to courses being taught.
1	More time should be spent covering personnel rules and policies.
1	I have never received such training.
1	Much of the training does not deal with problems peculiar to bureaucracies. Techniques that work in the private sector don't always work in bureaucracies.
1	Agency management may be more at fault than personnel staff. We don't devote enough time and effort to the development of supervisory and management skills.

DOES SUCH TRAINING ADEQUATELY COVER PERFORMANCE EVALUATION TECHNIQUES?

<u>Frequency</u>	<u>Response</u>
23	Yes
11	No

8. IN YOUR OPINION, IS TRAINING FOR SUPERVISORS ADEQUATE?
(continued)

DOES SUCH TRAINING ADEQUATELY COVER PERFORMANCE EVALUATION
TECHNIQUES? (continued)

<u>Frequency</u>	<u>Response</u>
2	Training should be ongoing with review of practical applications by each agency.
1	Too late and insufficient.
1	Training for employees with supervisory potential should be provided prior to actual promotion.
1	Supervisors do not understand fully how to use performance evaluations.
1	Although training is done, many supervisors fail to perform adequate and objective evaluations which can be used as tools to improve employee performance.
1	Employee appraisal class gives a good basic overview but is deficient in helping to develop performance review skills for supervisors. The teaching and the writing of development plans for below standard employees need to be included in the class.
1	Training is too general. Employees must know what is expected of them and the specific and important areas where improvement is necessary.

HOW WOULD YOU IMPROVE SUPERVISORY TRAINING?

<u>Frequency</u>	<u>Response</u>
4	Allocation of sufficient funds by the legislature to the personnel division to provide training to all supervisory personnel using experts from management consulting firms and other outside resources such as the university system.

8. IN YOUR OPINION, IS TRAINING FOR SUPERVISORS ADEQUATE?
(continued)

HOW WOULD YOU IMPROVE SUPERVISORY TRAINING? (continued)

<u>Frequency</u>	<u>Response</u>
2	Provide resources to agencies to improve supervisory training.
2	More effort needs to be placed on making proper performance evaluation, and training related to such, a top priority in all agencies.
2	Provide more training opportunities and make them better directed to recognize supervisory weaknesses.
2	Overall improvement could be achieved by expanding course curriculum into other areas such as organizational behavior and communications.
1	Require agencies to submit evaluations of training.
1	Require all supervisors to attend training classes, especially those relating to job performance standards and evaluations.
1	Use role playing in evaluation through video tape playback.
1	Improve overall training techniques.
1	Provide more variety in courses.
1	A training coordinator, operating under a personnel support bureau, should develop a consortium of senior-level state administrators who can be used as a pool of training resource.
1	Solicit more advice from experts in mental health.

8. IN YOUR OPINION, IS TRAINING FOR SUPERVISORS ADEQUATE?
(continued)

HOW WOULD YOU IMPROVE SUPERVISORY TRAINING? (continued)

<u>Frequency</u>	<u>Response</u>
1	Provide incentives for taking and passing courses.
1	Remove out-of-state travel restrictions.
1	More training on performance evaluation.
1	Start at the top. Train managers to train middle-management to train supervisors.

9. WHAT ARE YOUR OTHER SUGGESTIONS OR OBSERVATIONS CONCERNING THE MERIT SYSTEM OR THE PERSONNEL DIVISION?

GENERAL POLICY

- The personnel division has a bad image among state employees because I feel they are not in tune with the personnel problems of the various agencies. Many of their decisions seem to be ill-founded and dictatorial. Further, the agency does not appear to have credibility. In a phrase, the personnel division appears to be a "kingdom unto itself."
- A private sector firm would go out of business under the bureaucracy of such a personnel system. Merit system is okay.
- Gagnier's influence on rules is significant. Personnel theory is adequately represented by Wittenberg. Don't destroy the only advocate for the operating agency management by putting personnel reps. under the state personnel division.
- In general, they present a picture of longstanding indifference and ineptitude. It would seem that the basic priorities of the personnel system must be examined before many of the specifics raised in the questionnaire can be addressed. One is left with the feeling that the personnel administration is primarily concerned with protecting

9. WHAT ARE YOUR OTHER SUGGESTIONS OR OBSERVATIONS CONCERNING THE MERIT SYSTEM OR THE PERSONNEL DIVISION? (continued)

GENERAL POLICY (continued)

the state treasury, and secondarily preoccupied with protecting "whomever" from discrimination suits. The effectiveness and efficiency of other state agencies is often-times disregarded.

- State personnel's attitude is one of indifference to an agency's needs or desires. Since they have the only "ball" in town, they play it to the hilt.

PAY AND PERFORMANCE

- Merit system should be based more on merit than just time in service.
- The existing merit system has too many steps within a grade. Additionally, supervisors should be able to set a merit based upon a person's true performance, such as initiative, quality and quantity of work. Presently, there is no incentive (monetarily) to excel in one's field as long as one meets his/her performance "standard."
- Personnel classification and pay schedules seem to lag in comparison with city and counties in the same area. Employee development reports do encourage favoritism. Most reports are meaningless.
- Give line administrators authority to hold/award merit increases so that outstanding performance can be recognized appropriately. The legislature should provide funds to accomplish such a system rather than forcing agencies to operate under a quota plan which has been suggested. Require Nevada state personnel (NSP) director to meet periodically with agency administrators to review proposed policy/rule changes prior to recommending changes to personnel advisory commission (PAC). Previously, NSP met with agency personnel reps. for such input, the result of which was diluted input and invalid information/responses.

9. WHAT ARE YOUR OTHER SUGGESTIONS OR OBSERVATIONS CONCERNING THE MERIT SYSTEM OR THE PERSONNEL DIVISION? (continued)

PAY AND PERFORMANCE (continued)

- The merit system is a "drill," not an effective means of improving the output of staff. If a supervisor's evaluation is low enough to hurt an employee's merit raises, the employee can demand a hearing, which can cost the state and agency more in salaries and lost time than the amount of the merit raise. Why should a supervisor put himself or herself through this? It is better to approve a merit raise and keep everyone productively employed rather than sitting in hearings. The state goal should be to recruit top level people. Too often job applicants supplied by state personnel meet only minimum educational standards. Agencies are expected to hire, and train, people who did not take advantage of even the free education offered in this country. If people want good and better jobs, they should prepare themselves. Having to train people on the job is counterproductive.
- Current system provides no incentive to excel. Difficult to award exceptional employees.
- We should have more leeway in our departments and/or building. The wage structure should be more equitable, but not comparing outside, i.e., university, with our work. Motor vehicles should set their wages according to what they do and Nevada industrial commission (NIC) should set their wages according to their functions. If you want to earn more money, transfer to an agency that pays better, and so on. The wage structure should be equitable in the building.
- The salary range for clerical employees should be higher.
- Would like to see an incentive program wherein "outstanding" employees may be compensated more than "standard" employees. It takes little or no effort to perform at a "standard" level. Since there is no additional compensation for "outstanding" employees, it would seem the system, therefore, encourages "standard behavior."
- Quit fooling with the 2 1/2 to 5 to 7 1/2 percent raise factors as in last year's legislation. It allows for much too much abuse.

9. WHAT ARE YOUR OTHER SUGGESTIONS OR OBSERVATIONS CONCERNING THE MERIT SYSTEM OR THE PERSONNEL DIVISION? (continued)

PAY AND PERFORMANCE (continued)

- Until a better merit system is developed, I think the present one is fine. The one proposed the last two sessions would be fair.
- More discretion with managers to use money to encourage and reward good performance. The higher the level of the job, the more pay should be based on merit.
- The merit system should be based on performance. Merit increases should only be given for above standard or exceptional. The individual should "merit" the increase. In my opinion, the system does not now work that way. Conversely, yearly pay increases (authorized by the legislature) should be pegged exactly to the rate of inflation. In addition, salary ranges should be equal to those in private industry and other states. (We are currently far below.)

RECRUITMENT

- It is the consensus of this agency's staff that hiring and/or promotions are not related to ability but rather to "who you know."

SICK LEAVE

- There are many abuses of sick leave, and on a daily basis by state employees who feel immune from dismissal due to state protection.

TRAINING

- Set up days that certain testing can be held; for example, management assistant, account clerk, one day. Regulations should be designed to help the efficient worker.

OTHER

- Overall this agency's relationship with the state personnel division is a very good one. However, there seems to be an inherent problem in the existing structure. It appears that to meet current demands on the system, it

9. WHAT ARE YOUR OTHER SUGGESTIONS OR OBSERVATIONS CONCERNING THE MERIT SYSTEM OR THE PERSONNEL DIVISION? (continued)

OTHER (continued)

requires that we assume more of the classification, pay, recruitment and examining workload. If decentralization is the answer, then the entire assessment fee concept could become suspect. In addition, with today's tendency for public sector merit system reform, it is essential that the user agencies of the personnel system be the recipients of what actually enhances their ability to conduct a sound personnel management program. To insure this, more emphasis should be placed on input from the agencies and less emphasis on what is determined to be necessary by the personnel division. The concept outlined in item 5 of this questionnaire will strip agency administration of their advocates for management's position on many critical personnel-related issues. Equal and effective allocation of agency personnel officer resources would be impossible under this concept. There is little or no comparability between personnel officer positions now. How would the grade inequities be addressed?

- The merit system is a good system; it needs to be utilized properly by supervisors to make it work.
- The new BTA (bi-weekly time adjustment) system was put into effect in 1981 to resolve overpayment problems regarding leave without pay (LWOP). Due to the anticipated week of a payroll period, the BTA's from outside the Carson City area arrive too late at state personnel to effectuate a change on a check that has already been printed. Two alternatives for solution to the problem: change pay periods to "positive reporting" or institute a special method for reporting LWOP's as utilized successfully by the welfare division.
- The mediocre employee is rewarded and promoted the same as an outstanding employee.
- My staff frequently tell me state personnel does not have the funds to make long distance phone calls to resolve problems so they refer the matter back to "central office" thereby increasing the costs related to the matter. They never seem to have enough money for duplication, calls, and so on. I also hear that different answers are given to the identical problem.

9. WHAT ARE YOUR OTHER SUGGESTIONS OR OBSERVATIONS CONCERNING THE MERIT SYSTEM OR THE PERSONNEL DIVISION? (continued)

OTHER (continued)

- It basically is archaic. There is no distinction between those performing job functions and those responsible for managing-supervising. Both groups enjoy too much "job security" under the present law.
- The reaction time between when a personnel action is initiated and a response is received is excessive and frequently the response is by telephone. A mechanism for on-the-job training is needed in order to advance competent workers who have demonstrated they are capable of assuming greater responsibility, i.e., clerical workers to semiprofessional job functions.
- It is my opinion that the merit system as it exists today is basically sound and does provide adequate protection and flexibility to both employee and employer. However, I do feel it needs to be modified, specifically in terms of giving managers a little bit more room in terms of properly managing the most important resource they have available to them, that is, their staff. When managers are mandated to do certain things or not do certain things by an outside agency which doesn't have the same interests in terms of the mission goal of the administrator's agency, it provides for difficulties in adequately placing and manipulating the people that you need to do their jobs properly. Outside of that major shortcoming, there are not too many other things, excluding the promotional area, that I would see fit to change within the merit system. Again, as far as the division is concerned, I see absolutely no need for a division beyond the functions of training, data collection and payroll.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING ITEMS:

(a) COLLECTIVE BARGAINING.

- Will probably be unavoidable given the past legislative interest in the problem. Our concern is who will effectively represent the different segments of the work force?

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING ITEMS: (continued)

(a) COLLECTIVE BARGAINING. (continued)

- No, i.e., do not want collective bargaining. (Frequency of response: 6.)
- State not sufficiently advanced in size/complexity to require. With needed improvement and use of employee relations position in governor's office, the means exist for effective management response to employee demands/grievances.
- Federal, state, county and city employees should not have the right to strike, so why collective bargaining?
- Favored by 90 percent of division (of health) employees.
- Do not set it up in the full sense of unions. The legislature has assured classified employees are well-paid, in some cases too high compared to the private sector.
- Useless until distinction between management/supervisory and bargaining group is recognized.
- We should be prepared for the possibility and eventuality.
- Don't believe in it. We are treated fairly by the administration and legislature. This also limits your options.
- I would be willing to trade collective bargaining for employees other than professional, management and supervisory for a substantial lessening of the civil service system, but to have both would be too much.
- I have no strong feelings one way or another. I think that employees certainly have a right to express their needs and interests, but conversely, I think the administration should have the right to express its needs and interests.
- If we waited for legislature to feel that state workers needed an increase in salary, hell would freeze over. Therefore, our collective bargaining in SNEA is our only recourse as long as state employees are unable to strike for higher wages and better benefits.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(a) COLLECTIVE BARGAINING. (continued)

- I resent the fact that an organization that I do not belong to or subscribe to, and which has membership of less than one-half of the work force, has been declared as my representative in issues of such a personal nature as my ability to earn income.

(b) COMPENSATION, INCLUDING:

(1) MERIT PAY:

Frequencies of responses: Positive - 12; Negative - 2.

- We agree with the merit pay concept, however, it is our opinion that given the current system it will not be accepted or properly administered.
- Recommend that steps be cut to 7 with 10 percent step increases per year. Too long to reach top 7 years; lose too many good employees due to inadequate compensation.
- Give line administrators authority to hold/award merit increases so that outstanding performance can be recognized appropriately. The legislature should provide funds to accomplish such a system rather than forcing agencies to operate under the quota plan which has been suggested.
- I would like to see earned promotions rather than merit pay.
- I feel the compensation pay scale for employees is very inaccurate as far as the job duties and amount of pay received for specific positions.
- It is not merit pay. It is experience adjustment (limited to state service).
- Should be weighed upon performance only.
- Don't tamper with merit pay. Bonus adjustments will only lead to numerous appeals, lower morale and productivity and eventual distrust of the merit system. All the effort in instituting a system will be wasted when supervisors go back to giving 5 percent to avoid all the bull---- and leave all the carnage in the battlefield.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING ITEMS: (continued)

(b) COMPENSATION, INCLUDING: (continued)

(1) MERIT PAY: (continued)

- The present system does not reward those who try to achieve. In some cases, they are actually penalized from an economic sense. Promotions should be based on merit and provide incentives for those who strive to achieve above and beyond the call of duty.
- Administrators need more flexibility in rewarding those who are doing outstanding jobs, including promotions and the similar action for those who are not doing their tasks as well as they should be.
- Merit system should be based on performance. Merit increases should only be given for above standard or exceptional. The individual should "merit" the increase. In my opinion, the system does not now work that way.
- Merit pay doesn't work and worsens morale.

