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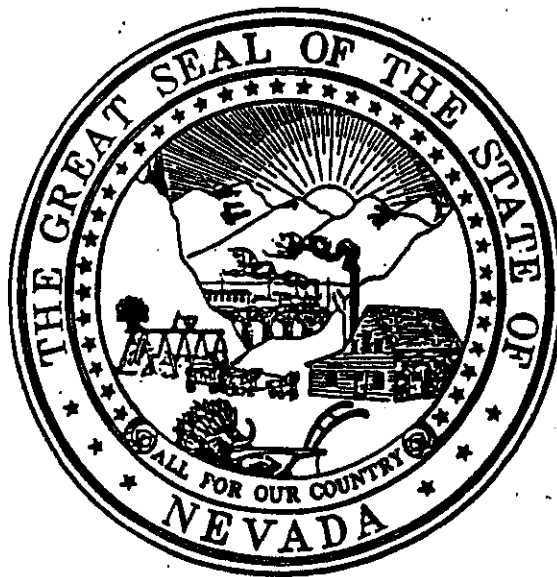
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EXCERPTS FROM:

**GOVERNOR'S SALARY COMPENSATION
TASK FORCE'S
REPORT AND RECOMMENDATIONS ON
SALARY COMPENSATION
FOR CERTAIN ELECTED PUBLIC OFFICERS**



ASSEMBLY GOVERNMENT AFFAIRS

DATE: 3/24/03 ROOM: 3143 EXHIBIT F, 1 of 16

SUBMITTED BY: Robert Hadfield

JANUARY 12, 2001

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GOVERNOR'S TASK FORCE ON SALARY COMPENSATION

LETTER OF TRANSMITTAL TO THE GOVERNOR

In accordance with the Executive Order by the Governor dated November 9, 2000, the following report by the Salary Compensation Task Force is submitted for review and possible action by the Governor of the State of Nevada.

We were honored by our appointment to this Task Force and were pleased to serve the Governor and the State of Nevada in this capacity. We stand ready to provide any information and assistance required by the Governor in considering the recommendations contained in this report or by the Nevada Legislature in its deliberations on legislation and other actions necessary to implement the Governor's recommendations based on this report.

A substantial portion of our work was directed at determining if current pay levels were comparative to similar positions in other areas and also if they reflected the current levels of responsibilities. It cannot be ignored that in Clark and Washoe Counties in particular, the magnitude of the population, business and housing growth have all dramatically changed job responsibilities and workloads.

You will find that there were several major principles that have guided us in our deliberations:

Equal pay for equal work – The inequities that have resulted from the mandated six-year schedule for salary reviews as well as the Constitution's prohibition against officials receiving raises during their terms of office. This is best demonstrated by the salary differences that currently exist at the Supreme Court, exacerbated by staggered terms.

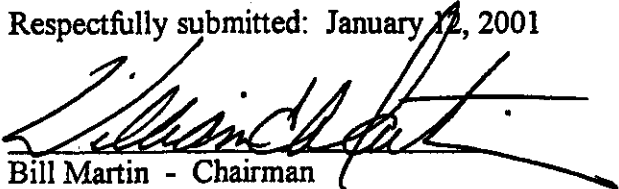
Six-year compensation reviews often cause salary inequities and may detract from attracting quality officials – We have approached the subject of "indexing" as a means to provide normal and rational annual increases to elected officials, as opposed to the current system of six-year reviews that require a six-year "catch-up" of salaries and the attendant "sticker shock."

Job responsibilities within Clark and Washoe Counties have changed significantly as a function of growth – the long established salary ranges no longer fit the responsibilities of the elected officials and should be addressed through a "re-basing" effort.

The members of the Task Force express their appreciation and gratitude to all of the officials and members of the public who provided information and participated in the activities of this body. In this report, we have attempted to present our considerations, findings and recommendations in a concise, yet comprehensive form. Only that information which bears directly upon the scope of the study and the Task Force's recommendations is included. All minutes and supporting documents are on file with the Governor's Office.

This report is hereby transmitted to the Governor for his consideration and appropriate action.

