

MINUTES OF THE
JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS

Seventy-third Session
April 14, 2005

The Joint Subcommittee on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order at 8:00 a.m. on Thursday, April 14, 2005. Chair Bob Beers presided in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

SENATE COMMITTEE MEMBERS PRESENT:

Senator Bob Beers, Chair
Senator Dean A. Rhoads
Senator Bob Coffin

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Ms. Kathy A. McClain, Chair
Mr. Morse Arberry Jr.
Mr. Lynn C. Hettrick
Mr. Joseph M. Hogan
Mrs. Ellen M. Koivisto
Mr. Bob Seale

STAFF MEMBERS PRESENT:

Laura Freed, Program Analyst
Joyce Garrett, Program Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Mark W. Stevens, Assembly Fiscal Analyst
Lora Nay, Committee Secretary

OTHERS PRESENT:

Jeanne Greene, Director, Department of Personnel
Kim Foster, Administrative Services Officer, Department of Personnel

CHAIR BEERS:

This morning we are closing several budgets from the *Executive Budget*. In the Joint Subcommittee on General Government Closing List #3 you have before you, ([Exhibit C](#), original is on file at the Research Library), staff recommends we close four budgets with no changes to the Governor's recommendations.

PERSONNEL

State Unemployment Compensation – Budget Page PERSONNEL-14 (Volume I)
Budget Account 101-1339.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 2

BUSINESS AND INDUSTRY

B&I, Consumer Affairs — Budget Page B&I-61 (Volume II)
Budget Account 101-3811

B&I, Insurance Recovery — Budget Page B&I-139 (Volume II)
Budget Account 101-3821

B&I, Nat. Assoc. of Insurance Commissioners — Budget Page B&I-148
(Volume II)
Budget Account 101-3828

CHAIR MCCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNTS 101-1339, 101-3807, 101-3821, AND 101-3828 AS RECOMMENDED BY THE GOVERNOR WITH NO CHANGES.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN HETTRICK WAS ABSENT FOR THE VOTE.)

CHAIR BEERS:

Staff is recommending we close these accounts with their technical adjustments only. There are no issues to discuss on these budgets.

B&I, Insurance Cost Stabilization — Budget Page B&I-151 (Volume II)
Budget Account 101-3833

B&I, Self Insured - Workers Compensation — Budget Page B&I-157 (Volume II)
Budget Account 210-4684

ASSEMBLYMAN SEAL MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3833 AND 210-4684 WITH THE AUTHORITY OF STAFF TO MAKE TECHNICAL ADJUSTMENTS ONLY.

CHAIR MCCLAIN SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYMAN HETTRICK WAS ABSENT FOR THE VOTE.)

CHAIR BEERS:

We will now review the Department of Personnel budget account 717-1363.

PERSONNEL

Personnel — Budget Page PERSONNEL-I (Volume I)
Budget Account 717-1363

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 3

LAURA FREED (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Department of Personnel's budget has no technical adjustments, as recommended by staff, other than those associated with specific decision units. The closing issue is the six enhancements to the Nevada Employee Action and Timekeeping System (NEATS).

E-275 Maximize Internet and Technology — Page PERSONNEL-5
E-276 Maximize Internet and Technology — Page PERSONNEL-6
E-278 Maximize Internet and Technology — Page PERSONNEL-7
E-279 Maximize Internet and Technology — Page PERSONNEL-7
E-280 Maximize Internet and Technology — Page PERSONNEL-7
E-281 Maximize Internet and Technology — Page PERSONNEL-8
E-250 Working Environment and Wage — Page PERSONNEL-4
E-277 Maximize Internet and Technology — Page PERSONNEL-6
E-850 Special Projects — Page PERSONNEL-11

Decision unit E-275 is the replacement of the current applicant tracking system and scheduled to be implemented in three phases. Decision unit E-276 is the timesheet approval by pay clerks. Decision unit E-278 is incident tracking. Decision unit E-279 concerns overtime and leave approvals and preapprovals. Decision unit E-280 concerns online training locations scheduling and E-281 is wait lists for state training classes. Decision unit E-250 is a request for an additional personnel analyst III in the department's Discrimination and Harassment unit. Decision unit E-277 is the addition of a program officer III position to the Integrated Financial System – Human Resources system. Finally, decision unit E-850 is relevant to the certified public manager funding.