(2) SALARIES OF UNCLASSIFIED POSITIONS:

- Wage and salary surveys have proven that Nevada's unclassified service is grossly under-compensated. Abolishment of the 95 percent compaction rule was a positive step, however, it has caused pay inequities that have not been properly addressed.
- Salaries for unclassified employees should be studied in view of increasing salaries to assure attracting and keeping well-qualified individuals.
- Unclassified positions have no equity in pay. Many classified positions with substantially less responsibility are paid more than similar unclassified employees. Results in demoralizing impact on the unclassified employee and destroys concept of the merit system. Equal pay for equal work should be observed by the legislature in setting unclassified salaries.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(b) COMPENSATION, INCLUDING: (continued)

(2) SALARIES OF UNCLASSIFIED POSITIONS: (continued)

- Executives should receive considerably more pay than someone whose only merit is having stayed in a job for a long time. Salaries should be based on responsibilities, not on how long someone has been on the job. Actually, nothing is gained by giving long-timers more pay. Many of them have actually retired in their jobs for 10 or 15 years before they quit coming to work.
- This is up to legislature who, for the most part, are more than fair.
- Unclassified pay schedule is too rigid.
- Unclassified positions carry no merit pay; therefore, someone cannot afford to remain in the position long. When they leave, their expertise is lost.
- The salaries of unclassified positions have been steadily decaying behind the increases being made in the lower classified positions. I totally support the need for increases in pay in most of the classified positions to make them competitive with other governmental agencies and private agencies. But I also have to include the need to be competitive for the unclassified personnel. Several studies done by the personnel division have shown that the unclassified, i.e., senior managers, are lagging anywhere from 15 to 30 percent behind comparative positions in other Nevada governmental and private agencies.

(3) MANAGERIAL PAY:

- Differentials should be increased to provide incentive to assume managerial duties.
- Salaries for managers should be studied in view of increasing salaries to assure attracting and keeping well-qualified individuals.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING ITEMS: (continued)

(b) COMPENSATION, INCLUDING: (continued)

(3) MANAGERIAL PAY: (continued)

- The legislature expects agencies to be run by top level managers yet they will not pay for them. The last salary increase, effective January 1, 1982, is a good example. The lower- and mid-level employees got a larger percentage increase than managerial employees. With such approaches, managerial level pay continues to erode even further and the spread between workers/supervisors/managers and administrators continues to narrow. When a comparison is made between equivalent positions in private industry and/or other public agencies, the state salaries significantly lag yet no attempt is ever made to correct the inequities.
- The administrator should be paid at least a little bit more than his employees. They are the ones charged with overall responsibility and should be compensated accordingly.
- The phrase "you get what you pay for" should be applied to managerial pay. Everyone in a managerial capacity should be held responsible for the job they do and should be paid accordingly. Over the years state salaries have been behind those of private industry in comparable managerial responsibilities and performance. I believe some attempt should be made to equalize this situation.
- Managerial pay is done fairly.
- Should reflect the job responsibilities and current market situations.
- Should be weighed upon performance.
- Too high in some cases, not high enough in others. Should be based upon competitive salaries offered in western states for similar positions in outside industries.
- Very good.
- The 95 percent rule was a very poor idea. But, in the United States you are what you make in salary. If a supervisor makes less than the individuals supervised, a poor morale situation can develop. This lack of equity should be resolved.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING ITEMS: (continued)

(b) COMPENSATION, INCLUDING: (continued)

(3) MANAGERIAL PAY: (continued)

- What is managerial pay? Agency managers and supervisors should be awarded bonuses for holding agency spending below budgeted amounts. Accordingly, agencies that hold spending below budgeted amounts should not be penalized by the budget office and/or legislature in succeeding years by having their budgets reduced just because they did not spend all of their allocated monies.
- There are severe inequities. If government is to attract qualified employees it must compete with industry.

GENERAL COMMENTS CONCERNING COMPENSATION:

- With the economy as it is, there is no financial reason to be in state government; salaries are not equitable despite study results, and we lose good people to either other public entities or the private sector. Need more dollars.
- Compensation should be tied to public sector salaries if the state is to hire and maintain good employees. A salary survey should be conducted every 4 to 6 years (2 to 3 legislative sessions) to reconcile state wages with the private sector.

(c) EMPLOYEE DISCIPLINE; APPEALS RIGHTS AFTER DISCIPLINE.

- Streamline the process, eliminate the employee management committee and replace with a hearings officer whose decisions are final and binding.
- Employees filing grievances should be required to specifically state their problem as management is required to be specific when rendering any discipline.
- The supervisor is required to follow too many rules and regulations in order to discipline an employee for sub-standard performance.
- Shorten time.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(c) EMPLOYEE DISCIPLINE; APPEALS RIGHTS AFTER DISCIPLINE.
(continued)

- Those safeguards developed for employees in the grievance appeals process have created such a burden for management, initiative to deal with incompetent employees is reduced. Encourages ignoring of incompetence. Can take up to a year to terminate/resolve personnel problems.
- The personnel system assumes the employee is always right. The burden of proof in cases of dismissal falls to the administrator. I think appeal rights are necessary but the process is far too complex.
- Satisfactory. (Frequency of response: 2.)
- I firmly believe that every state agency should be required to have prohibitions and penalties as part of their operating procedures, and that such prohibitions and penalties should be strictly enforced.
- Lacking and too many rights.
- Employee discipline should be strong; employee should be able to appeal.
- Too much employee protection. Supervisors are burdened by reams of technical disciplinary regulations.
- I believe there should be, as established, a written set of appeal rights after discipline. I personally feel that the rules and regulations, as written, are adequate and should be enforced by all administrators.

(d) FACTOR RANKING.

Frequencies of responses: Positive - 7; Negative - 10.

- The most important element of system reform. Its implementation is imperative to the success of our overall classification and compensation structure. Factor ranking should receive the highest priority of all issues pending.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(d) FACTOR RANKING. (continued)

- Recommend institution of this procedure for classification purposes. The factor ranking classification system should help because of the weighting of defined factors which should speed up the process.
- Legislature should fund at a level to allow the system to function or direct NSP to terminate efforts in the area.
- Factor ranking study was a gross waste of time and has benefited neither employees nor agencies.
- You should make some use of the factor ranking study instead of throwing away about 16 to 24 hours used by each employee who answered the questions.
- Farce.
- Should be used more for hi-tech positions.
- The idea that so many diverse functions as occur in state government may be standardized may have some merit. For example, a truck driver in Reno performs the same functions as a truck driver in Las Vegas. However, when the process of standardization is exaggerated and applied to totally dissimilar functions, then it can be detrimental to an agency and demoralizing for the individual worker, i.e., tax commission job specifications applied to field representatives in other agencies.
- Has been a flop and waste of state resources.
- No good.
- The factor ranking system only compared jobs of the same title. Two grade 23's, for example, with different job titles were not compared, so you could not state what a typical 23 does, only what a typical management assistant who is a 23 does, or what a typical forestry trainee or library employee who is a 23 does. Therefore, a specialized occupation cannot show adequately what specialized skills or training puts them above a clerical person.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(d) FACTOR RANKING. (continued)

- With what exposure I've had to the factor ranking system, I am left with the feeling it was a gross waste of time and effort which, in some of the classifications I was aware of, alienated many people, i.e., giving people with less skilled requirements the same pay as people with other skilled requirements because they happen to factor rank up instead of down.
- Factor ranking classification system would have been a welcome procedure to this office. It provided a means of evaluation of positions that handled far more technical work than the classification levels dictate, but there are no classification levels available for an upgrade.
- Is this still alive and well or did it join the ranks of the Edsel?

(e) GENERAL PERCEPTION OF THE MERIT SYSTEM.

Frequencies of responses: Positive - 7; Negative - 6.

- In the Nevada employment security department it is very favorable except for the timeliness aspect.
- Not working as a merit system, only as a cost-of-living.
- Generally fair.
- Majority of this agency's employees favor present system.
- It provides for "cronyism" and unfair treatment among employees of equal caliber.
- It never will compete with private sector profit-sharing, incentive plans, nor can it be expected to. That is why it is a "ho-hum" system.
- Ridiculous.
- Fair.
- Good.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(e) GENERAL PERCEPTION OF THE MERIT SYSTEM. (continued)

- Needs better definition.
- Needs improvement.
- Okay.
- I have basically positive feelings about the merit system except for the need for flexibility.
- The merit system should be based on performance. Merit increases should only be given for above standard or exceptional. The individual should "merit" the increase. In my opinion, the system does not now work that way. Conversely, yearly pay increases (authorized by the legislature) should be pegged exactly to the rate of inflation. In addition, salary ranges should be equal to those in private industry and other states. (We are currently far below.)

(f) REASSIGNMENT OF EMPLOYEES IN THE PERSONNEL DIVISION TO TAKE
ADVANTAGE OF EXPERTISE.

Frequencies of responses: Positive - 7; Negative - 2.

- This should occur if it would actually enhance the personnel division's ability to provide service.
- No, would cause too many managerial problems, i.e., dual chain of command.
- Would think this to be a good policy of personnel management.
- Nevada personnel system has not, as a rule, attracted staff with strong qualifications in government personnel work; instead, promotion from within maintains same old ideas and methods; eliminates options for new, creative approaches to problems.
- This is only valid if you assume personnel has expertise.
- Someone should first exhibit expertise and then be considered for reassignment.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(f) REASSIGNMENT OF EMPLOYEES IN THE PERSONNEL DIVISION TO TAKE
ADVANTAGE OF EXPERTISE. (continued)

- Definite possibilities, if it takes advantages of shortages.
- Yes, anything to improve efficiency.
- I think this should be accomplished in the broader perspective of reassigning them to operating agencies versus reassignment within a division that should be disbanded.

(g) SICK LEAVE ABUSE.

- Offer incentive or bonus pay/hours to those who do not use sick leave for a designated period of time. There is a definite cost benefit inherent in this concept.
- Need tighter controls on sick leave.
- If some incentive were given for employees to conserve and accrue sick leave, less abuse would occur. Except for long-term employees, there is no incentive. Would recommend an incentive program be developed.
- Abuse is only abuse if that can be documented. Legitimate use versus abuse is extremely difficult to determine. Once determined, remedial planning to curtail reasons for abuse is necessary where it can be effected. Then, personnel division needs to train managers to identify problem areas and take remedial action.
- Sick leave abuse is rampant and should be corrected by allowing termination on ground of not being at the job.
- Speaking from within my agency, we don't find this to be a problem, but apparently statewide it is, and I suspect that it's more related to job dissatisfaction than actual sickness. Based upon this premise, that tends to tell me that the personnel system, both at the level of the operating agency, as well as other ancillary items, including the merit system, promotions, and so on, is leading to dissatisfaction amongst a number of employees.

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING
ITEMS: (continued)

(g) SICK LEAVE ABUSE. (continued)

- It is my experience that sick leave abuse has been substantially reduced due to the institution of flex-time (days off). This policy has gone a long way towards promoting some semblance of employee morale and incentive to produce despite job insecurity, heavy workloads, cost-of-living increases that invariably are less than the increased cost-of-living, and so on. In addition, personnel or the legislature should seriously give thought to adopting sick leave programs such as those used in Clark County or at the Carson Tahoe Hospital.

(h) EQUAL EMPLOYMENT OPPORTUNITY.

- Hold individual agencies accountable for this activity.
- Lowers efficiency.
- This agency does very well. Don't know about others.
- Set salaries for female employees at levels equal to those of male employees with comparable responsibilities.
- Equal employment opportunity exists with possible exception of women.
- I believe in equal employment opportunity, but everyone seeking employment should be on the eligible list. Never should an unqualified person be forced on any agency for any reason if the agency is expected to maintain high performance and high morale.
- If the person can qualify there would be no need to worry about this. You do not hire a person because he is a minority, you hire the person that can do the job.
- Good. (Frequency of response: 4.)
- In Nevada, extremely difficult, especially in classes requiring special skills or advanced education. Minorities scooped up by private industry in Nevada can generally write their own ticket. We need alternative to implement actual equal employment opportunity. Also, should look at our

PLEASE GIVE US ANY COMMENTS YOU MAY HAVE ABOUT THE FOLLOWING ITEMS: (continued)

(h) EQUAL EMPLOYMENT OPPORTUNITY. (continued)

possible liability regarding Equal Employment Opportunity Commission (EEOC) compliance. We could be in some substantial difficulty in this regard if audited.

- Equal opportunity as it applies to the hiring of minorities is virtually impossible in state government because of the policies of the personnel division. Example: If a highly qualified black (or whatever) approached you about a possible position in your agency, HE CANNOT TAKE THE TEST FOR THE JOB IF PERSONNEL ALREADY HAS 5 ON THE LIST, NOR CAN HE TAKE THE TEST IF THERE IS NO OPENING RIGHT NOW. So you cannot tell the person, "We expect an opening in a few months, so why don't you take the test and get on the list." This is another unwritten law of personnel's; there are many of them. These unwritten laws mean you can't just look in the State Administrative Manual and decide an issue. You have to call them up every time an opening happens because the rules have probably changed since the last time. Even if someone sends in an application, personnel will send it back if there is no current job. We are not convinced that the "interest cards" that some people fill out to advise them of future jobs really work either.
- I feel that the state does everything within its power to comply with equal employment opportunity and don't feel that there's any major issue involved here.

GENERAL COMMENTS CONCERNING STATE PERSONNEL SYSTEM:

- The entire "big brother" concept of state personnel management is medieval. It simply would not work in private enterprise. The north-south split only exacerbates the problem.
- While much of the foregoing has been negative in the sense of describing deficiencies in our system, I would hope that they would be taken in a positive sense in terms of ways that we can improve, not only the system of personnel administration, but the delivery service system that each of our agencies is responsible for, through the mechanism of better control and administration of our existing resources. There are many hardworking and well-qualified people within the

GENERAL COMMENTS CONCERNING STATE PERSONNEL SYSTEM: (continued)

personnel division, and I think those people probably share many of the same frustrations that those of us on the outside of the personnel division do. Should a change of this nature come about, I feel that those existing personnel should be placed into the agencies that they are familiar with and then allow that agency to provide continual training to those folks so that they better understand the nature, functions and needs of the operating agency for which they now have a personnel responsibility.

APPENDIX P

Suggested Legislation

	<u>Page</u>
BDR 19-86.... Requires personnel division to consult with outside experts in improving its data processing system.....	246
BDR 23-87.... Allows consideration of factors in addition to prevailing rates in setting salaries for classified service of state.....	249
BDR 23-88.... Revises provisions governing disciplinary proceedings in state personnel system.....	252
BDR 31-89.... Removes requirement for prior legislative approval of changes of state positions from one occupational class or subclass to another.....	258
BDR 23-90.... Provides requirements for the composition of the advisory personnel commission.....	262
BDR 23-91.... Removes provision for veterans' preferences on promotional examinations in classified service of state.....	263
BDR 23-92.... Provides reward for state employees who do not use sick leave for specified period of time.....	264
BDR 23-93.... Provides incentives to employees in classified service of state for performance above standard.....	266
BDR 23-94.... Requires establishment of objectives and policies for personnel division....	268
BDR 23-95.... Revises provisions governing suspension of requirement for competitive examination for positions in classified service of state.....	271

	<u>Page</u>
BDR 23-96.... Revises provisions governing classified and unclassified service of state and designation of positions therein...	273
BDR 97..... Directs personnel division to reduce time required for certification of eligibility lists for positions in classified service of state.....	333
BDR 98..... Directs personnel division to report to legislature.....	335
BDR 99..... Directs chancellor of university system to provide certain information for legislature.....	337

SUMMARY--Requires personnel division to consult with outside experts in improving its data processing system.