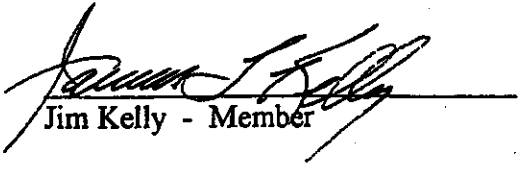
Respectfully submitted: January 12, 2001



Bill Martin - Chairman



Bill Bible - Member



Jim Kelly - Member



Pat Shalmy - Member



Sally Tracey - Member

SUMMARY OF RECOMMENDATIONS

The Governor's Salary Compensation Task Force unanimously forwards the following recommendations for the Governor's consideration:

District Court

1. That the annual salary for District Court Judges be increased from \$100,000 to \$130,000, effective January 2003 or as judges become eligible for this increase. (BDR 1-517, Appendix B)
2. That the proposed salary increase for District Court Judges be included in the Governor's proposed budget for 2001 - 2003.
3. That a study of District Court Judges' salaries be initiated to determine the appropriate manner in which to ensure equal pay for equal work.

Supreme Court

4. Increase the annual salary of Supreme Court Justices' from \$107,600 to \$150,000, effective in January 2003 or as justices become eligible for this increase. (BDR 1-517, Appendix B)
5. That the proposed salary increase for Justices of the Supreme Court be included in the Governor's proposed budget for 2001 through 2003
6. Initiate a study of Supreme Court Justices' salaries to determine the appropriate manner in which to ensure equal pay for equal work.

State Legislature

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

Elected County Officials

8. Except as provided below, increase the base salary levels of most elected county officials shown in NRS 245.043 by 27 percent, effective July 1, 2001.
9. In order to more fully account for non-inflationary-based factors, the legislature should consider re-basing the salaries of certain elected officials in Washoe County and all elected officials in Clark County above the general 27% recommendation.

10. Change the classification of Storey County in NRS 245.043 from class 6 to class 5 to provide for a full-time district attorney, and change Humboldt County from class 4 to class 3 to reflect the overall growth of the county since 1995.
11. If any county is unable to grant non-elected employees with an increase in pay effective July 1, 2001, the increases for the elected officials will not take effect until such time as increases in pay are granted to other non-elected employees in that county.

Other Compensation Recommendations: For Elected Officials (Judges, Legislators and Elected County Officials)

12. Implement salary indexing effective July 1, 2002 for all Supreme Court Justices, District Court Judges and Legislators based on the average annual gain in private sector wages.
13. Effective beginning July 1, 2002, annually adjust the base salary for all elected county officers shown in NRS 245.043 by the lesser of:
 - A. The percentage of increase in pay granted to the general employees of the county in which the elected official serves, beginning July 1, 2002.
 - B. The percentage of increase determined from the Private Sector Wage and Salary Survey, published by the Nevada Department of Employment Security for the prior year.
14. Appoint an ongoing Commission of private citizens to review the status of elected official salaries at least every four years and report to the judicial, legislative, and executive branches of government as to the status of said officials salaries.

**OFFICERS AND MEMBERS OF THE GOVERNOR'S
TASK FORCE
ON SALARY COMPENSATION**

**Bill Martin (Chairman)
President of Nevada State Bank
Las Vegas, NV**

**Pat Shalmy
President Las Vegas Chamber of Commerce
Las Vegas, NV**

**Sally Tracey
President of Eller Media, Las Vegas Division
Las Vegas, NV**

**Jim Kelly, Esq.
Attorney-at-Law
Reno, NV**

**Bill Bible
President of the Nevada Resort Association
Las Vegas, NV**

REPORT TO THE GOVERNOR OF NEVADA BY THE SALARY COMPENSATION TASK FORCE

I. INTRODUCTION

Nevada Governor Kenny C. Guinn signed an Executive Order on November 9, 2000, creating a Governor's Task Force to review salary compensation for Legislators, Supreme Court Justices, District Court Judges and certain Elected County Officers. The Task Force consists of five members appointed by the Governor from the private sector. One goal of the Task Force was to ensure that highly qualified persons continue to serve our citizens by attracting and retaining experienced and competent persons to serve in these positions.

The Salary Compensation Task Force was required to compare the compensation provided for these elected positions with the compensation provided to persons with similar qualifications that are presently employed in the public and private sector. The Task Force was authorized to hold public hearings and receive public comment. A deadline of January 15, 2001, was established to provide the Governor with a written report on its findings and recommendations on whether corrective legislation is required during the next legislative session. A copy of the Executive Order is in Appendix A.