Their staff has presented various recommendations on decision unit E-850: approve the Governor's recommendation; modify the Governor's recommendation; make approval contingent upon reporting to the Interim Finance Committee (IFC) on the effectiveness of the program after the first class is completed and/or the development of an application form for participants; or disapprove the Governor's recommendation.

ASSEMBLYMAN SEALE:

If I recall correctly, the NEATS program was to improve efficiency in the Department of Personnel. I have asked how long it would be before those efficiencies were recognized. I was told that was down the road and probably would not occur in this biennium.

CHAIR BEERS:

We will review these six subprograms one at a time beginning with decision unit E-275 which is Phase I of the applicant tracking system.

JEANNE GREENE (Director, Department of Personnel):

Phase I of the applicant tracking system would begin in the first year of the biennium and would be implemented immediately. It allows potential employees to submit their applications online.

KIM FOSTER (Administrative Services Officer, Department of Personnel):

All of these enhancements do not service just the Department of Personnel which is a small department with few employees. These enhancements are

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 4

going to service statewide systems which process thousands upon hundreds of thousands of transactions. Most of these modules are being implemented to make improvements. Even if we created a small cost saving per transaction, we are going to get an excellent return on our investment for all of these modules.

CHAIR BEERS:
Will it be spread out over everyone's budget?

MS. FOSTER:
Correct.

CHAIR BEERS:
The savings will not be directly reflected in your budget or necessarily in the assessment of the agencies. It would be in each user agency's budget. Even then it probably would be actuarially hard to quantify.

ASSEMBLYMAN SEALE:
How will we know when those cost savings are realized? You are talking about small increments for sometime in the future.

MS. FOSTER:
In order to actually discuss the savings, I would have to talk to you about each one of the enhancements and show the actual return on the investment pertaining to each enhancement.

ASSEMBLYMAN SEALE:
We looked at the savings when we put this together. Have you a document against which you can make comparisons in the future?

MS. FOSTER:
In many cases the savings are soft costs and spread over all state employees. I have documentation that supports the savings for each enhancement.

CHAIR MCCLAIN:
Is it correct to say the six units are not dependant upon each other and are separate items? Let us begin with the tracking system. It seems awfully expensive to me to put on a Web-user interface for \$245,000. Is that a reasonable amount for what we are going to get out of it? Phase II is design and we do not have to worry about Phase III at this time, but it will be a \$300,000 to \$665,000 request. What happens if we decide this Web-user interface is not that important?

MS. GREENE:
Our current tracking system is over 20 years old. It is run on an old proprietary system through a company in Sacramento. The system is not particularly stable at this time and it is imperative it be replaced. We wanted to complete the replacement in three phases so it would not be disruptive to our users.

ASSEMBLYMAN SEALE:
I am not concerned about the cost. I do not know how to put that into perspective. I am comfortable if you have done the analysis, and there is an adequate return for our investment. I want to be assured that the analysis has been done on what there is going to be in the way of return. Obviously, a

20-year-old system run by two people is on the verge of collapse at some point in time and probably not in the too distant future.

MS. GREENE:

The benefit we see to the tracking system is that potential employees would be able to apply online. We may be losing qualified applicants because they actually have to fill out an application. It would be more efficient if the applications were in the system so our recruiters could immediately evaluate the applications. When recruitment lists are sent to a hiring agency, the applications could be e-mailed along with them. There are efficiencies when we are not making copies of applications. The turnaround time will be reduced because we will be able to do all of this online rather than manually. I do not have hard dollars for you; it is more of an efficiency issue.