(BDR 19-86)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

AN ACT relating to the state personnel system; requiring consultation with outside experts in planning, designing and applying improved systems of data processing for use by the personnel division of the department of general services; making an appropriation; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 242.171 is hereby amended to read as follows:

242.171 1. The department is responsible for the applications of data processing, for designing systems and placing them in operation, and for the writing, testing and performance of programs, for the state agencies and elected state officers which are required to use its services. The department is also responsible for those applications which it furnishes to state agencies and officers after negotiation.

2. The director shall review and approve or disapprove, pursuant to standards for justifying cost, any application of data processing having an estimated developmental cost of \$50,000 or more. No

using agency may commence development work on any such applications until approval and authorization have been obtained from the director.

3. Subsections 1 and 2 of this section do not prohibit the personnel division of the department of general services from contracting with outside experts in the field of data processing for assistance in connection with the planning, designing and application of improved systems of data processing to be used in carrying out the duties of that division, without obtaining prior approval from the director of the department of data processing.

Sec. 2. The personnel division of the department of general services shall consult with experts in the field of data processing outside of state government, in addition to those in the department of data processing, in connection with the planning, designing and application of improved systems of data processing to be used in carrying out the duties of the division.

Sec. 3. There is hereby appropriated from the state general fund to the personnel division of the department of general services the sum of \$ _____ for the purpose of contracting with experts in the field of data processing for assistance in connection with the planning, designing and application of improved systems of data processing to be used in carrying out the duties of the division.

Sec. 4. Any remaining balance of the appropriation made by section 3 of this act must not be committed for expenditure after June 30, 1985, and reverts to the state general fund as soon as all payments of money committed have been made.

Sec. 5. Section 1 of this act expires by limitation on July 1, 1985.

Sec. 6. This act shall become effective upon passage and approval.

SUMMARY--Allows consideration of factors in addition to prevailing rates in setting salaries for classified service of state.
(BDR 23-87)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the state personnel system; authorizing the personnel division of the department of general services to approve the consideration of factors in addition to prevailing rates in the setting of salaries for the classified service; and providing other matters properly relating thereto.

WHEREAS, Existing law provides that salaries for the classified service must be set based upon the prevailing rates paid in government and industry for comparable jobs within the State of Nevada and the western states; and

WHEREAS, The legislature has concluded that it is no longer appropriate to prescribe such a narrow statutory basis for determining salary adjustments and that factors such as difficulty in recruitment, rate of turnover and cost of living may properly be considered in making such adjustments; and

WHEREAS, Governmental and private employers appear to be giving increasing attention to concepts of job evaluation and salary determination which would alleviate wage discrimination among jobs of comparable worth (particularly as between certain types of jobs dominated by males and other types dominated by females which, even

though totally dissimilar, should be recognized as being of comparable intrinsic worth); and

WHEREAS, The legislature believes that the personnel division of the department of general services should be granted flexibility to consider other criteria in addition to the prevailing rate when setting salaries for the classified service, including criteria related to the alleviation of wage differentials among jobs of comparable worth; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.175 is hereby amended to read as follows:

284.175 1. After consultation with appointing authorities and state fiscal officers, and after a public hearing and approval by the commission, the chief shall prescribe regulations for a pay plan for all employees in the classified service.

2. The pay plan and amendments thereto become effective only after approval by the commission and the governor.

3. The chief shall prepare a pay plan and ranges for each class, grade or group of positions in the classified service. Each employee must be paid at one of the rates set forth in the pay plan for the class of position in which he is employed and at such time as necessary money is made available for the payment.

4. The chief shall prescribe regulations that provide for progression through the rate ranges based on merit and fitness alone. The regulations become effective upon the approval of the commission.

5. [During regular legislative sessions salaries] Salaries for the classified service of the state must be set [based upon] during regular legislative sessions. Criteria for setting salaries:

(a) Must include the prevailing rates paid in government and industry for comparable jobs within the State of Nevada and western states, where appropriate [.] ; and

(b) May include other factors approved by the chief, such as difficulty in recruitment, rate of turnover, cost of living and comparability of the value of the work.

The provisions of this subsection are subject to the limitation imposed by NRS 281.123. .

SUMMARY--Revises provisions governing disciplinary proceedings in state personnel system. (BDR 23-88)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the state personnel system; revising provisions governing disciplinary proceedings; eliminating review by the advisory personnel commission of the hearing officer's decisions; providing for appointment of hearing officers by a majority of the commission; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.091 is hereby amended to read as follows:

284.091 [The chairman] A majority of the members of the commission shall appoint [a] one or more hearing [officer] officers to conduct hearings and render decisions as provided in NRS 284.390 and 284.376.

Sec. 2. NRS 284.376 is hereby amended to read as follows:

284.376 1. Within [30] 10 working days after [receipt of notice] the effective date of a transfer pursuant to the provisions of NRS 284.375, a permanent classified employee who has been transferred without his consent may request in writing a hearing before the hearing officer of the personnel division to determine whether the transfer was made for the purpose of harassing the employee.

The hearing must be conducted in accordance with the procedures set forth in NRS 284.390 to 284.405, inclusive.

2. If the hearing officer determines that the transfer was made for the purpose of harassing the employee, the transfer must be set aside and the employee [shall] must be returned to his former position. If the transfer caused the employee to be away from his original headquarters, the employee is entitled to be paid expense allowances as provided in NRS 281.160 for the period [of time] the transfer was in effect.

3. The decision of the hearing officer is binding on the parties . [, but is subject to review and rehearing by the commission.]

Sec. 3. NRS 284.390 is hereby amended to read as follows:

284.390 1. Within [30] 10 working days after [receipt of a copy of the statement provided for in] the effective date of a dismissal, demotion or suspension pursuant to NRS 284.385, an employee who has been dismissed, demoted or suspended may [, in writing,] request in writing a hearing before the hearing officer of the personnel division to determine the reasonableness of [such] the action. If an employee utilizes an internal grievance adjustment procedure adopted by the commission, [such employee shall have 30] he has 10 working days following the final disposition of the internal proceeding to request, in writing, a hearing before the hearing officer.

2. The hearing officer shall grant the employee a hearing within 20 working days after receipt of the employee's written request unless the time limitation is waived, in writing, by the employee or there is a conflict with the hearing [or review] calendar of the hearing officer, in which case the hearing [shall] must be scheduled for the earliest possible date after the expiration of the 20 days.

3. [At the hearing of such appeal, technical] Technical rules of evidence do not apply [.] at the hearing.

4. After the hearing and consideration of the evidence, the hearing officer shall render his decision in writing, setting forth the reasons therefor.

5. If the hearing officer determines that the dismissal, demotion or suspension was without just cause as provided in NRS 284.385, [such] the action [shall] must be set aside and the employee [shall] must be reinstated, with full pay for the period of dismissal, demotion or suspension.

6. The decision of the hearing officer is binding on the parties [.] [, but is subject to review and rehearing by the commission.

7. Within 30 days after receipt of notice of the decision of the hearing officer rendered pursuant to this section, the employee or the appointing authority may, in writing, request that the commission review such decision for the purpose of determining whether to grant a hearing before the commission.

8. Within 30 days after receipt of a request for review pursuant to subsection 7, the commission shall review the decision of the hearing officer and shall either grant or deny a hearing before the commission.

9. If a hearing before the commission is granted, it shall be held within 60 days after receipt of the request for review and it shall be a hearing de novo. The technical rules of evidence do not apply at such hearing.

10. After the hearing and consideration of the evidence, the commission shall render its decision in writing, setting forth the reasons therefor. The decision of the commission supersedes the decision of the hearing officer and is binding on the parties.]

7. Any petition for judicial review of the decision of the hearing officer must be filed within 30 working days after service of the decision.

Sec. 4. NRS 284.391 is hereby amended to read as follows:

284.391 1. The hearing officer [or the commission or any member thereof] may, upon application of any party to a hearing held pursuant to NRS 284.390 or 284.376, issue subpoenas requiring the attendance and testimony of witnesses at the proceeding.

2. The hearing officer may, upon motion of a party, direct that an opposing party participate in a discovery conference at which both parties and their counsel may put questions to the other party

and receive answers, or request and receive copies of relevant documents or examine relevant documents and records and any other physical evidence which the opposing party intends to use at the hearing.

3. The hearing officer , [or any member of the commission,] or any agent or agency designated by the commission for such purposes, may administer oaths and affirmations and examine witnesses.

Sec. 5. NRS 284.392 is hereby amended to read as follows:

284.392 A subpoena issued pursuant to NRS 284.391 extends to all parts of the state and must be served in accordance with the provisions of N.R.C.P. 4(c). No witness may be required to attend at a place out of the county in which he resides unless the distance is less than 100 miles from his place of residence, except, upon affidavit of any party showing that the testimony of that witness is material and necessary, the hearing officer [or the commission] may endorse on the subpoena an order requiring the attendance of the witness in response to the subpoena.

Sec. 6. NRS 284.393 is hereby amended to read as follows:

284.393 1. All witnesses appearing pursuant to subpoena, other than parties or officers or employees of the state or any political subdivision thereof, are entitled to receive fees and mileage in the same amounts and under the same circumstances as prescribed by law for witnesses in civil actions in the district courts.

2. Witnesses entitled to fees or mileage who attend hearings at points so far removed from their residences as to prohibit return thereto from day to day are entitled, in addition to fees and mileage, to the per diem compensation for subsistence and transportation authorized by NRS 281.160 for each day of actual attendance and for each day necessarily occupied in traveling to and from the hearings.

3. Fees for subsistence and transportation expenses must be paid by the party at whose request the witness is subpoenaed. The hearing officer [or the commission] may award as costs the amount of all such expenses to the prevailing party.

SUMMARY--Removes requirement for prior legislative approval of changes of state positions from one occupational class or subclass to another. (BDR 31-89)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to state financial administration; requiring state agencies to advise the interim finance committee or certain standing committees of the legislature concerning changes of positions from one occupational class or subclass to another; removing the requirement for prior approval of such changes by the interim finance committee; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 353.224 is hereby amended to read as follows:

353.224 [1. Except as provided in subsection 5, a] A state agency other than the University of Nevada System and vocational licensing boards [may not change] which changes a position for which money has been appropriated or authorized from one occupational class or subclass to another, as defined by the index developed pursuant to NRS 284.171, [without the approval of the legislature or of] shall advise the interim finance committee [.

2. All proposed changes of positions from one occupational class or subclass to another must be submitted to the interim finance committee. The interim finance committee has 45 days after a proposal is submitted to its secretary within which to consider it.

Any proposed change of a position from one occupational class or subclass to another which is not considered within the 45-day period shall be deemed approved.

3. The secretary shall place each request submitted to him pursuant to subsection 2 on the agenda of the next meeting of the interim finance committee.

4. In acting upon a proposed change of position, the interim finance committee shall consider, among other things:

- (a) The need for the proposed change; and
- (b) The intent of the legislature in approving the existing classification of positions.

5. The provisions of this section do not apply to the state industrial insurance system until July 1, 1983.] or the assembly standing committee on ways and means and the senate standing committee on finance of the change within 45 days.

Sec. 2. NRS 218.6825 is hereby amended to read as follows:

218.6825 1. There is hereby created in the legislative counsel bureau an interim finance committee composed of the members of the assembly standing committee on ways and means and the senate standing committee on finance during the current or immediately preceding session of the legislature. The immediate past chairman of the senate standing committee on finance shall be the chairman of the interim finance committee for the period ending with the

convening of the 56th session of the legislature. The immediate past chairman of the assembly standing committee on ways and means shall be the chairman of the interim finance committee during the next legislative interim, and the chairmanship shall continue to alternate between the houses of the legislature according to this pattern.

2. If any regular member of the committee informs the secretary that he will be unable to attend a particular meeting, the secretary shall notify the speaker of the assembly or the majority leader of the senate, as the case may be, to appoint an alternate for that meeting from the same house and political party as the absent member.

3. The interim finance committee, except as provided in subsection 4, may exercise the powers conferred upon it by law only when the legislature is not in regular or special session. The membership of any member who does not become a candidate for reelection or who is defeated for reelection continues until the next session of the legislature is convened.

4. During a regular session the interim finance committee may also perform the duties imposed on it by NRS 353.220 [, 353.224] and 353.335 and chapter 621, Statutes of Nevada 1979. In performing those duties, the senate standing committee on finance and

the assembly standing committee on ways and means may meet separately and transmit the results of their respective votes to the chairman of the interim finance committee to determine the action of the interim finance committee as a whole.

5. The director of the legislative counsel bureau shall act as the secretary of the interim finance committee.

6. A majority of the members of the assembly standing committee on ways and means and a majority of the members of the senate standing committee on finance, jointly, may call a meeting of the interim finance committee if the chairman does not do so.

7. In all matters requiring action by the interim finance committee, the vote of the assembly and senate members must be taken separately. An action must not be taken unless it receives the affirmative vote of a majority of the assembly members and a majority of the senate members.

8. Except during a regular or special session of the legislature, each member of the interim finance committee and appointed alternate is entitled to receive the compensation provided for a majority of the members of the legislature during the first 60 days of the preceding regular session for each day or portion of a day during which he attends a committee meeting or is otherwise engaged in committee work plus the per diem allowance and travel expenses provided by law. All such compensation must be paid from the contingency fund in the state treasury.

SUMMARY--Provides requirements for the composition of the advisory personnel commission. (BDR 23-90)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the advisory personnel commission; providing requirements for the composition of the commission; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.030 is hereby amended to read as follows:

284.030 1. There is hereby created in the personnel division an advisory personnel commission composed of five members appointed by the governor.

2. The governor shall appoint:

(a) One member who is an attorney.

(b) One member who is a representative of labor and has a background in personnel administration.

(c) One member who is a representative of employers or managers and has a background in personnel administration.

(d) Two members who are representatives of the general public and have a demonstrated interest in or knowledge of the principles of public personnel administration.

SUMMARY--Removes provision for veterans' preferences on promotional examinations in classified service of state. (BDR 23-91)

Fiscal Note: Effect on Local Government: No.

Effect on the State on on Industrial Insurance: No.

AN ACT relating to the state personnel system; providing that preferences for veterans and widows of veterans do not apply to promotional examinations; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND

ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.260 is hereby amended to read as follows:

284.260 1. In establishing the lists of eligible persons, the chief shall allow certain preferences [shall be allowed] for veterans not dishonorably discharged from the Armed Forces of the United States. For disabled veterans, 10 points [shall] must be added to the passing grade achieved on the examination. For ex-servicemen and women who have not suffered disabilities, and for the widows of veterans, 5 points [shall] must be added to the passing grade achieved on the examination.

2. Any person qualifying for preference points pursuant to subsection 1 [,] is entitled to have such points applied to any open competitive examination in the classified service, but [only] not to [one] any promotional examination.