The Task Force held three public hearings in Las Vegas on November 20, December 5 and December 19, 2000. It received extensive testimony and background materials from representatives of the Judiciary, Legislative Counsel Bureau, Nevada Association of Counties, Nevada Taxpayers Association and the public.

The Task Force acknowledged, recognized and reviewed the work of three previous compensation commissions that have operated in Nevada over the past thirteen years. The reports of those commissions provided historical perspective and are listed below for reference purposes:

- *Blue Ribbon Commission on the Legislative Process*, Bulletin No. 89-7 of the Legislative Commission of the Legislative Counsel Bureau, September 1988;
- *Commission to Review the Salaries of Certain State and Local Elected Officials*, Bulletin No. 91-22 of the Legislative Commission of the Legislative Counsel Bureau, January 1991; and
- *Commission to Review Compensation of Certain Elected Public Officers*, Bulletin No. 95-19 of the Legislative Commission of the Legislative Counsel Bureau, January 1995.

The Governor's Salary Compensation Task Force held two additional public sessions to draft and review its final report to the Governor on January 08 and 12, 2001. The remainder of this report furnishes background information and the Task Force's unanimous findings and recommendations on compensation for District and Supreme Court judges, legislators and elected county officers in Nevada.

IV. ELECTED COUNTY OFFICERS

Background

The Task Force received considerable background information and testimony during the course of three public meetings regarding the current salaries of elected county officers and the methodology used in the past to adjust base salaries.

It was noted by members of the Task Force that prior to United States Supreme Court ruling, Baker vs. Carr, individual legislators from each county submitted their own bill drafts to increase the salaries of individual elected county officials. Following the realignment of the Legislature to implement the "one-man, one-vote" in Baker vs. Carr, legislative leadership assumed the responsibility for reviewing elected county official salaries with the input of various groups such as the Sheriffs and Chiefs Association, District Attorney Association, the County Fiscal Officers Association and the County Assessors Association.

Beginning in 1985, The Nevada Association of Counties (NACO) coordinated the requests of the various associations representing elected county officials and submitted a single bill draft request for all seventeen Nevada counties and their elected officials covered under NRS 245.043: County Commissioner, District Attorney, Sheriff, County Clerk, County Assessor, County Recorder, County Treasurer, and the Public Administrators for Clark and Washoe Counties

Over the years, NACO, in collaboration with legislative leadership, has maintained the county classification system in NRS 245.043, recommending changes in classification for counties generally based on population, assessed valuation, and workload. The last adjustment was in 1995 when NACO presented its findings to the "Commission to Review Compensation of Certain Elected Public Officers," chaired by Dr. Albert C. Johns. The Commission was created with the passage of Senate Bill 221 of the 1993 legislative session and convened in 1994-95 to complete its recommendations for submittal to the 1995 legislative session.

Then and now, a major issue confronting counties was, and is, the historic six-year interim between salary adjustments. This is somewhat exacerbated by the fact that other county employees typically receive routine annual adjustments, resulting in cases where some high level subordinates earn more than the elected department head.

Population growth and the associated increases in activity, complexity, and overall responsibility are additional factors that particularly affect Nevada's two largest counties. The elected leaders of Washoe County and Clark County face significantly different issues than any of their counterparts. Both have significant municipal as well as county responsibilities. In Clark County, for instance, the largest concentration of population resides in unincorporated areas of the county. This requires Clark County to serve not only as the largest county in the state, providing all traditional county services to all residents of Southern Nevada, but also as the largest city in Nevada, providing all traditional municipal services for its unincorporated residents. These factors should be considered in re-basing the salaries of the elected officials charged with these large and growing responsibilities.

Findings And Recommendations

After lengthy discussions and proposals from the Nevada Association of Counties, the Nevada Taxpayers Association and private citizens, the Task Force agreed: that the current base salary for county elected officials needs to be adjusted; that the salaries of all county elected officials in Clark County and certain elected officials in Washoe County should be rebased above any standard increase; that the grouping scheme of counties needs adjustment to reflect change over the past six years; and, that accommodation should be made for counties that are unable to grant general raises for other county employees effective July 2001. Further, the Task Force strongly recommends that the 2001 Nevada Legislature adopt a mechanism that provides for annual increases to the base pay of elected county officers.