MS. FOSTER:

I might be able to provide more clarification by giving you an example that applies across the board to all technology improvement requests. Paper is probably the biggest enemy of the state. I will use the overtime preapprovals as my example. Under regulation and statute all employees are required to get written preapproval to take annual leave or to work overtime. We are proposing to do this electronically and plan to eliminate using paper. We looked at the number of processed transactions and the number of employees who recorded annual leave or overtime in a single pay period. There were approximately 6,000 transactions. If you take those 6,000 transactions and multiply by 26 pay periods in a year, we arrive at 156,000 transactions. This number is lower than actual because the number of employees who recorded annual leave and overtime may have processed more than one transaction during a biweekly pay period. There are paper costs associated with the 156,000 transactions. A piece of 8- by 11-inch paper costs approximately 4 cents. Paper savings alone will result in a return on your investment for this enhancement within a nine-year period.

You are also going to have savings in labor costs. Right now when an employee completes the form, it has to be delivered to the supervisor who reviews it and signs it. Then the form will have to be moved from the supervisor to the pay clerk who will look at it and file it. It is then put into storage for three years and subsequently it goes through the process of destruction. There are costs involved in the delivery, filing, storage and destruction of that paper. If it takes 6 minutes at a Grade 21 to deliver, file, store, and destroy each piece of paper, in order to process 156,000 transactions, I estimate it costs us about \$200,000 a year. We are going to realize a sizeable return on our investment.

If you consider labor costs as a soft cost, we are not going to actually realize savings. If you reduce my estimate down and take just 20 percent of it, you would save \$22,000 a year. This enhancement unit is costing the state \$54,000. We are going to get our return on investment in 15 months. This example applies across the board to all of these enhancements.

CHAIR BEERS:

Is somebody in your office currently pulling these forms out of the mail and filing them?

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 6

Ms. FOSTER:
Correct. These are paper files.

CHAIR BEERS:
What will that person do when the new system is in place?

Ms. FOSTER:
This task is spread across many agency pay clerks and is a small part of their job. They will be able to utilize time in a more productive manner.

CHAIR BEERS:
Do they not all end up with you?

Ms. FOSTER:
No, they are kept by the agencies.

ASSEMBLYMAN HOGAN:
I want to be clear that the benefits and savings connected with receipt of applications online will actually be a product of Phase I and be experienced by the time Phase I is completed.

Ms. GREENE:
That is correct.

ASSEMBLYMAN HOGAN:
When will Phase I be operational?

Ms. GREENE:
Phase I should be implemented by July 2006.

ASSEMBLYMAN HOGAN:
Without asking for a lot of additional information, do you have an estimate of the savings associated with the particular function of handling applications online?

Ms. GREENE:
No, I do not.

ASSEMBLYMAN SEALE:
I assume you have been in the marketplace and have seen various models from vendors and have compared prices and/or processed a request for proposal (RFP). Would that be an accurate statement?

Ms. FOSTER:
We did not go through an RFP process. We plan to use the consulting firm who built the system as it exists today. Our long-term goal is to ensure we have an integrated system and our people understand how to make improvements. We are able to make our own programming changes as we have developed all the systems we have to date. We considered going outside to replace some of these systems and we found a lot of the systems run different software and would require new hardware. They would require utilizing a programming language our people do not know. We opted not to go that route and negotiated a very good price. We agreed to allow for marketing capabilities for the

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 7

completed product and pay no upgrade or maintenance fees which could have cost around \$500,000. I was paying maintenance fees of \$80,000 for just one piece of our software, and those fees will go away.

ASSEMBLYMAN SEALE:

Did you use a vendor we already had under contract? How did you know that you were negotiating a good deal? The savings in maintenance fees sounds good, but was there a process you went through when you looked at the other modules and evaluated their savings? Price is not everything.

MS. FOSTER:

I can give you another example that probably applies across the board. We have an enhancement unit called location scheduling. We looked at other packages that could possibly service our needs, and we found there were no packages that would service the population we were trying to reach. We found that one package was going to charge us \$4,000 a month to service 1,000 users. We also found we would have to purchase additional hardware we would not be able to modify or integrate into our current system. Additionally, our users would have a longer learning curve to adapt to the new system. When we add these proposed modules onto our current system, it will have the same look and feel as the system they are now using.

ASSEMBLYMAN SEALE:

That was the thought process I was looking for. I am satisfied.

CHAIR BEERS:

The first of these decision units would basically put a front end on employment applications. Do you have someone who enters data from paper applications into the track database now?