SUMMARY--Provides reward for state employees who do not use sick leave for specified period of time. (BDR 23-92)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the state personnel system; providing additional annual leave, or payment therefor, for each employee who has not used his sick leave for a specified period of time; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.350 is hereby amended to read as follows:

284.350 1. Except as provided in subsections 2 and 3, an employee in the public service, whether in the classified or unclassified service, is entitled to annual leave with pay of 1 1/4 working days for each month of continuous public service. The annual leave may be cumulative from year to year not to exceed 30 working days. The personnel division shall by regulation provide one additional day of annual leave, or payment therefor at the option of the employee, for each employee who has not used any of his sick and disability leave for a period of twelve consecutive months and may by regulation provide for additional annual leave for long-term employees, and for prorated annual leave for part-time employees.

2. Any annual leave in excess of 30 working days must be used before January 1 of the year following the year in which the annual leave in excess of 30 working days is accumulated or the amount of annual leave in excess of 30 working days is forfeited on that date except that if an employee:

(a) On or before October 15, requests permission to take annual leave; and

(b) His request for leave is denied in writing for any reason, he is entitled to payment for any annual leave in excess of 30 working days which he requested to take and which he would otherwise forfeit as the result of the denial of his request. The payment for the employee's unused annual leave must be made to him with his first compensation after January 1.

3. Officers and members of the faculty of the University of Nevada System are entitled to annual leave as provided by the rules and regulations prescribed pursuant to subsection 2 of NRS 284.345.

4. No elected state officer may be paid for accumulated annual leave upon termination of his service.

5. During the first 6 months of employment of any employee in the public service, annual leave accrues as provided in subsection 1, but no annual leave may be taken during that period.

6. No employee in the public service may be paid for accumulated annual leave upon termination of employment unless he has been employed for 6 months or more.

SUMMARY--Provides incentives to employees in classified service of state for performance above standard. (BDR 23-93)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the state personnel system; providing incentives to employees in the classified service for performance above standard; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.175 is hereby amended to read as follows:

284.175 1. After consultation with appointing authorities and state fiscal officers, and after a public hearing and approval by the commission, the chief shall prescribe regulations for a pay plan for all employees in the classified service.

2. The pay plan and amendments thereto become effective only after approval by the commission and the governor.

3. The chief shall prepare a pay plan and ranges for each class, grade or group of positions in the classified service. Each employee must be paid at one of the rates set forth in the pay plan for the class of position in which he is employed and at such time as necessary money is made available for the payment.

4. The chief shall prescribe regulations that provide for progression through the rate ranges based on merit and fitness alone.

The regulations must provide for the granting of a nonmonetary award, or special leave of short duration, or both, for continuous outstanding performance by an employee or for meritorious performance by an employee in completing a special project. The regulations must also provide for the acceleration of increases by steps within a salary grade for any employee whose performance is above standard and who has not yet attained a salary step at or above the midpoint of his grade. The regulations become effective upon the approval of the commission.

5. During regular legislative sessions salaries for the classified service of the state must be set based upon the prevailing rates paid in government and industry for comparable jobs within the State of Nevada and western states, where appropriate. The provisions of this subsection are subject to the limitation imposed by NRS 281.123.

SUMMARY--Requires establishment of objectives and policies for personnel division. (BDR 23-94)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the state personnel system; requiring that the chief of the personnel division of the department of general services establish objectives and policies for the division; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.105 is hereby amended to read as follows:

284.105 1. As executive head of the personnel division, the chief shall direct and supervise all administrative and technical activities of the personnel division. He shall devote his entire time to the duties of his office, and shall follow no other gainful employment or occupation.

2. In addition to the duties imposed upon him elsewhere in this chapter, the chief shall:

(a) Apply and carry out this chapter and the [rules and] regulations adopted [hereunder.] under it.

(b) Establish objectives for the personnel division in terms which are specific, measurable and conducive to reliable evaluation, and develop a plan for accomplishing those objectives.

(c) Establish a system of appropriate policies for each function within the personnel division.

(d) Attend all meetings of the commission.

[(c)] (e) Report to the director and the commission upon all matters concerning the administration of his office, and [he shall] request the advice [and counsel] of the commission on matters concerning the [policy thereof;] policies of the personnel division; but the chief [shall be] is responsible for the conduct of the personnel division and its administrative functions unless otherwise provided by law.

[(d)] (f) Establish and maintain a roster of all employees in the public service. The roster [shall] must set forth, as to each employee:

- (1) The class title of the position held.
- (2) The salary or pay.
- (3) Any change in class title, pay or status.
- (4) Other pertinent data.

[(e)] (g) In cooperation with appointing authorities and others, foster and develop programs for [the improvement of employee] improving the effectiveness and morale [,] of employees, including training [,] and procedures for hearing and adjusting grievances . [and hearings thereon.]

[(f)] (h) Encourage and exercise leadership in the development of effective personnel administration within the several departments in the public service, and [he shall] make available the facilities and services of the personnel division [personnel] to this end.

[(g)] (i) Make to the commission and to the director a biennial report regarding the work of the personnel division and such special reports as he may consider desirable.

[(h)] (j) Maintain a continuous program of recruiting for the public service.

[(i)] (k) Perform any other lawful acts which he may consider necessary or desirable to carry out the purposes and provisions of this chapter.

SUMMARY--Revises provisions governing suspension of requirement for competitive examination for positions in classified service of state. (BDR 23-95)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the state personnel system; adding to the circumstances under which the requirements of competitive examination may be suspended; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.320 is hereby amended to read as follows:

284.320 1. In case of a vacancy in a position where peculiar and exceptional qualifications of a scientific, professional or expert character are required, and upon satisfactory evidence that for specific reasons competition in that case is impracticable, and that the position can best be filled by the selection of some designated person of high and recognized attainments in the required qualities, the chief may suspend the requirements of competition.

2. The chief may suspend the requirements of competitive examination for positions requiring highly professional qualifications [that] if past experience or current research indicates a difficulty in recruitment or if the qualifications include a license or certification.

3. Upon specific written justification by the appointing authority, the chief may suspend the requirement of competitive examination for a position where extreme difficulty in recruitment has been experienced and extensive efforts at recruitment have failed to produce five persons in the state service who are qualified applicants for promotion to the position.

4. Except in the circumstances described in subsection 2, no suspension may be general in its application to any position, and each case of suspension and the justifying circumstances must be reported in the biennial report of the personnel division with the reasons for the suspension.

SUMMARY--Revises provisions governing classified and unclassified service of state and designation of positions therein.
(BDR 23-96)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to state officers and employees; revising provisions governing the classified and unclassified service of the state and the designation of positions therein; and providing other matters properly relating thereto.

WHEREAS, To increase efficiency and economy in state government, the legislature has established for the executive branch a classified service in which selections for appointments to positions in state service may be made upon the basis of demonstrated relative fitness and the persons appointed are afforded certain protections designed to prevent their removal for reasons unrelated to merit and fitness; and

WHEREAS, It is the policy of this state generally to restrict the designation of unclassified positions so that with few exceptions only elective officials, administrators of departments and agencies, attorneys, deputies and certain policymaking and sensitive positions are outside the classified service; and

WHEREAS, The legislature believes that the designation of positions as unclassified should be an orderly process conducted in accordance with established principles, and that proposals for additions to the list of unclassified positions should be carefully evaluated for consistency with those principles; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 284.013 is hereby amended to read as follows:

284.013 1. This chapter does not apply to [:

(a) Agencies,] agencies, bureaus, commissions, officers or personnel
in the legislative department or the judicial department of state gov-
ernment . [; or

(b) Officers or employees of any agency of the executive department
of the state government who are exempted by specific statute.]

2. Terms and conditions of employment of all persons referred to in
subsection 1, including salaries not prescribed by law and leaves of
absence (including, without limitation, annual leave and sick and dis-
ability leave), must be fixed by the appointing or employing authority
within the limits of legislative appropriations or authorizations, but
leaves of absence so prescribed must not be of lesser duration than
those provided for other state officers and employees pursuant to the
provisions of this chapter.

Sec. 2. NRS 284.140 is hereby amended to read as follows:

284.140 The unclassified service of the state consists of positions
held by state officers or employees in the executive department of the
state government as follows:

1. Persons chosen by election or appointment to fill an elective
office.

2. Members of boards and commissions, and heads of departments [,]

and independent agencies [and institutions] required by law to be appointed.

3. At the discretion of the elective officer or head of each department [,] or independent agency , [or institution,] one deputy and one [chief] confidential assistant in each department [,] or agency . [or institution.] The advisory personnel commission may approve the designation of additional deputies as unclassified if it determines that the designation is justified for a department or agency based upon its size, scope of programs, statutory responsibilities and organizational complexity. Any nonstatutory change in the designation of positions for the unclassified service must be approved by the advisory personnel commission.

4. All employees in the office of the governor . [and all persons required by law to be appointed by the governor or heads of departments or agencies appointed by the governor or by boards.]

5. All employees other than clerical in the office of the attorney general and the state public defender required by law to be appointed by the attorney general or the state public defender [.] , and all attorneys employed in other departments or agencies if required by law to be licensed to practice law in this state.

6. Officers and members of the [teaching] professional staff , as that term is defined by regulation of the board of regents, and the agricultural extension department and experiment station staffs of the University of Nevada System, [or any other state institution of learning,] and student employees of [these institutions; but custodial,] that system. Custodial, clerical [or] and maintenance employees of [these institutions] the system are in the classified

service. The board of regents shall assist the chief in carrying out the provisions of this chapter applicable to the University of Nevada System.

7. Officers and members of the Nevada National Guard.

8. [Persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority.

9.] Patient and inmate help in state charitable, penal, mental and correctional institutions.

[10. Part-time professional personnel who are paid for any form of medical, nursing or other professional service, and who are not engaged in the performance of administrative or substantially recurring duties.

11. All other officers and employees authorized by law to be employed in the unclassified service.] 9. Persons employed by the department of human resources, the department of commerce, the state department of conservation and natural resources and the state gaming control board whose positions are designated in the Nevada Revised Statutes as unclassified.

Sec. 3. NRS 284.147 is hereby amended to read as follows:

284.147 Unless otherwise provided by law, elective officers and the heads of the several state departments, agencies and institutions in the executive department of the state government [are authorized to] may employ at or below the salaries specified by law the deputies and employees necessary to fill the unclassified positions authorized [by law] pursuant to the provisions of NRS 284.140 for their departments.

Sec. 4. NRS 284.173 is hereby amended to read as follows:

284.173 1. Elective officers and heads of departments, boards, commissions or institutions may contract for the services of persons as independent contractors [.] , but such a contract may not be entered into solely for the purpose of circumventing the provisions of this chapter relating to the classified service of the state.

2. An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his or its own methods and without subjection to the supervision or control of the other contracting party, except as to the results of the work, and not as to the means by which the services are accomplished.

3. For the purposes of this section:

(a) Travel, subsistence and other personal expenses may be paid to an independent contractor, if provided for in the contract, in such amounts as provided for in the contract. Those expenses must not be paid under the provisions of NRS 281.160.

(b) There must be no:

- (1) Withholding of income taxes by the state;
- (2) Industrial insurance coverage provided by the state;
- (3) Participation in group insurance plans which may be available to employees of the state;
- (4) Participation or contributions by either the independent contractor or the state to the public employees' retirement system;
- (5) Accumulation of vacation leave or sick leave; or

(6) Unemployment compensation coverage provided by the state if the requirements of NRS 612.085 for independent contractors are met.

4. An independent contractor [is] and persons employed by him are not in the classified or unclassified service of the state, and [has] have none of the rights or privileges available to officers or employees of the State of Nevada.

5. Each contract for the services of an independent contractor must be in writing. The form of the contract must be first approved by the attorney general, and, except as provided in subsection 7, an executed copy of each contract must be filed with the fiscal analysis division of the legislative counsel bureau and the clerk of the state board of examiners.

6. Except as provided in subsection 7, and excepting contracts entered into by the University of Nevada, each proposed contract with an independent contractor must be submitted to the state board of examiners. The contracts do not become effective without the prior approval of the state board of examiners. The state board of examiners shall adopt regulations to carry out the provisions of this section.

7. Copies of the following types of contracts need not be filed or approved as provided in subsections 5 and 6:

(a) Contracts executed by the department of transportation for any work of construction or reconstruction of highways.

(b) Contracts executed by the state public works board or any other state department or agency for any work of construction or major repairs of state buildings.

(c) Contracts executed by the housing division of the department of commerce.

(d) Contracts executed with business entities for any work of maintenance or repair of office machines and equipment.

(e) Contracts executed by the department for coordination of the "MX" missile project.

Sec. 5. NRS 284.343 is hereby amended to read as follows:

284.343 1. After consultation with appointing authorities, and in cooperation with the state board of examiners, the chief shall prescribe [rules and] regulations for all training of employees in the state service. [Professional employees of the teaching] Officers and members of the professional staff, and the agricultural extension service and agricultural experiment station staffs of the University of Nevada System [, or any other state institution of learning,] and student employees of [such an institution] that system are exempt from the provisions of this section.

2. The [rules and] regulations so prescribed [shall] must set forth the conditions under which educational leave stipends may be paid to any officer or employee of the State of Nevada. With the exception of intermittent course work not leading to the awarding of a degree, no person may be granted educational leave stipends until [such person] he has entered into a contract with his employing agency whereby [such person] he agrees to pursue only courses required for a degree related to his employment with the State of Nevada and to return to the employ

of his employing agency on the basis of 1 year for each 9 months' educational leave taken or to refund the total amount of [such] the stipends regardless of the balance at the time of separation.

3. [The provisions of this section shall not be construed to prevent the granting of sabbatical leaves by the board of regents of the University of Nevada.

4.] Where practicable all training for state employees [shall] must be presented through established educational institutions within the state.

[5.] 4. The personnel division shall coordinate all training activities of remedial [and career-development] programs and programs for career development designed to correct educational and training deficiencies of state employees and create employment opportunities for the disadvantaged. In connection with these activities the personnel division, with the approval of the governor, is designated to enter into contractual arrangements with the Federal Government and others that provide grants or funds for educational and training activities.

Sec. 6. NRS 284.345 is hereby amended to read as follows:

284.345 1. Except as provided in subsection 2, the chief shall prescribe [rules and] regulations for attendance and leaves with or without pay or reduced pay in the various classes of positions in the public service.

2. The board of regents shall prescribe [rules and] regulations for attendance and for leave with or without pay or with reduced pay, sabbatical leave, sick leave, emergency leave, annual leave, terminal leave, military leave and such other leave as the board of regents

determines to be necessary or desirable for officers and members of the [faculty] professional staff of the University of Nevada System. Sabbatical leave with pay [shall] must not be granted to more than 2 percent of the teaching [personnel] professional staff of the university of the rank of instructor or higher in any 1 year, and no sabbatical leave with pay [shall] may be granted unless the person requesting [such] the leave agrees in writing with the university to return to the university after [such] the leave for a period not less than that required by his most recent contract of employment with the university if the university desires his continued service.

Sec. 7. NRS 284.350 is hereby amended to read as follows:

284.350 1. Except as provided in subsections 2 and 3, an employee in the public service, whether in the classified or unclassified service, is entitled to annual leave with pay of 1 1/4 working days for each month of continuous public service. The annual leave may be cumulative from year to year not to exceed 30 working days. The personnel division may by regulation provide for additional annual leave for long-term employees, and for prorated annual leave for part-time employees.