The Task Force specifically concluded that the salary table contained in NRS 245.043 should be amended as follows:

1. **Except as provided for below, increase the base salary levels of all elected county officers shown in NRS 245.043 by 27 percent, effective July 1, 2001.**
2. **In order to more fully account for non-inflationary-based factors, the legislature should consider re-basing the salaries of certain elected officials in Washoe County and all elected officials in Clark County above the general 27% recommendation.**
3. **Change the classification of Storey County in NRS 245.043 from class 6 to class 5 to provide for a full-time district attorney, and change Humboldt County from class 4 to class 3 to reflect the overall growth of the county since 1995.**
4. **If any county is unable to grant non-elected employees with an increase in pay effective July 1, 2001, the increases for the elected officials will not take effect until such time as increases in pay are granted to other non-elected employees in that county.**

V. OTHER COMPENSATION RECOMMENDATIONS

For Elected Officials (Judges, Legislators and Certain Elected County Officials)

After reviewing and making its recommendations for the salaries of the judicial, legislative, and county elected officials, the Task Force considered the issue of providing a mechanism for the annual adjustment of elected officials salaries and a means to provide ongoing oversight to monitor the implementation of the Task Force's recommendations. After considerable input and discussion of these matters during its final two public hearings, the Task Force highly recommends annual indexing of Supreme Court Justices, District Court Judges, Legislators and County Officials salaries and the establishment of an ongoing oversight Commission to review and report on the implementation of such a process.

Indexing

The annual adjustment of elected officials' salaries is critical to ensure that their salaries more accurately reflect changes in workload, responsibility and complexity, as well as changes in the cost of living. The Task Force also recognizes the need to provide equity among the various compensation plans affecting elected officials. This recommendation is the result of considerable discussion as to the need for elected official salaries to more accurately reflect changes in compensation of other professional and management positions in both public and private sectors. In addition, the Task Force members unanimously agree that the current system of delaying adjustments to the base pay of elected officials for periods as long as six years or longer serves to undermine the confidence of the electorate by forcing double digit adjustments that appear on the surface to be excessive when in fact they reflect reasonable, and even modest, annual adjustments.

After reviewing the recommendation made by the previous "Commission to Review Compensation of Certain Elected Public Officials" and hearing public testimony, the Task Force unanimously recommends that indexing based on the average annual gain in private sector wages be implemented effective July 1, 2002. The use of the Private Sector Wage and Salary Survey compiled by the Nevada Department of Employment Security provides for the reasonable adjustment of elected officials' salaries based on the average annual gain of over 800,000 private-sector employees in Nevada. In accepting and recommending an index to adjust the base salaries of elected officials, the members of the Task Force rejected the use of a consumer price index (CPI) due to the historic volatility of the CPI. Further, the Task Force concluded that indexing elected officials' salaries to the gains made by the private-sector employees of Nevada recognizes the need for fairness in elected official compensation. This procedure helps to ensure that the salaries of elected officials more accurately reflect the economy of Nevada and private sector compensation in Nevada. Therefore the Task Force's recommendation is to:

1. Implement salary indexing effective July 1, 2002 for all Supreme Court Justices, District Court Judges and Legislators based on the average annual gain in private sector wages.
2. Effective beginning July 1, 2002, annually adjust the base salary for all elected county officers shown in NRS 245.043 by the lesser of:
 - A. The percentage of increase in pay granted to the general employees of the county in which the elected official serves, beginning July 1, 2002.
 - B. The percentage of increase determined from the Private Sector Wage and Salary Survey, published by the Nevada Department of Employment Security for the prior year.

Oversight Committee

The Task Force is well aware of the potential concern that the use of any index can result in a system without checks or balances. As such, the Task Force further recommends the

appointment of an ongoing Commission to review the status of elected official salaries at least every four years and report to the judicial, legislative, and executive branches of government as to the status of elected officials salaries. The Task Force recommends that the Commission be comprised of representatives from the private sector to provide an unbiased and independent oversight capability.