MS. GREENE:

We have people in our reception area in both the northern and southern Nevada offices. They greet the customers as they come in, but a part of their job is to enter the demographic data.

CHAIR BEERS:

They do not enter all of the data?

MS. GREENE:

No, just the name, address, telephone number and that type of information is entered.

CHAIR BEERS:

With the new front end, are you going to expand the amount of data stored in tracks? How is that going to work?

MS. GREENE:

Everything on the application will be in the new system.

CHAIR BEERS:

Why will you need an entirely new system with Phase III?

MS. GREENE:

Phase III includes testing and certification while the first phase is just the application. Through the Civil Service process, people have to take examinations and they may get veteran's points added to the overall score. All of this information is stored in the system. When an agency has a vacancy, we generate a computerized list of the top five applicants and via e-mail the agency is sent that list along with the applications.

CHAIR BEERS:

This budget proposes to implement Phases I and II at a total cost of approximately \$300,000 for employment application recording. Approving this decision unit does not commit us to its purchase, but does commit us to a path. The vendor to execute Phase III in the next biennium will cost roughly between \$300,000 and \$650,000.

MS. GREENE:

That is correct. Phase I can stand alone. We want to go to Phase III because our system is unstable.

CHAIR BEERS:

Decision unit E-276 will allow for the review of timesheets by a pay clerk skilled in the interpretation of the laws and regulations governing payroll processing. Efficiency will be improved by saving administrative time on corrections and perhaps catching problems initially that currently are caught after the payroll is generated. The cost of that decision unit is roughly \$50,000.

Decision unit E-278 tracks incident reports such as grievances, appeals, and discrimination claims, and costs roughly \$100,000. We are now up to \$450,000 in total.

Decision unit E-279 tracks overtime and leave approvals which are currently a paper process and costs roughly \$50,000. Decision unit E-280 is online registration for training classes for \$100,000. Decision unit E-281 is tracking wait lists for training classes for another \$40,000 which, if my math is correct, adds up to approximately \$600,000. If it were equally spread across all employees, it would be about \$40 per employee each year in assessments. Except for Phase III, is this a onetime assessment? Does anybody wish to not approve E-280 and E-281 so the assessment can be lowered?

CHAIR McCLAIN:

Where was Department of Information Technology (DoIT) during this process? Did you run any of this information by them?

MS. FOSTER:

We have to develop an extensive written report on why we want this system including the risks, the costs and all the analyses. We gave the report to the DoIT technical staff to review.

CHAIR McCLAIN:

Why are you using the vendor you already have? Did DoIT think you should go out to an RFP? The payroll and the personnel items look fine, but I question the money requested for training classes and scheduling rooms and participants.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 9

CHAIR BEERS:

The assessment would be reduced to \$30 per employee per year. Actually this is for just one year.

ASSEMBLYMAN SEALE:

I am concerned about not including all of the units and I would like to hear from our witnesses what impact dropping those off would have in terms of efficiency.

MS. FOSTER:

I would like to debate each of the enhancements you are considering deleting. We split these enhancements so they could be viewed separately thus giving you the option of deleting some of them if you choose.

I would like to talk about the wait list enhancement. We looked at some of the statistics in our training division and currently one out of four employees who registers for a class does not show up. Thus we are creating about a 25 percent vacancy in our classes which is a problem. We are not utilizing our program effectively and we want to correct this. We presently do not know how many vacant seats we can fill. With the implementation of the wait list enhancement, we will know exactly how many vacancies we can fill. This will allow us to analyze whether we need to change courses or possibly broaden our curriculum without spending more money.

Our focus is to broaden our curriculum to not only provide the basics but to provide intermediate and advanced courses to prepare employees to deal with the fast pace, ever-changing business world we live in today. We are looking at approximately a 25-percent deficiency in class size from employees who do not attend class after they register. This is a problem we need to correct. I ran some rough numbers on the salaries needed to operate the training division, including fringes and that totals approximately \$540,000. If we only realize a 5-percent benefit from the deficiency we currently have, that would capture about \$27,000 in a year and we would actually realize an 18-month return on investment for just this module.