2. Any annual leave in excess of 30 working days must be used before January 1 of the year following the year in which the annual leave in excess of 30 working days is accumulated or the amount of annual leave in excess of 30 working days is forfeited on that date except that if an employee:

(a) On or before October 15, requests permission to take annual leave; and

(b) His request for leave is denied in writing for any reason,

he is entitled to payment for any annual leave in excess of 30 working days which he requested to take and which he would otherwise forfeit as the result of the denial of his request. The payment for the employee's unused annual leave must be made to him with his first compensation after January 1.

3. Officers and members of the [faculty] professional staff of the University of Nevada System are entitled to annual leave as provided by the [rules and] regulations prescribed pursuant to subsection 2 of NRS 284.345.

4. No elected state officer may be paid for accumulated annual leave upon termination of his service.

5. During the first 6 months of employment of any employee in the public service, annual leave accrues as provided in subsection 1, but no annual leave may be taken during that period.

6. No employee in the public service may be paid for accumulated annual leave upon termination of employment unless he has been employed for 6 months or more.

Sec. 8. NRS 284.355 is hereby amended to read as follows:

284.355 1. Except as provided in subsections 2 and 3, all employees in the public service, whether in the classified or unclassified service, are entitled to sick and disability leave with pay of 1 1/4 working days for each month of service, which may be cumulative from year to year. After an employee has accumulated 90 working days of sick leave, the amount of additional unused sick leave which he is entitled to carry forward from one year to the next is limited to one-half of the unused sick leave accrued during that year, but the

personnel division may by regulation provide for subsequent use of unused sick leave accrued but not carried forward by reason of this limitation in cases where the employee is suffering from a long term or chronic illness and has used all sick leave otherwise available to him. Upon the retirement of an employee, his termination through no fault of his own or his death while in public employment, the employee or his beneficiaries are entitled to payment for his unused sick leave in excess of 30 days, exclusive of any unused sick leave accrued but not carried forward, according to his number of years of public service, except service with a political subdivision of the state, as follows:

(a) For 10 years of service or more but less than 15 years, not more than \$1,500.

(b) For 15 years of service or more but less than 20 years, not more than \$2,500.

(c) For 20 years of service or more, not more than \$3,500.

The personnel division may by regulation provide for additional sick and disability leave for long-term employees, and for prorated sick and disability leave for part-time employees.

2. Officers and members of the [faculty] professional staff of the University of Nevada System are entitled to sick and disability leave as provided by the regulations adopted pursuant to subsection 2 of NRS 284.345.

3. The personnel division may by regulation provide policies concerning employees with mental or emotional disorders which will:

(a) Utilize a liberal approach to the granting of sick leave or

leave without pay when it is necessary for them to be absent for treatment or temporary hospitalization.

(b) Retain their jobs for reasonable periods of absence, and where extended absence necessitates separation or retirement, reemploy them if at all possible after recovery.

(c) Protect employee benefits such as retirement, life insurance and health benefits.

4. The personnel division may investigate any instance in which it believes that an employee has taken sick or disability leave to which he was not entitled. If, after notice to the employee and a hearing, the commission determines that he has in fact taken sick or disability leave to which he was not entitled, the commission may order the forfeiture of all or part of his accrued sick leave.

Sec. 9. NRS 284.360 is hereby amended to read as follows:

284.360 1. Any person holding a permanent position in the classified service may be granted a leave of absence without pay. Leave of absence may be granted to any person holding a position in the classified service to permit acceptance of an appointive position in the unclassified service.

2. Any person in the unclassified service, except officers and members of the [academic] professional staff of the University of Nevada System, may be granted by the appointing authority a leave of absence without pay for a period not to exceed 6 months.

3. Officers and members of the [faculty] professional staff of the University of Nevada System may be granted leaves of absence without pay as provided by the [rules and] regulations prescribed pursuant to subsection 2 of NRS 284.345.

Sec. 10. NRS 90.160 is hereby amended to read as follows:

90.160 1. [This chapter shall be administered by the] The secretary of state [.] shall administer this chapter. The secretary of state may appoint a deputy and employ other personnel pursuant to chapter 284 of NRS necessary to administer the provisions of this chapter. [The position of the deputy shall be unclassified and in addition to the two unclassified positions in the office of the secretary of state authorized by subsection 3 of NRS 284.140.]

2. It is unlawful for the administrator or any of his deputies or employees to use for personal benefit any information which is obtained by the administrator and which is not made public. No provision of this chapter authorizes the administrator or any of his deputies or employees to disclose any such information except among themselves or when necessary or appropriate in a proceeding or investigation under this chapter. No provision of this chapter either creates or derogates from any privilege which exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the administrator or any of his deputies or employees.

3. All applications, statements, documents and other information filed with the administrator pursuant to the provisions of this chapter are public records and [shall] must be open at all times during office hours to inspection by any person.

Sec. 11. NRS 119.116 is hereby amended to read as follows:

119.116 The division may employ, without regard to the provisions of NRS 228.110 , [or of chapter 284 of NRS,] legal counsel, investigators and other professional consultants necessary to the discharge of its duties.

Sec. 12. NRS 180.030 is hereby amended to read as follows:

180.030 1. The state public defender may employ [:

(a) Deputy] deputy state public defenders [in the unclassified service of the state.

(b) Clerical,] and clerical, investigative and other necessary staff . [in the classified service of the state.]

2. Each deputy state public defender must be an attorney licensed to practice law in Nevada, and shall not engage in the practice of law, except in performing the duties of his office.

3. The state public defender and the employees of his office are entitled to receive the traveling expenses and subsistence allowances provided by law.

Sec. 13. NRS 209.151 is hereby amended to read as follows:

209.151 1. The director shall appoint, with the approval of the board, a deputy director, who [shall be in the unclassified service of the state and] is entitled to receive an annual salary in an amount fixed [by law.] pursuant to the provisions of chapter 284 of NRS.

2. During any absence of the director, the deputy director is acting director of the department without increase in salary.

3. The deputy director shall carry out such administrative duties as may be assigned to him by the director and shall not engage in any other gainful employment or occupation.

Sec. 14. NRS 209.161 is hereby amended to read as follows:

209.161 1. The director shall appoint a superintendent for each institution of the department.

2. Each superintendent [shall be in the classified service of the

state except for purposes of retention and] is entitled to receive an annual salary in an amount fixed [by law.] pursuant to the provisions of chapter 284 of NRS.

3. Each superintendent is responsible to the director for the administration of his institution, including the execution of all policies and the enforcement of all regulations of the department pertaining to the custody, care and training of offenders under his jurisdiction.

Sec. 15. NRS 213.108 is hereby amended to read as follows:

213.108 1. The state board of parole commissioners is hereby created.

2. The board consists of three members appointed by the governor.

3. A chairman of the board [shall] must be appointed by the governor. The chairman is the executive officer of the board and shall administer its activities and services and be responsible for its management except as provided in NRS 213.1085.

4. The board is the head of the agency for purposes of NRS 284.140.

5. A decision on any issue before the board, concurred in by two or more members, is the decision of the board.

Sec. 16. NRS 213.1085 is hereby amended to read as follows:

213.1085 1. The board shall appoint an executive secretary, [who shall be in the unclassified service of the state.] whose position may be one of the two unclassified positions designated by the board.

2. The executive secretary [shall] must be selected on the basis of his training, experience, capacity and interest in correctional services.

3. The board shall supervise the activities of the executive secretary.

4. The executive secretary shall be the secretary of the board and shall perform such duties in connection therewith as the board may require, including but not limited to preparing the agenda for board meetings and answering correspondence from prisoners in the state prison.

5. The executive secretary shall prepare a list at least 30 days before any scheduled action by the board showing each person then eligible for parole indicating:

- (a) The name of the prisoner;
- (b) The crime for which he was convicted;
- (c) The county in which he was sentenced;
- (d) The date of the sentence;
- (e) The length of the sentence;
- (f) The amount of time actually served in the state prison;
- (g) The amount of credit for time previously served in a county jail; and
- (h) The amount of credit allowed for good behavior.

The executive secretary shall send copies to all law enforcement agencies in Nevada and to other persons whom he deems appropriate, at least 30 days before any scheduled action by the board.

Sec. 17. NRS 213.1094 is hereby amended to read as follows:

213.1094 1. Assistant parole and probation officers and employees of the board [(except as provided in subsection 3 of NRS 284.140) are in the classified service of the state and] are entitled to receive

such salaries as are fixed [in accordance with the pay plan adopted] pursuant to the provisions of chapter 284 of NRS.

2. The chief parole and probation officer, assistant parole and probation officers, the executive secretary and employees of the board are entitled to receive the per diem expense allowances and travel expenses as fixed by law.

3. The compensation, salaries and expenses of the members of the board, the executive secretary and employees of the board must be paid, upon certification by the secretary of the board, in the same manner as those of other state officers and employees.

4. The chief parole and probation officer shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 18. NRS 225.060 is hereby amended to read as follows:

225.060 1. The secretary of state may, under his hand and seal, appoint deputies [in the unclassified service of the state,] who may, during his absence from the office, perform all the duties of a ministerial nature belonging to the office.

2. For his own security, the secretary of state may require each deputy to give him a bond in such sum and with such sureties as he may deem sufficient.

3. [Such] The deputies and other employees shall devote their entire time and attention to the business of their offices and shall not pursue any other businesses or occupations or hold any other office of profit.

Sec. 19. NRS 226.100 is hereby amended to read as follows:

226.100 1. The state treasurer may appoint and employ a chief

deputy and a deputy cashier . [in the unclassified service of the state.]

2. The chief deputy state treasurer and deputy cashier shall devote their entire time and attention to the business of their offices and shall not pursue any other businesses or occupations or hold any other offices of profit.

Sec. 20. NRS 227.100 is hereby amended to read as follows:

227.100 1. The state controller may appoint a deputy [in the unclassified service of the state,] who may, in the absence of the state controller, do all acts devolving upon and necessary to be performed by the state controller, except the signing of state warrants and bonds.

2. The deputy state controller and other employees shall devote their entire time and attention to the business of their offices and shall not pursue any other businesses or occupations or hold any other offices of profit.

Sec. 21. NRS 228.330 is hereby amended to read as follows:

228.330 The consumer's advocate may:

1. Employ the staff necessary to carry out his duties and the functions of his office . [, in accordance with the personnel practices and procedures established within the attorney general's office.] The staff [shall] must include:

(a) A person licensed to practice law in this state, who shall serve as staff counsel;

(b) A person knowledgeable in ratemaking and principles and policies of rate regulation;

(c) A specialist in public utilities knowledgeable in accounting or finance or economics or one or more related disciplines; and

(d) An administrative assistant . [, who must be in the unclassified service of the state. The consumer's advocate has sole discretion to employ and remove the-members of his staff who are in the unclassified service.]

2. Purchase necessary equipment.

3. Lease or make other suitable arrangements for office space, but any lease which extends beyond the term of 1 year must be reviewed and approved by a majority of the members of the state board of examiners.

4. Apply for an order or subpoena for the appearance of witnesses or the production of books, papers and documents in any proceeding in which he is a party or intervenor, in the same manner as any other party or intervenor, and make arrangements for and pay the fees or costs of any witnesses and consultants necessary to the proceeding. If any person ordered by the public service commission to appear before it as a witness pursuant to this subsection fails to obey the order, the commission shall apply for a subpoena commanding the attendance of the witness.

5. Perform such other functions and make such other arrangements as may be necessary to carry out his duties and the functions of his office.

Sec. 22. NRS 232.055 is hereby amended to read as follows:

232.055 1. The director shall appoint two assistant directors of the department and shall assign their duties.

2. Each assistant director [is in the unclassified service of the

state and] is entitled to receive the travel expenses and subsistence allowances [as] provided by law.

3. Each assistant director shall devote his entire time and attention to the business of his office and shall not engage in any other gainful employment or occupation.

Sec. 23. NRS 232.080 is hereby amended to read as follows:

232.080 The attorney general is the counsel and attorney for the department. The attorney general, with the advice and consent of the director, shall designate one of his deputies to be counsel and attorney for the department in all actions, proceedings and hearings. The deputy so designated:

1. Is the legal adviser of the department in all matters relating to the department and to the powers and duties of its officers.

2. Shall maintain his office in Carson City, Nevada, in an office provided by the department.

[3. Is in the unclassified service of the state pursuant to subsection 5 of NRS 284.140.]

Sec. 24. NRS 232.125 is hereby amended to read as follows:

232.125 1. The head of the division of conservation districts [shall be] is an administrative officer [,] who [shall be] is selected by the director [from a list of three people recommended by the state conservation commission. The administrative officer shall be employed in the unclassified service.] pursuant to the provisions of chapter 284 of NRS. The director shall employ such other assistants as may be required to carry out the functions of the division and shall assign their duties.

2. The administrative officer shall [have the following powers and duties:

(a) To perform] :

(a) Perform staff services for the state conservation commission to assist it in carrying out its responsibilities under chapter 548 of NRS.

(b) [To perform] Perform such administrative acts as may be required to carry out the policies and goals established by the commission and the powers and duties assigned to it under chapter 548 of NRS.

Sec. 25. NRS 232.131 is hereby amended to read as follows:

232.131 1. The division of mineral resources consists of the administrator and any other necessary personnel.

2. The administrator is appointed by the director . [and is in the unclassified service of the state.]

Sec. 26. NRS 232.136 is hereby amended to read as follows:

232.136 1. The division of environmental protection consists of the administrator and any other necessary personnel.

2. The administrator is appointed by the director . [and is in the unclassified service of the state.]

Sec. 27. NRS 232.137 is hereby amended to read as follows:

232.137 1. The division of water planning consists of the administrator and any other necessary personnel.

2. The administrator is appointed by the director . [and is in the unclassified service of the state.]

Sec. 28. NRS 232.138 is hereby amended to read as follows:

232.138 1. The division of historic preservation and archeology

consists of the administrator, the advisory board for historic preservation and archeology and any other necessary personnel.

2. The administrator of the division [shall be] is appointed by and [be] is responsible to the director . [and shall be in the unclassified service of the state.]

Sec. 29. NRS 232.139 is hereby amended to read as follows:

232.139 The chiefs of the divisions of the department may each appoint a deputy and a chief assistant [in the unclassified service of the state] pursuant to the provisions of chapter 284 of NRS. Each deputy and chief assistant shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 30. NRS 232.210 is hereby amended to read as follows:

232.210 The chiefs of the divisions of the department may each appoint a deputy and a chief assistant [in the unclassified service of the state] pursuant to the provisions of chapter 284 of NRS . [, unless federal law or regulation requires otherwise.] Each deputy and chief assistant shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 31. NRS 232.217 is hereby amended to read as follows:

232.217 The chief of the budget division may appoint a deputy and a chief assistant , [in the unclassified service of the state,] who shall not engage in any other gainful employment or occupation.

Sec. 32. NRS 232.270 is hereby amended to read as follows:

232.270 The chief of each of the divisions of the department:

1. Is in the unclassified service of the state pursuant to the

provisions of chapter 284 of NRS. The designation of these positions as unclassified is in addition to the director's designation of a deputy and a confidential assistant as unclassified.