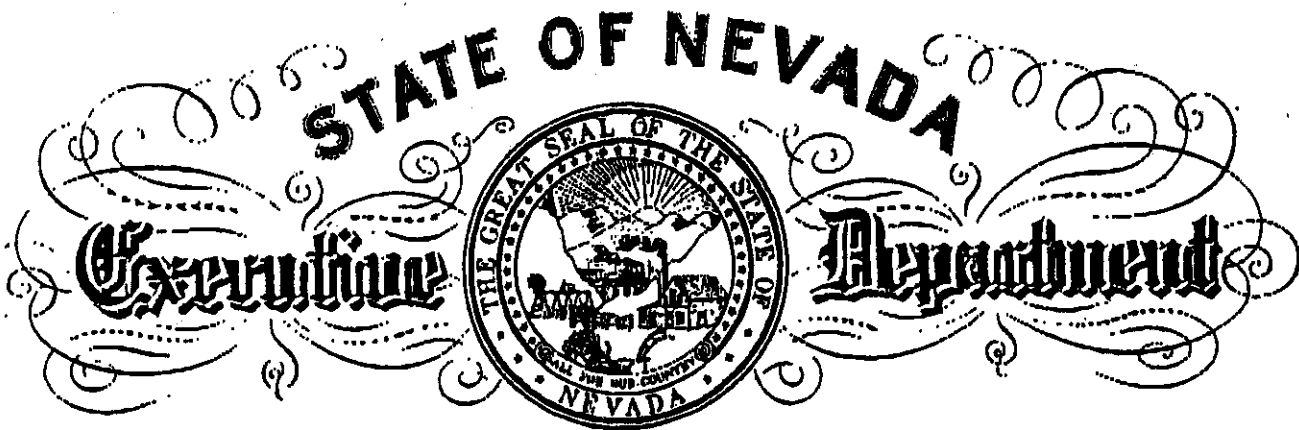
Further the Task Force recommends that the Commission be charged with the responsibility to compare the compensation provided for these elected positions with the compensation provided to persons with similar qualifications that are presently employed in the public and private sector. The Commission may hold public hearings to discuss these issues and must receive public comment during all hearings that are held. The Commission shall provide the Governor and the Legislative Commission with its findings and recommend whether corrective legislation and funding are required during the next legislative session. This report and recommendation shall be provided to the Governor and Legislative Commission by September 1 preceding a legislative session.

The Task Force believes that such oversight will provide the opportunity to promote public awareness and to provide a forum for the timely review of elected officials' salaries. The Commission would also be able to recommend changes in salary to reflect increasing responsibility and equity with similar positions in the public and private sectors. In addition, this Commission would also be able to review the effectiveness of indexing to promote fairness in compensation plans. Therefore the Task Force's recommendation is to:

Appoint an ongoing Commission of private citizens to review the status of elected official salaries at least every four years and report to the judicial, legislative, and executive branches of government as to the status of said officials salaries.

APPENDIX A

Salary Compensation Task Force Charter



EXECUTIVE ORDER BY THE GOVERNOR

Establishing a Task Force to study and make recommendations concerning the compensation provided to legislators, supreme court justices, district judges and elected county officers.

WHEREAS, legislators, supreme court justices, district judges and elected county officers serve an important role in state and local government; and

WHEREAS, attracting and retaining experienced and competent persons to serve in these positions benefits the citizens of this State; and

WHEREAS, Article 5, Section 1 of the Nevada Constitution provides that, "The supreme executive power of this State, shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada."

NOW THEREFORE, in order to ensure that highly qualified persons continue to serve our citizens, this Executive Order is hereby issued and a Governor's Task Force is hereby created to review the compensation paid to legislators, supreme court justices, district judges and elected county officers. The Task Force shall compare the compensation provided for these positions with the compensation provided to persons with similar qualifications that are presently employed in the public and private sector. The Task Force may hold public hearings to discuss these issues and must receive public comment during all hearings that are held. The Task Force shall provide the Governor with a written report on its findings and recommend whether corrective legislation is required during the next legislative session. This report and recommendation shall be provided to the Governor by January 15, 2001. The Task Force shall consist of five members and each member will be appointed by the Governor and will serve at his pleasure. The members shall serve without salary or per diem. The authority of the Task Force to act will dissolve on January 15, 2001.

E 15:16

IN WITNESS WHEREOF, I have hereunto set my hand
and caused the Great Seal of the State of Nevada to be
affixed this 9th day of November, in the year of our Lord,
Two Thousand.



James P. Shuman

GOVERNOR

By the Governor:

Alan Heller

SECRETARY OF STATE

Scott W. Anderson

DEPUTY

(0)-238A