ASSEMBLYMAN SEALE:

In your example, you believe this module will somehow fix that. I am assuming you are currently using a manual system.

MS. FOSTER:

Currently there is no wait list. An employee will go online and try to register for a class. If they find out the class is full, they probably will look for another class and register for it.

ASSEMBLYMAN SEALE:

Could you solve this problem by doing what the airlines do and overbook? Then if you have overcrowding, pay them off, give them a free lunch and send them home.

MS. FOSTER:

Absolutely, if that is what you want to approve.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 10

ASSEMBLYMAN SEALE:

I would think you could do that on an administrative basis. What about the other enhancement unit?

Ms. FOSTER:

The next unit you are considering is location scheduling. This is part of our employee development module and training registration system. It allows a place to capture all of the shared state facilities we could use for training presentations, for meetings or other functions such as video conferencing. Currently the process for scheduling a meeting includes: knowing there is going to be a meeting; the location of the meeting; and if it is going to be video conferenced. Then you have to determine where the equipment is located. There is no system that tells state employees where these shared facilities are located.

ASSEMBLYMAN SEALE:

How much is that module?

Ms. FOSTER:

That module is \$97,475.

CHAIR BEERS:

Do you currently have someone whose job, or part of their job, is to have a calendar that says on Monday we have these three classes, on Tuesday we have these five classes, and they maintain a list of people who want to attend each of those three classes on Monday and five classes on Tuesday?

Ms. FOSTER:

Yes, sir.

CHAIR BEERS:

Do you further keep a list of additional applicants who are basically on the waiting list? Is someone doing all of this now?

Ms. FOSTER:

Currently we have the employee development module which is a part of NEATS, an electronic training tracking system. When someone registers, everything is electronic. It records their name as registered in the class.

CHAIR BEERS:

Does it send this person an e-mail notification confirming their registration?

Ms. FOSTER:

Once a person registers, their supervisor must approve the training request. If the supervisor approves the request, the person is registered and an e-mail goes to the person confirming the registration.

CHAIR BEERS:

Does the system know the capacity of the classroom so that it will not register more people than it can hold?

Ms. FOSTER:

That is correct.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 11

CHAIR BEERS:

What if you raised the class capacity by 20 percent at each of your facilities? Would you occasionally have some people standing in the back or would you have a full class instead of a 75-percent full class?

MS. FOSTER:

That is a possibility.

CHAIR BEERS:

That could bring us to the more effective utilization of our training dollars without approving E-280 and E-281.

ASSEMBLYMAN SEALE:

If we were to number the six modules and drop them in a hat, which two would you not want us to fund?

MS. GREENE:

It would be the last two we discussed, the location scheduling and the wait list.

E-225 Eliminate Duplicate Effort — Page PERSONNEL-4

E-250 Working Environment and Wage — Page PERSONNEL-4

CHAIR BEERS:

Our next decision units, E-225 and E-250, concern sexual harassment.

You want to add a new sexual harassment and discrimination investigator in Las Vegas. Our concern is that this program has just started and we would like a longer track record before we consider expanding it. The performance indicators look like they are doing the job with an average of 1.75 cases. We are thinking this program is probably manageable with the occasional help of the people in northern Nevada.

ASSEMBLYMAN SEALE:

On page 5 of [Exhibit C](#) I notice from your graph, showing the number of cases that have been received, that the first year is actually the final four months of the first year. I took the liberty of tripling the number received to show what might have been received for the full year; the number would become 45 sexual harassment complaints. There were 24 cases in 2004 and the 2005 figures are preliminary. It looks like this is a relatively new area and people are not clear which of the aggravations in a given working day are, in fact, sexual harassment and which are standard aggravations. To the extent the cases are being developed and handled within the workforce and various agencies, people are becoming more accustomed to what sexual harassment is or is not, so there may well be a continuing decrease in that area. I certainly would hope so.