2. Shall administer the provisions of law relating to his division, subject to the administrative supervision of the director.

3. Shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit, except for temporary and part-time teaching duties on a university campus.

Sec. 33. NRS 232.280 is hereby amended to read as follows:

232.280 [Except for the state fire marshal, the] The chiefs of the divisions of the department may each appoint a deputy and a chief assistant [in the unclassified service of the state] pursuant to the provisions of chapter 284 of NRS. Each deputy and chief assistant shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 34. NRS 232.340 is hereby amended to read as follows:

232.340 [The] 1. Except as otherwise provided in subsection 2, the chief of each division of the department [:

1. Is] is in the unclassified service of the state pursuant to the provisions of chapter 284 of NRS . [, unless federal law or regulation requires otherwise, in which case he is in the classified service of the state pursuant to the provisions of that chapter.

2.] The designation of these positions as unclassified is in addition to the director's designation of a deputy and a confidential assistant as unclassified.

2. The state health officer is in the classified service of the state.

3. The chief of each division of the department:

(a) Shall administer the provisions of law relating to his division, subject to the administrative supervision of the director.

[3.] (b) Shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 35. NRS 232.370 is hereby amended to read as follows:

232.370 1. The administrator of the rehabilitation division of the department:

(a) [Is in the unclassified service of the state pursuant to the provisions of chapter 284 of NRS unless federal law or regulation requires otherwise, in which case the administrator must be placed in the classified service of the state pursuant to the provisions of that chapter.

(b)] Is responsible for the administration, through the bureaus of the division, of the provisions of NRS 426.520 to 426.720, inclusive, chapters 458 and 615 of NRS, NRS 232.360 to 232.390, inclusive; and all other provisions of law relating to the functions of the division and its bureaus, but is not responsible for the professional line activities of the bureaus except as specifically provided by law.

[(c)] (b) Is responsible for the preparation of a consolidated state plan for the bureau of services to the blind, the bureau of vocational rehabilitation and any other program administered by the rehabilitation division which he considers appropriate to incorporate

into the consolidated state plan before submission to the Federal Government. This [subsection] paragraph does not apply if any federal regulation exists which prohibits a consolidated plan.

2. In developing and revising state plans, the administrator shall consider, among other things, the amount of money available from the Federal Government for the programs of the division and the conditions attached to the acceptance of such money, and the limitations of legislative appropriations for the programs.

Sec. 36. NRS 232.390 is hereby amended to read as follows:

232.390 1. The administrator of the rehabilitation division of the department shall appoint, with the consent of the director, a head of each bureau in the division, to be known as the chief of his respective bureau.

2. The chief of each [such bureau shall:

(a) Be in the unclassified service of the state pursuant to the provisions of chapter 284 of NRS unless federal law or regulation requires otherwise, in which case the chief shall be in the classified service of the state pursuant to the provisions of such chapter.

(b) Receive] bureau:

(a) Is entitled to receive an annual salary in an amount determined pursuant to the provisions of chapter 284 of NRS.

[(c) Administer] (b) Shall administer the provisions of law relating to his bureau, subject to the administrative supervision of the administrator.

[(d) Be] (c) Is directly responsible to the administrator . [of the rehabilitation division of the department.]

3. Subject to the approval of the administrator , [of the

rehabilitation division of the department,] the chief of each bureau may employ, within the limits of legislative appropriations and pursuant to the provisions of chapter 284 of NRS, such staff as is necessary to the performance of his duties.

Sec. 37. NRS 232.630 is hereby amended to read as follows:

232.630 1. The director may appoint an assistant director of the department and assign his duties.

2. The assistant director [is in the unclassified service of the state and] is entitled to receive:

(a) An annual salary [of \$37,000;] in an amount determined pursuant to the provisions of chapter 284 of NRS; and

(b) Travel expenses and subsistence allowances as provided for state officers and employees.

3. The assistant director shall devote his entire time and attention to the business of his office and shall not engage in any other gainful employment or occupation.

Sec. 38. NRS 232.640 is hereby amended to read as follows:

232.640 The administrator of each of the divisions of the department:

1. [Is in the unclassified service of the state pursuant to the provisions of NRS chapter 284.

2.] Is entitled to receive an annual salary [as follows:

(a) Division of administrative services.....	\$32,808
(b) Division of occupational safety and health.....	34,334
(c) Division of mine inspection.....	30,068
(d) Division of industrial insurance regulation.....	36,379

3.] in an amount determined pursuant to the provisions of chapter 284 of NRS.

2. Is entitled to receive travel expenses and subsistence allowances as provided for state officers and employees when traveling in the discharge of his official duties.

[4.] 3. Shall administer the provisions of law relating to his division, subject to the administrative supervision of the director.

[5.] 4. Shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit, except for temporary and part-time teaching duties on a university campus.

Sec. 39. NRS 232.790 is hereby amended to read as follows:

232.790 The director may:

1. Employ, [without regard to the provisions of chapter 284 of NRS,] within the limitations of legislative appropriations, legal counsel, investigators and other professional and clerical employees to enable the department to carry out its duties.

2. Rent, lease, purchase or contract for property, equipment and supplies necessary to carry out the purposes of NRS 232.750 to 232.810, inclusive.

3. Adopt regulations necessary to carry out the duties of the department.

4. Perform other functions necessary to the proper discharge of the duties of the department.

Sec. 40. NRS 232.800 is hereby amended to read as follows:

232.800 The chief of each division of the department:

1. Is [in the unclassified service of the state and is] entitled to receive a salary determined pursuant to [NRS 284.182.] the provisions of chapter 284 of NRS.

2. Shall administer the provisions of law relating to his division under the administrative supervision of the director.

3. Shall devote his entire time and attention to the business of his division and not pursue any other business or occupation or hold any other office of profit.

Sec. 41. NRS 233.050 is hereby amended to read as follows:

233.050 1. The governor shall appoint a chairman of the commission and the members shall elect a secretary from the membership of the commission.

2. The commission shall meet at least twice a year on the call of the chairman at a place designated by the chairman or a majority of the commission.

[3. The employees of the commission are in the classified service of the state.]

Sec. 42. NRS 233.100 is hereby amended to read as follows:

233.100 1. The director [shall be] is in the unclassified service of the state as provided in chapter 284 of NRS and [shall] is entitled to receive an annual salary in an amount determined pursuant to law, in addition to the per diem allowance and travel expenses fixed by [NRS 281.160.] law. He is the head of the agency for purposes of NRS 284.140.

2. The director shall devote his entire time and attention to the business of the commission and to the duties of his office and shall

not pursue any other business or occupation or hold any other office of profit.

Sec. 43. NRS 233A.055 is hereby amended to read as follows:

233A.055 1. The governor, upon recommendation of the commission, shall appoint an executive director of the commission who has had successful experience in the administration and promotion of a program comparable to that provided by this chapter.

2. The executive director of the commission is in the unclassified service of the state. He is entitled to receive the per diem expense allowance and travel expenses fixed by [NRS 281.160.] law. He is the head of the agency for purposes of NRS 284.140.

3. The executive director of the commission shall devote his entire time to the duties of his office and shall not follow any other gainful employment or occupation.

Sec. 44. NRS 233C.080 is hereby amended to read as follows:

233C.080 [The] Subject to the provisions of chapter 284 of NRS, the council may employ and remove any advisers, officers and other employees as may be needed and fix their compensation within the amounts available for those purposes. The council is the head of the agency for purposes of NRS 284.140.

Sec. 45. NRS 242.101 is hereby amended to read as follows:

242.101 1. The director shall:

(a) Appoint the chiefs of the divisions ; [in the unclassified service of the state;]

(b) Administer the provisions of this chapter and other provisions of law relating to the duties of the department; and

(c) Carry out other duties and exercise other powers specified by law.

2. The director may form committees to establish standards and determine criteria for evaluation of policies relating to informational services.

Sec. 46. NRS 286.160 is hereby amended to read as follows:

286.160 1. The board shall employ an executive officer who serves at the pleasure of the board. The executive officer shall select an assistant executive officer and administrative assistant whose appointments are effective upon confirmation by the board. [The assistant executive officer and administrative assistant serve at the pleasure of the executive officer.] The executive officer is the head of the agency for purposes of NRS 284.140.

2. The executive officer [, assistant executive officer and administrative assistant are entitled to annual salaries] is entitled to an annual salary fixed by the board with the approval of the interim retirement committee of the legislature. The salary of the executive officer is exempt from the limitations of NRS 281.123.

3. The executive officer must:

(a) Be a graduate of a 4-year college or university with a degree in business administration or public administration or equivalent degree.

(b) Possess at least 5 years' experience in a high level administrative or executive capacity, responsible for a variety of administrative functions such as retirement, insurance, investment or fiscal operations.

4. The assistant executive officer must be a graduate of a 4-year

college or university with a degree in business administration or public administration or an equivalent degree.

5. The executive officer shall not pursue any other business or occupation or perform the duties of any other office of profit during normal office hours unless on leave approved in advance. The executive officer shall not participate in any business enterprise or investment in real or personal property if the system owns or has a direct financial interest in that enterprise or property.

Sec. 47. NRS 288.090 is hereby amended to read as follows:

288.090 1. The members of the board shall annually elect one of their number as chairman and one as vice chairman. Any two members of the board constitute a quorum.

2. The board may, within the limits of legislative appropriations:

(a) Appoint a commissioner , [and a secretary,] who shall be in the unclassified service of the state; and

(b) Employ a secretary and such additional clerical personnel as may be necessary . [, who shall be in the classified service of the state.]

3. The board is the head of the agency for purposes of subsection 3 of NRS 284.140.

Sec. 48. NRS 315.979 is hereby amended to read as follows:

315.979 1. As soon as possible after their appointment, the commissioners shall organize for the transaction of business by choosing a chairman and vice chairman and by adopting bylaws and [rules and] regulations suitable to the purpose of organizing the authority and conducting the business thereof.

2. The commissioners shall appoint an executive director , who is

in the unclassified service of the state, and such other officers and employees as the authority may require for the performance of its duties. [All of such positions shall be included in the classified service of the state.] The commissioners are the head of the agency for purposes of subsection 3 of NRS 284.140. The commissioners shall prescribe the duties of each officer and employee and shall fix their salaries [in accordance with the pay plan of the state adopted] pursuant to the provisions of chapter 284 of NRS.

3. At least once a year the authority shall file with the governor a report of its activities for the preceding year and shall make recommendations with reference to such additional legislation or other actions as it deems necessary in order to carry out the purposes of NRS 315.960 to 315.996, inclusive.

Sec. 49. NRS 341.100 is hereby amended to read as follows:

341.100 1. The board may appoint a manager and technical supervisor, and such other technical and clerical assistants as may be necessary to carry into effect the purposes of its acts. The board is the head of the agency for purposes of subsection 3 of NRS 284.140.

2. The manager and technical supervisor of the board [and his deputy are] is in the unclassified service of the state.

3. The manager and technical supervisor of the board and his deputy:

(a) Must each be a registered professional engineer pursuant to the provisions of chapter 625 of NRS or an architect licensed under the provisions of chapter 623 of NRS; and

(b) Shall each devote his entire time and attention to the business

of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 50. NRS 344.080 is hereby amended to read as follows:

344.080 [1.] The superintendent shall employ such compositors, machine operators, pressmen and assistants as the exigency of the work from time to time requires . [, and he may at any time discharge those employees.] He shall not, at any time, employ more compositors, machine operators, pressmen and assistants than the necessities of the division may require.

[2. The compensation of the compositors, machine operators, pressmen and assistants must be fixed by the personnel division of the department of general services, but no such employees are entitled to receive a higher rate of wages than is recognized by the employing printers of the State of Nevada or than the nature of the employment may require.

3. All clerical employees and such other persons as are employed for work not directly related to the printing crafts must be in the classified service of the state.]

Sec. 51. NRS 365.120 is hereby amended to read as follows:

365.120 The department may appoint auditors, accountants, inspectors, clerks and such other assistants or agents as it may deem necessary to enforce its powers and perform its duties under this chapter. Such employees [shall be in the classified service of the State of Nevada and shall] must be appointed pursuant to the provisions of chapter 284 of NRS.

Sec. 52. NRS 378.010 is hereby amended to read as follows:

378.010 The state librarian [shall:

1. Be] is appointed by and [be] is responsible to the governor, and he shall serve at the pleasure of the governor.

[2. Be appointed on the basis of merit under the provisions of chapter 284 of NRS.

3. Be in the classified service, except for the purposes of removal.] He is in the unclassified service of the state and is the head of the agency for purposes of NRS 284.140.

Sec. 53. NRS 378.030 is hereby amended to read as follows:

378.030 The state librarian [shall:] is entitled to:

1. Receive an annual salary which [shall] must be fixed [in accordance with the pay plan adopted under] pursuant to the provisions of chapter 284 of NRS.

2. Receive [the] per diem expense allowance and travel expenses as fixed by law.

Sec. 54. NRS 381.005 is hereby amended to read as follows:

381.005 1. The administrator of the department of museums and history is appointed by the governor and serves at his pleasure. The governor shall consult with the joint board of museums and history before making the appointment.

2. To be qualified for appointment, the administrator must have training and experience in public administration.

3. The administrator is in the unclassified service of the state. He is entitled to receive an annual salary in an amount determined pursuant to the provisions of chapter 284 of NRS and the travel expenses and subsistence allowances fixed by law for state officers and employees.

4. The administrator shall not engage in any other gainful employment or occupation.

5. The administrator is the head of the department for purposes of NRS 284.140.

6. The administrator may employ, within the limits of legislative appropriations, such staff as is necessary to the performance of his duties.

Sec. 55. NRS 381.120 is hereby amended to read as follows:

381.120 1. The governor shall appoint a director [from a list of three names submitted by the board. The director] of the Nevada state museum . [shall be a person who has:] The person appointed must have:

- (a) An advanced degree in science or history; and
- (b) At least 3 years' experience in managing a museum.

2. The director may employ and fix the duties, powers and conditions of employment of all curators, assistants, janitors, laborers, guards and employees of the Nevada state museum.

3. [Except for the director and two assistants, all employees of the Nevada state museum whose salaries are paid from the general fund appropriation are in the classified service of the state. The director is in the unclassified service. The director may, within the limits of legislative appropriation, fix the annual salaries of the two assistants.

4.] When any employee is required to perform any travel in conjunction with his duties and at the specific instruction of his supervisor, he shall be reimbursed for [such] the expense as provided by law.

[5.] 4. The director shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 56. NRS 382.0135 is hereby amended to read as follows:

382.0135 1. The governor shall appoint a director [from a list of three names submitted by the board. The director shall be a person who has:] of the Nevada historical society. The person appointed must have:

(a) An advanced degree in science, history or a discipline related to the functions of the historical society; and

(b) At least 3 years' experience in managing a similar type agency.

2. [The director of the Nevada historical society is in the unclassified service.

3.] The director shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 57. NRS 382.022 is hereby amended to read as follows:

382.022 [1.] The director may hire and fix the duties, powers and conditions of employment of necessary technical and clerical personnel.

[2. Employees of the Nevada historical society in the unclassified service of the state shall receive annual salaries as provided by law.]

Sec. 58. NRS 385.150 is hereby amended to read as follows:

385.150 1. The superintendent of public instruction shall be

appointed by the state board of education for a term of 3 years. The state board shall fill any vacancy for the unexpired term.

2. The superintendent of public instruction is in the unclassified service of the state. He is the head of the department for purposes of NRS 284.140.

Sec. 59. NRS 385.320 is hereby amended to read as follows:

385.320 The deputy superintendent of public instruction and the associate superintendent for administration:

1. [Are in the unclassified service of the state.

2.] Are entitled to receive subsistence and travel expenses as provided by law.

[3.] 2. Shall each devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 60. NRS 385.340 is hereby amended to read as follows:

385.340 [The] Except for qualifications specified by statute, the qualifications for the professional staff and other personnel appointed by the superintendent of public instruction who are not in the unclassified service must be fixed by the personnel division of the department of general services.

Sec. 61. NRS 396.280 is hereby amended to read as follows:

396.280 The board of regents [shall have the power to] may fix the salaries of the [academic] officers and members of the professional staff of the university.

Sec. 62. NRS 407.037 is hereby amended to read as follows:

407.037 The position of administrator of the division of state parks is hereby created. The administrator is in the unclassified

service of the state. The designation of this position as unclassified is in addition to the director's designation of a deputy and a confidential assistant as unclassified.

Sec. 63. NRS 407.048 is hereby amended to read as follows:

407.048 The administrator may appoint one construction engineer, who [shall be:

1. Registered] must be registered as a professional engineer pursuant to the provisions of chapter 625 of NRS . [; and
2. In the classified service of the state.]

Sec. 64. NRS 408.140 is hereby amended to read as follows:

408.140 1. Subject to the approval of the board, the attorney general shall, immediately upon request by the board, appoint an attorney at law as the chief counsel of the department, and such assistant attorneys as are necessary. Attorneys so appointed are deputy attorneys general.

2. The chief counsel shall act as the attorney and legal adviser of the department in all actions, proceedings, hearings and all matters relating to the department and to the powers and duties of its officers.

3. Under the direction of or in the absence of the chief counsel, the assistant attorneys may perform any duty required or permitted by law to be performed by the chief counsel.

4. [The chief counsel and assistant attorneys are in the unclassified service of the state.

5.] All contracts, instruments and documents executed by the department must be first approved and endorsed as to legality and form by the chief counsel.

Sec. 65. NRS 408.178 is hereby amended to read as follows:

408.178 The deputy director [:

1. Is in the unclassified service of the state.

2. Must] must have [had] at least 5 years of responsible administrative experience in public administration, business administration, engineering or a related field, or 3 years of qualifying experience if he is a registered professional engineer.

Sec. 66. NRS 412.048 is hereby amended to read as follows:

412.048 The adjutant general [shall be] is the chief of staff to the governor, the director of the department of the military and the commander of the Nevada National Guard . [, and shall:] He:

1. [Be] Is responsible, under the direction of the governor, for the supervision of all matters pertaining to the administration, discipline, mobilization, organization and training of the Nevada National Guard, Nevada National Guard Reserve and volunteer organizations licensed by the governor.

2. [Perform] Shall perform all duties required of him by the laws of the United States and of the State of Nevada, and the regulations issued thereunder.

3. [Employ] Shall employ such deputies, assistants and other personnel as he deems necessary to assist him in the performance of those duties required of him as director of the department. He may [, in his discretion,] so employ either members of the Nevada National Guard or civilian personnel. All deputies, assistants and other personnel [shall] must be appointed in accordance with the provisions of chapter 284 of NRS and their duties [shall] must be prescribed by

[department] regulations [. All such employees shall be in the unclassified service except civilian clerical and custodian employees, who shall be in the classified service.] of the department.

Sec. 67. NRS 414.040 is hereby amended to read as follows:

414.040 1. A division of civil defense and disaster assistance is hereby created within the department of the military. The director of the division is appointed by [and holds office at the pleasure of] the governor.

2. The director may employ technical, clerical, stenographic and other personnel as may be required, and may make such expenditures therefor and for other expenses of his office within the appropriation therefor, or from other money made available to him for purposes of civil defense, as may be necessary to carry out the purposes of this chapter.

3. The director, subject to the direction and control of the adjutant general, shall carry out the program for civil defense of this state. He shall coordinate the activities of all organizations for civil defense within the state, maintain liaison with and cooperate with civil defense agencies and organizations of other states and of the Federal Government and carry out such additional duties as may be prescribed by the adjutant general.

Sec. 68. NRS 417.040 is hereby amended to read as follows:

417.040 The term of office of the commissioner [and the deputy commissioner each shall be for a period of] is 2 years, terminating regardless of date of appointment on December 31 of each even-numbered year.

Sec. 69. NRS 417.060 is hereby amended to read as follows:

417.060 1. The commissioner [and deputy commissioner are] is in the unclassified service of the state. [Each]

2. He is the head of the agency for purposes of NRS 284.140.

3. He shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 70. NRS 433.244 is hereby amended to read as follows:

433.244 [1.] The administrator must:

[(a)] 1. Have training and demonstrated administrative qualities of leadership in any one of the professional fields of psychiatry, medicine, psychology, social work, education or administration.

[(b)] 2. Be appointed on the basis of merit as measured by administrative training or experience in programs relating to mental health, including care, treatment or training, or any combination thereof, of mentally ill and mentally retarded persons.

[(c)] 3. Have additional qualifications which are in accordance with criteria prescribed by the personnel division of the department of general services.

[2. The administrator is in the unclassified service of the state.]

Sec. 71. NRS 433A.080 is hereby amended to read as follows:

433A.080 1. A coordinator of medical programs is the medical head of any division facility designated by the administrator. He must be a psychiatrist licensed to practice medicine or, in the case of a treatment facility authorized by subsection 2 of NRS 433A.510, a psychiatrist or a pediatrician licensed to practice medicine. He may be a

psychiatrist or pediatrician in private practice under contract to the division. He must have such additional qualifications as are in accordance with criteria prescribed by the personnel division of the department of general services . [and must be in the unclassified service of the state.]

2. A coordinator of medical programs shall:

(a) Cause to be kept a fair and full account of all medical affairs;

(b) Have standard medical histories currently maintained on all clients, and administer or have administered the accepted and appropriate medical treatments to all clients under his care, and may, by delegation of the administrative officer, be responsible for the nonmedical care and treatment of clients; and

(c) Undertake any diagnostic, medical or surgical procedure in the interest of the client, but only in accordance with the provisions of subsection 1 of NRS 433.484.

Sec. 72. NRS 439.140 is hereby amended to read as follows:

439.140 [1.] Subject to the provisions of chapter 284 of NRS and with the approval of the director, the state health officer shall appoint and may remove subordinate officers and employees of the health division.

[2. For the purpose of insuring the impartial selection of personnel on the basis of merit, the health division is authorized to fill all positions in the health division, with the exception of the positions of state health officer and professional persons employed for part-time duties, from the classified service of the state as provided in chapter 284 of NRS.]

Sec. 73. NRS 458.040 is hereby amended to read as follows:

458.040 The chief [shall be:

1. Appointed] must be appointed on the basis of his education, training and experience as an administrator and his interest in the problems of alcohol and drug abuse.

[2. In the unclassified service of the state pursuant to the provisions of chapter 284 of NRS unless federal law or regulation requires otherwise, in which case the chief shall be in the classified service of the state pursuant to the provisions of such chapter.

3. Allowed] He is entitled to the per diem expense allowances and travel expenses provided by law.

Sec. 74. NRS 463.080 is hereby amended to read as follows:

463.080 1. The board, with the approval of the commission, may:

(a) Establish, and from time to time alter, such plan of organization as it may deem expedient.

(b) Acquire such furnishings, equipment, supplies, stationery, books, motor vehicles and all other things as it may deem necessary or desirable in carrying out its functions.

(c) Incur such other expenses, within the limit of money available to it, as it may deem necessary.

2. Except as otherwise provided in this chapter, all costs of administration incurred by the board must be paid out on claims from the state general fund in the same manner as other claims against the state are paid.

3. The board shall, within the limits of legislative appropriations or authorizations [,] and pursuant to the provisions of chapter 284 of

NRS, employ and fix the salaries of or contract for the services of such professional, technical and operational personnel and consultants as the execution of its duties and the operation of the board and commission may require. The board is the head of the agency for purposes of NRS 284.140.

4. The members of the board [and all the personnel of the board, except clerical employees, are exempt from the provisions of chapter 284 of NRS. They are entitled to such leaves of absence as the board prescribes; but such leaves must not be of lesser duration than those provided for other state employees pursuant to chapter 284 of NRS.

5. Clerical employees of the board are in the classified service but are exempt from the provisions of chapter 284 of NRS for purposes of removal. They are entitled to receive an annual salary which must be fixed in accordance with the pay plan adopted under the provisions of that chapter.

6. The board and the commission shall, by suitable regulations, establish a comprehensive plan governing employment, job classifications and performance standards, and retention or discharge of employees to assure that termination or other adverse action is not taken against such employees except for cause. The regulations must include provisions for hearings in personnel matters and for review of adverse actions taken in those matters.] , the executive secretary of the board and commission and the chiefs for investigation, enforcement, audit, special investigation and intelligence, and tax and license are

in the unclassified service of the state. The designation of the executive secretary and the respective chiefs as unclassified is in addition to the board's designation of a deputy and a confidential assistant as unclassified.

Sec. 75. NRS 466.060 is hereby amended to read as follows:

466.060 1. The commission shall appoint a secretary of the commission who shall serve during the pleasure of the commission. The secretary shall keep a record of all proceedings of the commission, and shall preserve all books, maps, documents and papers belonging to the commission or entrusted to its care. The records of the commission are open for inspection at all reasonable times. The secretary shall perform such other duties as the commission may prescribe.

2. The commission may appoint such other officers, clerks, stenographers, inspectors, experts, attorneys and employees as may be necessary . [, all of whom shall serve during the pleasure of the commission.

3. The personnel of the commission, except clerical employees, are exempt from the provisions of chapter 284 of NRS. They are entitled to such leaves of absence as the board prescribes, but such leaves must not be of a lesser duration than those provided for other state employees pursuant to chapter 284 of NRS.

4.] The commission is the head of the agency for purposes of subsection 3 of NRS 284.140.

3. No person is eligible to be appointed by the commission, or to hold any office or position under the commission, who:

(a) Holds any official relation to any association or corporation engaged in or conducting racing within the State of Nevada; [or]

(b) Holds stock or bonds therein; or

(c) Has any pecuniary interest therein.

Sec. 76. NRS 472.025 is hereby amended to read as follows:

472.025 1. The state forester firewarden is in the unclassified service of the state. The designation of this position as unclassified is in addition to the designation by the director of the state department of conservation and natural resources of a deputy and a confidential assistant as unclassified.

2. He shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 77. NRS 477.013 is hereby amended to read as follows:

477.013 [1.] The state fire marshal may appoint, within the limits of legislative appropriations, an assistant, deputies and such staff as is necessary to the performance of his duties.

[2. The assistant, deputies and additional personnel appointed by the state fire marshal are in the classified service of the state in accordance with the provisions of chapter 284 of NRS.]

Sec. 78. NRS 481.035 is hereby amended to read as follows:

481.035 1. The director:

(a) Is appointed by the governor. He must be selected with special reference to his training, experience, capacity and interest in the field of motor vehicle administration.

(b) Is entitled to hold office for a term of 4 years from and after his appointment or until his successor is appointed.

(c) Is in the unclassified service of the state.

(d) Is entitled to receive the per diem and expense allowance and travel expenses as provided by law.

(e) Shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

2. There is hereby created in the department of motor vehicles the office of deputy director _ [, which office is in the unclassified service of the state.] The deputy director:

(a) Is appointed by the director, and must be selected with special reference to his training, experience, capacity and interest in the field of motor vehicle administration.

(b) Is entitled to receive the per diem expense allowance and travel expenses as provided by law.

(c) Shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 79. NRS 481.230 is hereby amended to read as follows:

481.230 The investigation division is composed of:

1. A chief appointed by the director; and

2. Within the limitations of legislative appropriation, a number of investigators and agents which the director determines to be sufficient to carry out the duties of the division _ [, who are employed in the classified service of the state.]

Sec. 80. NRS 523.031 is hereby amended to read as follows:

523.031 1. The department of energy is hereby created.

2. The department consists of the director and:

(a) The division of energy research and development; and

(b) The division of energy conservation and planning.

3. The governor shall appoint a director to serve as the executive head of the department.

4. The director must:

(a) Be in the unclassified service.

(b) Be selected with special reference to his training, experience, capability and interest in the field of energy conservation and management.

(c) Devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

5. As executive head of the department, the director is responsible for the administration of all provisions of law relating to the functions of the department.

6. The director may employ any clerical and operational personnel necessary for the performance of his duties, prescribe their duties and fix their salaries [in accordance with classifications made by the personnel division of the department of general services.] pursuant to the provisions of chapter 284 of NRS.

7. The director and the employees of the department are entitled to receive the travel expenses and subsistence allowances provided by law.

Sec. 81. NRS 523.041 is hereby amended to read as follows:

523.041 1. The director shall appoint the administrator of each of the divisions of the department. Each administrator [is in the

unclassified service of the state,] shall devote his entire time and attention to the business of his office [,] and shall not engage in any other gainful occupation or employment.

2. Each administrator may appoint a deputy and chief assistant .
[in the unclassified service of the state.]

Sec. 82. NRS 532.020 is hereby amended to read as follows:

532.020 The state engineer [shall be] is appointed by and [be] is responsible to the director of the state department of conservation and natural resources . [, and shall be] He is in the unclassified service of the state. The designation of this position as unclassified is in addition to the director's designation of a deputy and a confidential assistant as unclassified.

Sec. 83. NRS 532.060 is hereby amended to read as follows:

532.060 [1.] The state engineer [is in the unclassified service of the state.

2. He] shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 84. NRS 533.270 is hereby amended to read as follows:

533.270 1. The state engineer shall appoint, subject to confirmation by any court having jurisdiction, one or more water commissioners for any stream system or water district subject to regulation and control by the state engineer. The duties and salaries of the water commissioners must be fixed by the state engineer and their salaries must be paid by the State of Nevada out of the water distribution accounts. The water commissioners are exempt from the provisions of chapter 284 of NRS.

2. The state engineer shall appoint a district supervisor of water commissioners and fix his duties. [The district supervisor is in the unclassified service of the state.]

Sec. 85. NRS 538.133 is hereby amended to read as follows:

538.133 1. The commission shall appoint a director.

2. The director is in the unclassified service of the state and is entitled to receive an annual salary and the per diem expense allowance and travel expenses as provided by law.

3. The director is the head of the agency for purposes of NRS 284.140.

4. The director shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 86. NRS 538.137 is hereby amended to read as follows:

538.137 1. The director shall appoint a deputy director and shall designate his duties.

2. The deputy director of the commission [is in the unclassified service of the state and] is entitled to receive an annual salary and the per diem expense allowance and travel expenses [as] provided by law.