I trust there is some effort in the personnel system to deal with attitudes that might lead to sexual harassment charges. This may not be a new and burgeoning area, but it is an area that, as people get accustomed to it, the behaviors will improve. The understanding of what is and is not harassment may also limit the incoming number of complaints. I would be comfortable with the Chair's suggestion that we may want to gather more history. We may find the demand is not what we feared it might be.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 12

CHAIR McCLAIN:

All new positions are going to be in southern Nevada, which is part of the justification, but they are not going to be there until 2007. With a little more track record we can consider it again next session.

CHAIR BEERS:

Are some of the classes you are offering in this area?

MS. GREENE:

Yes, the Governor signed a proclamation in January 2003 requiring all state employees to attend sexual harassment training every two years. Supervisors and managers attend a longer class that explains their duties and responsibilities.

The courts have indicated the most effective defense in a sexual harassment case is a prompt and thorough investigation. We still have room for improvement. We conduct surveys of agency administrators after an investigation is completed and the one consistent criticism is the time it takes us to investigate. While we are investigating, there is a lot of turmoil and morale problems in the office. Often the investigation not only includes the accuser and the accused but frequently other staff members are brought in for interviews. The accused is often placed on administrative leave so if the investigation takes us a long time to complete, other employees in the agency have to pick up their workload. Our average investigation has seven separate allegations. Each of our investigations, on average, requires us to conduct 13 different interviews with various people.

CHAIR BEERS:

For the fourth quarter of 2004, you told staff the average time to complete an investigation is 31 days in northern Nevada and 29 days in southern Nevada.

MS. GREENE:

That is correct. When we established this unit, my goal was to complete an investigation in ten days which I found was not reasonable. We would like to get the investigation time below the average of 32 days we are now experiencing.

If the Committee feels this is premature, and you would like to defer the position to the second year of the biennium, that is certainly something we could live with.

CHAIR BEERS:

The courts would be happy with 29 to 31 days would they not?

MS. GREENE:

When I look at statistics from other entities, they are trying to conduct investigations within a two-week time frame. One of the problems we face is our large geographical area. When we have complaints in Elko or Ely, it takes additional time to coordinate travel arrangements.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 13

CHAIR BEERS:

I would also point out in E-253, which is discussed on page 6 of [Exhibit C](#) there are new sexual harassment prevention videos and a separate set of videos for new employees. One set is available in the north and one is available in the south. Periodically we could ship one of those to Elko.

Ms. GREENE:

That is correct. In addition, we are asking for ten videos because some of our agencies have been trained in providing sexual harassment instruction. The Department of Corrections gives training to their staff as does Nevada Department of Transportation. We want to provide videos to ensure there is consistency in the training provided to all state employees.

E-277 Maximize Internet and Technology — Page PERSONNEL-6

CHAIR BEERS:

Decision unit E-277 adds a program officer III to staff the help desk. Is that correct?

Ms. FOSTER:

Yes, that is correct.

CHAIR BEERS:

Is this position going to be supporting people throughout the state who use this system and not just for your department?

Ms. FOSTER:

That is correct.

CHAIR BEERS:

Are there any questions on the help desk position found on page 7 of [Exhibit C](#)?

Is there any discussion on the certified public manager (CPM) program which is a multiple biennium program? We have not yet reached the end point of the initial class which puts us in the position of not being able to develop any sort of measurement of effectiveness of this program. If we approve this, we are essentially going on faith that it is a good idea. Perhaps we could approve it and require a report of the effectiveness to IFC. The other issue we talked about in Committee was the process by which these people are selected and to develop a more uniform, definable process. Have you given that thought since our last meeting?

Ms. GREENE:

Yes we have. In fact, we have a governing board meeting next Friday and that is on the agenda for discussion. We are going to recommend adoption of something similar to what you have suggested. An agency administrator will nominate two people for every vacancy and then a committee of past participants will choose the people who will go through the program making sure to include a diversity of individuals.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 14

CHAIR BEERS:

Did you also tell us the capstone of the course is a specific cost savings project each participant is supposed to create and execute?

Ms. GREENE:

That is correct. During their Phase IV, they develop a quality improvement project. The individuals in the north are going through their Phase IV training this week. They will have to provide a recommended project to the CPM coordinator and they will be working on their projects during the next few months.

CHAIR BEERS:

They develop and document the project, but do not actually execute it?