3. The deputy director shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 87. NRS 544.080 is hereby amended to read as follows:

544.080 In the performance of his functions the director may, in addition to any other acts authorized by law:

1. Establish advisory committees to advise [with] and make recommendations to the director concerning legislation, policies, administration, research and other matters.

2. Establish by regulation or order such standards and instructions to govern the carrying out of research or projects in weather modification and control as he may deem necessary or desirable to minimize danger to health or property, and make such regulations as are necessary in the performance of his powers and duties.

3. Make such studies, investigations, obtain such information and hold such hearings as he may deem necessary or proper to assist him in exercising his authority or in the administration or enforcement of NRS 544.070 to 544.240, inclusive, or any regulations or orders issued thereunder.

4. Appoint and fix the compensation of such personnel, [without compliance with the provisions of chapter 284 of NRS,] including specialists and consultants, as are necessary to perform his duties and functions.

5. Acquire, in the manner provided by law, such materials, equipment and facilities as are necessary to perform his duties and functions.

6. Cooperate with public or private agencies in the performance of his functions or duties and in furtherance of the purposes of NRS 544.070 to 544.240, inclusive.

7. Represent the state in any and all matters pertaining to plans, procedures or negotiations for interstate compacts relating to weather modification and control.

8. With approval of the governor, enter into cooperative agreements with the various counties and cities of this state or with any private or public agencies for conducting weather modification or cloud seeding operations.

9. Act for and represent the state and the counties, cities and private or public agencies in contracting with private concerns for the performance of weather modifications or cloud seeding operations.

Sec. 88. NRS 561.205 is hereby amended to read as follows:

561.205 The director of the division of animal industry [shall be appointed on the basis of merit under] is appointed by the executive director pursuant to the provisions of chapter 284 of NRS . [, and he shall be in the classified service.] He [shall] must be a graduate of a veterinary school or college approved by the American Veterinary Medical Association, with at least 5 years' experience in official work relating to the regulation and control of livestock disease . [regulatory and control work.]

Sec. 89. NRS 561.209 is hereby amended to read as follows:

561.209 The director of the division of brand inspection [shall be] is appointed by the executive director . [on the basis of merit, and he shall be in the unclassified service.]

Sec. 90. NRS 561.214 is hereby amended to read as follows:

561.214 The director of the division of plant industry [shall be appointed on the basis of merit under] is appointed by the executive director pursuant to the provisions of chapter 284 of NRS . [, and he shall be in the classified service.] He [shall] must be a graduate of

an accredited college or university with a major in one of the agricultural sciences, and he [shall] must have at least 5 years' experience

in official agricultural regulatory work.

Sec. 91. NRS 584.455 is hereby amended to read as follows:

584.455 1. The commission shall appoint an executive director, who shall serve ex officio as its secretary.

2. The executive director may appoint such assistants, deputies, agents, experts and other employees as are necessary for the administration of NRS 584.325 to 584.690, inclusive, prescribe their duties and fix their salaries [in accordance with classifications made by the personnel division of the department of general services.] pursuant to the provisions of chapter 284 of NRS. He is the head of the agency for purposes of NRS 284.140.

3. The executive director is in the unclassified service of the state. [All assistants, deputies, agents, experts and other employees are in the classified service pursuant to the provisions of chapter 284 of NRS.

4. The executive director] He may be removed by the commission.

Sec. 92. NRS 607.030 is hereby amended to read as follows:

607.030 1. The labor commissioner is in the unclassified service of the state. He is the head of the agency for purposes of NRS 284.140.

2. He is entitled to receive the per diem expense allowance and travel expenses [as] provided by law.

3. He shall devote his entire time and attention to the business of

his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 93. NRS 607.050 is hereby amended to read as follows:

607.050 1. The labor commissioner shall employ a deputy . [, who is in the unclassified service of the state.]

2. When travel is necessary in the performance of his official duties, the deputy is entitled to receive from the state, in addition to his salary, the mileage and expenses provided by law for state officers and employees.

3. If admitted to the practice of law in the State of Nevada, the deputy has all the powers of the district attorneys of the several counties in this state in the prosecution of all claims and actions originating with the labor commissioner by appropriate action in the courts of this state, when the labor commissioner is charged with the enforcement of those laws.

4. The deputy shall act under the direction of the labor commissioner, and in the performance of his duties he is responsible to the labor commissioner.

5. The deputy shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 94. NRS 607.060 is hereby amended to read as follows:

607.060 The labor commissioner may employ one chief assistant, [who shall be in the unclassified service of the state,] stenographic and clerical help and statistical assistance. Compensation of such employees [shall] must be fixed in accordance with the provisions of chapter 284 of NRS.

Sec. 95. NRS 612.230 is hereby amended to read as follows:

612.230 1. For the purpose of insuring the impartial selection of personnel on the basis of merit, the executive director shall fill all positions in the employment security department, [except the post of executive director, from registers prepared by the personnel division of the department of general services, in conformity with such rules, regulations and classification and compensation plans relating to the selection of personnel as may from time to time be adopted or prescribed by the executive director for the employment security department.

2. Subject to the provisions of chapter 284 of NRS, the executive director shall select all personnel either from the first five candidates on the eligible lists as provided in this chapter, or from the highest rating candidate within a radius of 60 miles of the place in which the duties of the position will be performed. The executive director is authorized to] and fix the compensation [and] for those positions, in accordance with the provisions of chapter 284 of NRS. He shall prescribe the duties and powers of [such personnel,] the personnel of the department, including such officers, accountants, attorneys, experts, and other persons as may be necessary in the performance of the duties under this chapter, and may delegate to any such person such power and authority as he deems reasonable and proper for its effective administration.

[3. The executive director shall classify positions under this chapter and shall establish salary schedules and minimum personnel

standards for the positions so classified. He shall devise and establish fair and reasonable regulations governing promotions, demotions and terminations for cause in accordance with such established personnel practices as will tend to promote the morale and welfare of the organization.

4.] 2. Notwithstanding the provisions of NRS 284.343, the executive director may grant educational leave stipends to officers and employees of the employment security department if all of the cost of the educational leave stipends may be paid from federal funds.

Sec. 96. NRS 616.1701 is hereby amended to read as follows:

616.1701 1. The state industrial insurance system is hereby established as an independent actuarially funded system for the purpose of insuring employers against liability for injuries and occupational diseases for which their employees may be entitled to benefits under this chapter or chapter 617 of NRS, and the federal Longshoremen's and Harbor Workers' Compensation Act.

2. The system is a public agency which administers and is supported by the state insurance fund. The executive and legislative departments of the state government shall regularly review the system.

3. The system is entitled to use any services provided to state agencies, and must use the services of the purchasing division of the department of general services. The system is not required to use any other service. [Except as otherwise provided for specified positions, its employees are in the classified service of the state.]

4. The official correspondence and records, other than the files of individual claimants and policyholders, and the minutes and books of

the system are public records and must be available for public inspection.

Sec. 97. NRS 616.1717 is hereby amended to read as follows:

616.1717 The manager [and assistant managers are] is in the unclassified service of the state but [are] is entitled to receive an annual [salaries] salary fixed by the board. He is the head of the agency for purposes of NRS 284.140.

Sec. 98. NRS 616.1723 is hereby amended to read as follows:

616.1723 The manager:

1. Subject to the authority of the board, has full power, authority and jurisdiction over the system.

2. May perform all acts necessary or convenient in the exercise of any power, authority or jurisdiction over the system, either in the administration of the system or in connection with the insurance business to be carried on by the system under the provisions of this chapter, including the establishment of premium rates.

[3. May appoint in the unclassified service of the state no more than five persons, engaged in management, who report directly to the manager or an assistant manager. The board shall designate these positions, and may not change them without the approval of the advisory personnel commission. These persons are entitled to receive annual salaries fixed by the board.]

Sec. 99. NRS 616.2531 is hereby amended to read as follows:

616.2531 1. The state industrial attorney may employ:

(a) A deputy state industrial attorney who [shall be] is in the unclassified service of the state.

(b) Clerical and other necessary staff _ [who shall be in the classified service of the state.]

2. The deputy state industrial attorney [shall] must be an attorney licensed to practice law in this state and shall not engage in the private practice of law.

3. The state industrial attorney and his employees are entitled to receive the travel expenses and subsistence allowances provided by law for state officers and employees.

Sec. 100. NRS 645.130 is hereby amended to read as follows:

645.130 1. The real estate division may employ, [without regard] pursuant to the provisions of chapter 284 of NRS, legal counsel, investigators and other professional consultants [, and, pursuant to the provisions of chapter 284 of NRS, may employ] and such other employees as are necessary to the discharge of its duties.

2. No employee of the real estate division may be interested in any real estate or brokerage firm, nor may any employee act as a broker or salesman or agent therefor.

Sec. 101. NRS 673.0353 is hereby amended to read as follows:

673.0353 The commissioner [shall have] may employ such technical and clerical [assistance] staff as the execution of his duties requires. [Such] The employees [in the unclassified service of the state shall] are entitled to receive annual salaries in amounts determined pursuant to statute.

Sec. 102. NRS 678.280 is hereby amended to read as follows:

678.280 The commissioner [shall have] may employ such technical and clerical [assistance] staff as the execution of his duties requires.

[Such] The employees [in the unclassified service of the state shall] are entitled to receive salaries in amounts determined pursuant to statute.

Sec. 103. NRS 679B.080 is hereby amended to read as follows:

679B.080 1. The commissioner may appoint [his] a chief deputy and deputy . [pursuant to the provisions of NRS 232.280.]

2. The chief deputy shall be acting commissioner when the office of commissioner is vacant, or when the commissioner is unable to perform his duties because of mental or physical disability.

3. The chief deputy and deputy shall have such other powers and duties as the commissioner delegates and assigns to them.

4. The chief deputy and deputy shall devote their full time to the division and they [shall] are entitled to receive salaries, per diem expense allowances and travel expenses as fixed [by] pursuant to law.

Sec. 104. NRS 679B.090 is hereby amended to read as follows:

679B.090 1. The commissioner may employ such other technical, actuarial, rating, clerical and other assistants and examiners as the commissioner may reasonably require for execution of his duties . [, each of whom shall be in the classified service of the state.] They [shall] are entitled to receive salaries, per diem expense allowances and travel expenses as fixed [by] pursuant to law.

2. The commissioner may contract for and procure services of examiners and other [or additional] specialized technical or professional assistance, on an independent [contractor] contract or fee basis, as the commissioner may reasonably require, and none of the [individuals] persons providing [such] services or assistance on such

a contract or fee basis [shall be] is in the classified service of the state.

Sec. 105. NRS 703.080 is hereby amended to read as follows:

703.080 1. The chairman and the other commissioners are in the unclassified service of the state.

2. The commission is the head of the agency for purposes of subsection 3 of NRS 284.140.

Sec. 106. NRS 703.130 is hereby amended to read as follows:

703.130 1. The commission shall appoint a deputy commissioner .
[who shall serve in the unclassified service of the state.]

2. The commission shall appoint a secretary who shall perform such administrative and other duties as are prescribed by the commission. The commission shall also appoint an assistant secretary.

3. The commission may employ such other clerks, experts or engineers as may be necessary.

Sec. 107. NRS 232.200, 232.350, 232.450, 284.139 and 396.220 are hereby repealed.

SUMMARY--Directs personnel division to reduce time required for certification of eligibility lists for positions in classified service of state. (BDR 97)

CONCURRENT RESOLUTION--Directing the personnel division of the department of general services to reduce the time required for certification of lists of persons eligible to fill vacancies in positions in the classified service of the state.

WHEREAS, The certification of lists of persons eligible to fill vacancies in positions in the classified service of the state is a major function of the personnel division of the department of general services; and

WHEREAS, The legislative committee to study personnel administration in state government has found that there are delays and inefficiencies in the system of recruitment and certification as it currently operates in the personnel division; and

WHEREAS, The state cannot afford to be burdened by inefficient or time-consuming practices in providing employment services for state agencies; and

WHEREAS, The legislative committee has identified a number of areas in which the establishment of improved administrative policies, procedures and practices can be used to increase efficiency and reduce the time required for certification of an eligibility list to a maximum of 60 days; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE CON-
CURRING, That the personnel division of the department of general
services is hereby directed to improve its administrative policies,
procedures and practices relating to the certification of lists of
persons eligible to fill vacancies in classified positions requiring
open competitive or promotional examinations so that each newly
compiled list will be certified within 60 days after receiving a
personnel requisition from a state agency and, where existing lists
may be used, each such list will be recertified to the requesting
agency within 2 working days.

SUMMARY--Directs personnel division to report to legislature.
(BDR 98)

CONCURRENT RESOLUTION--Directing the personnel division of the department of general services to report to the legislature concerning its progress in carrying out the recommendations of the legislative committee to study personnel administration in state government.

WHEREAS, The legislative committee created by Assembly Bill No. 528 of the 1981 session to study personnel administration in state government has included in its report a number of recommendations involving administrative changes to improve the efficiency of the personnel division of the department of general services; and

WHEREAS, The legislature recognizes that the committee, in making these recommendations, has identified significant areas of concern which, while not requiring statutory change, are deserving of legislative attention; and

WHEREAS, The legislature needs to know what actions the personnel division has taken in response to the recommendations and the extent to which those actions have resulted in improved personnel administration; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE CON-
CURRING, That the legislature hereby directs the personnel division of the department of general services to report to the sixty-second

and sixty-third sessions of the legislature concerning its progress in carrying out the recommendations contained in the report of the legislative committee to study personnel administration in state government.

SUMMARY--Directs chancellor of university system to provide certain information for legislature. (BDR 99)

CONCURRENT RESOLUTION--Directing the chancellor of the University of Nevada System to provide information for the legislature relating to the designation of positions in the unclassified service of the state.

WHEREAS, The legislative committee to study personnel administration in state government has recommended that the provisions of NRS 284.140 which relate to the University of Nevada System be amended to provide that the officers and members of the professional staff, as that term is defined by regulation of the board of regents, are in the unclassified service of the state; and

WHEREAS, The board of regents has adopted a regulation defining the term "professional staff" for that purpose; and

WHEREAS, The legislative committee has requested that the board of regents provide for the legislature a list showing which positions in the university system are classified and which are unclassified and how they would be affected by the new regulation; and

WHEREAS, It is important that the legislature be notified of any changes in the relevant regulations or the list, or both, so that it can use current information in considering legislative proposals relating to personnel administration for the university system; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE CON-
CURRING, That the chancellor of the University of Nevada System is hereby directed to provide to the chairman of the legislative commission for transmission to the legislature, as soon as possible after January 17, 1983, a list showing the positions in the university system which are classified and those which are unclassified and how they are affected by the Standards for Defining the Professional Staff, as adopted by the board of regents on July 16, 1982, and set forth in section 2 of the Board of Regents' Handbook; and be it further

RESOLVED, That the chancellor of the University of Nevada System provide to the chairman of the legislative commission for transmission to the legislature, as soon as practicable after their adoption, copies of any amendments to the Standards for Defining the Professional Staff or other regulations of the board of regents relating to the designation of unclassified positions in the university system, together with descriptions of any resultant changes in the list of classified and unclassified positions; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the chancellor of the University of Nevada System.