Ms. GREENE:

They have to implement their project before they graduate.

CHAIR BEERS:

Would you be able to give IFC a quarterly or annual listing of those final projects?

Ms. GREENE:

Yes, we would be happy to do that. In your budget closing you recommended September, which might be a little early, as I do not think the projects will all be implemented by then. Maybe we can present it at the meeting after that.

CHAIR BEERS:

That would be great.

CHAIR MCCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET 717-1363 WITH THE GOVERNOR'S RECOMMENDATIONS PLUS STAFF'S TECHNICAL ADJUSTMENTS FOR DECISION UNITS E-275, E-276, E-278, AND E-279; TO ELIMINATE E-280 AND E-281; TO NOT APPROVE THE REQUEST FOR THE PERSONNEL ANALYST III IN E-250 BUT INCLUDE THAT PERSONNEL ANALYST III IN E-277; AND TO MODIFY THE GOVERNOR'S RECOMMENDATION IN E-850 MAKING APPROVAL SUBJECT TO THE SUBMISSION OF A REQUIRED QUARTERLY REPORTS TO THE INTERIM FINANCE COMMITTEE.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

CHAIR BEERS:

Will that work or do you need the appropriation starting in July to continue the program? How about we modify the motion and approve the E-850 to require the project reporting periodically to IFC as we discussed.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 15

CHAIR McCLAIN:
We will include technical adjustments.

CHAIR McCLAIN:
Does the Subcommittee wish to consider the application form contingency or will the Department furnish staff with an outcome of the nomination discussions that was just described?

MS. GREENE:
The Department would be happy to provide that. Do you want us to provide that in the IFC report or separately?

CHAIR BEERS:
I would say separately. What we would be looking for is how many. Instead of being controlled at the department head level, essentially anybody could apply and a committee will review the applications and pick a number of finalists, is that correct?

MS. GREENE:
This will go to the governing board next Friday.

CHAIR BEERS:
Could you keep us apprised of their determination? Could we develop a base list of qualifications that must be achieved prior to applying? It is helpful to cover the names on the applications. I have been through the program in Las Vegas and they typically get about twice as many applications as they have positions. Some people get chosen on their second or third try. The applications have a number of essay questions so you get a feel for their writing and thinking skills.

MS. GREENE:
Just for your information, some members who are on the governing board are Assemblywoman Bonnie Parnell, Assembly District No. 40, Senator Mark E Amodei, Capital Senatorial District and Legislative Counsel Bureau Director, Mr. Lorne Malkiewich, in case there is any input you would like to provide before next Friday.

ASSEMBLYMAN HOGAN:
During earlier discussion, it was suggested there ought to be a process for self nomination from persons who may not necessarily be thought of by the administrator and who would then have the opportunity to get their name under consideration. Is that outside of your current planning or would that be something that could be incorporated? At least a person could get into the pool from which consideration is made.

MS. GREENE:
That would be something the governing board could also consider. We have only gone through one group and because of the time frames, the agency administrators chose the individuals. We realized we were going to change the process for the next group.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 16

CHAIR BEERS:
Let us discuss the budget on Consumer Affairs.

B&I, Consumer Affairs — Budget Page B&I-61 (Volume II)
Budget Account 101-3811

JOYCE GARRETT (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There are no major closing issues in this budget. Under other closing items staff is recommending the creation of a new decision unit for new equipment funded in budget account 1325. Included with the agency's technology improvement is a requirement for a new database system including seven laptop computers. Staff is recommending the funding be moved into this budget account from Administration Information Technology (IT) which will be a more appropriate place to fund this equipment. If this adjustment is approved, the corresponding reduction would be made in B/A 1325.

The second item on page 10 of [Exhibit C](#) is the Amendment No.1 submitted by the Budget Division to restore \$7,208 in funding in each fiscal year. This is in accordance with statute which requires an agency's revolving account be maintained at a \$7,500 balance. This account is used to fund undercover investigations for deceptive trade practices. The last item is technical adjustments for replacement equipment.

CHAIR MCCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE CONSUMER AFFAIRS BUDGET WITH STAFF RECOMMENDATIONS AS OUTLINED ON PAGES 9 AND 10 OF [EXHIBIT C](#) WITH THE EXCEPTION OF DECISION UNIT E-811.

ASSEMBLYMAN ARBERRY:

Are we approving this and once that decision is made on the unclassified issue, staff can come back and make those adjustments?

CHAIR BEERS:

I do not want to speak for her, but I am sure that is what Chair McClain meant. Staff will make any necessary adjustments.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

CHAIR MCCLAIN:

We will now consider the budget for Athletic Commissioner.

B&I, Athletic Commission — Budget Page B&I-206 (Volume II)
Budget Account 101-3952

One closing item in this budget is a request to add a new position to the agency. Their existing staff is made up of four full-time employees and the request is for an administrative assistant III position that would assist in the

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 17

review of contestant's medical records which is part of the state licensing requirement. The agency indicates they have a high volume of events and the testing requirements have increased. There are also technical adjustments.

SENATOR COFFIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3952 WITH THE GOVERNOR'S RECOMMENDATIONS AND WITH THE AUTHORITY OF STAFF TO MAKE TECHNICAL ADJUSTMENTS AS OUTLINED ON PAGES 21 THROUGH 23 OF [EXHIBIT C](#).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

B&I, Labor Commissioner — Budget Page B&I-211 (Volume II)
Budget Account 101-3900

CHAIR MCCLAIN:

We will now consider the budget for the Labor Commissioner.

There is one closing item contingent upon the approval of the agency's IT request in budget account 1325. If that request is approved in B/A 1325, staff recommends eliminating DoIT costs in fiscal year (FY) 2007 expenses that would not be required if the database system is approved for implementation. Staff has technical adjustments on computer equipment.

CHAIR BEERS:

This was the IT project that was loosely defined. We can either approve this budget as if the technology project were going forward or approve this budget with some contingency. The project itself was actually in the Administration IT budget account. It is not in this account per se. Does anyone have any ideas on how to proceed?

MARK STEVENS (Assembly Fiscal Analyst, fiscal Analysis Division, Legislative Counsel Bureau):

One of the items staff has suggested on Page 22 of [Exhibit C](#) is taking out the funding in decision unit E-275 during the second year of the biennium to maintain the existing data system if the new system is approved. If this new system is not approved, you have to make a conscious decision on whether that money ought to be retained in the second year of the biennium. If the new system is not completely approved, the existing system is going to have to run.

CHAIR BEERS:

This means we can postpone the decision on the new system by passing this particular decision unit E-275, and eliminating those DoIT costs contingent upon approving the project and other technical adjustments.

ASSEMBLYMAN HETTRICK MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3900 WITH APPROVAL CONTINGENT UPON PROJECT APPROVAL OF THE DATABASE SYSTEM AND WITH THE AUTHORITY OF STAFF TO MAKE TECHNICAL ADJUSTMENTS AS OUTLINED ON PAGES 22 AND 23 OF [EXHIBIT C](#).

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED: (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

* * * * *

CHAIR BEERS:

Our last budget today is from the Employees Management Relations Board.

B&I, Employees Management Relations Board — Budget Page B&I-216
(Volume II)
Budget Account 101-1374

MS. GARRETT:

This is a General Fund budget. The agency realized they have a shortfall in their in-state travel in FY 2005. The shortfall was identified too late to request a supplemental appropriation; therefore, the agency has requested funding in the first year of the next biennium of \$2,363 due to 6 pending cases that will be held over from FY 2005. The total funding for in-state travel would be increased from \$6,706 to \$9,069 in the General Fund appropriation.

CHAIR MCCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-1374 WITH STAFF RECOMMENDATIONS AS OUTLINED ON PAGE 24 OF [EXHIBIT C](#).

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 14, 2005
Page 19

CHAIR BEERS:
There being no further business, the meeting is adjourned at 9:55 a.m.

RESPECTFULLY SUBMITTED:

Lora Nay,
Committee Secretary

APPROVED BY:

Senator Bob Beers, Chair

DATE: _____

Assemblywoman Kathy A. McClain, Chair

DATE: _____