



NEVADA LEGISLATURE NEVADA VISION STAKEHOLDER GROUP

(Senate Concurrent Resolution No. 37, File No. 102, *Statutes of Nevada 2009*)

SUMMARY MINUTES AND ACTION REPORT

The seventh meeting of the Nevada Legislature's Nevada Vision Stakeholder Group was held on April 6, 2010, at 9 a.m. in Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 2134 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's website at <http://www.leg.state.nv.us/interim/75th2009/committee/>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835).

GROUP MEMBERS PRESENT IN LAS VEGAS:

Robert E. Lang, Ph.D., Chair, Brookings Mountain West and Department of Sociology, University of Nevada, Las Vegas (UNLV)
Peter C. Bernhard, Cleveland Clinic Nevada
Doug Busselman, Nevada Farm Bureau Federation
Alan Feldman, MGM Mirage, Inc.
Janelle Kraft Pearce, Las Vegas Metropolitan Police Department, Retired
Boyd Martin, Boyd Martin Construction and Associated General Contractors, Las Vegas Chapter
Thomas A. Perrigo, AICP, City of Las Vegas
Devin Reiss, Nevada Association of Realtors
Terry J. Reynolds, The Reynolds Company
Susan Rhodes, LASW, National Association of Social Workers, Nevada Chapter
Brian Rippet, Nevada State Education Association
Keith Smith, Boyd Gaming Corporation
Donald D. Snyder, The Smith Center for the Performing Arts
Denise Tanata Ashby, Nevada Institute for Children's Research and Policy, UNLV
Cedric D. Williams, North Las Vegas Fire Department
Sylvia Young, FACHE, Sunrise Hospital and Medical Center

GROUP MEMBERS PRESENT IN CARSON CITY:

Paul Dugan, Washoe County School District, Retired
John Packham, Ph.D., University of Nevada School of Medicine
Robert Lee Potter, American Federation of State, County, and Municipal Employees
Katy Simon, Washoe County

GROUP MEMBERS ABSENT:

Douglas D. Dirks, Employers Holdings, Inc.
Rene Cantu, Jr., Ph.D., Latin Chamber of Commerce Foundation
Marsha Irvin, Andre Agassi College Preparatory Academy
Jacob L. Snow, Regional Transportation Commission of Southern Nevada

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT IN LAS VEGAS:

David Ziegler, Principal Research Analyst, Research Division

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT IN CARSON CITY:

Donald O. Williams, Research Director, Research Division
C. J. Smith, Secretary, Research Division

INTRODUCTION AND OPENING REMARKS

- Robert E. Lang, Chair, welcomed the members and the public and addressed the topic of public safety ([Exhibit A](#)). He elaborated on the guideposts and direction necessary as the Nevada Vision Stakeholder Group (NVSG) goes forward.

REVIEW AND DISCUSSION OF FUTURE MEETING AGENDAS AND DATES

(At the direction of Chair Lang, the following agenda item was taken out of order.)

- Chair Lang discussed the process for the remaining NVSG meetings. He said the NVSG should agree on a small number of goals in each subject area and asked for suggestions on the best way to reach consensus for the goals and metrics.
- Donald D. Snyder, member, said that the vision statement process and the related dialogue during the NVSG meetings went well. He suggested the facilitator draft a document that would give the Group something to read and react to. He said the NVSG needs closure on some actionable items.
- Mark McMullen, Director, Moody's Analytics, Inc., said for the next meeting he and Chair Lang would like to have some materials the NVSG can vote on.
- Katy Simon, member, encouraged the consultant to help the Group look for high-leverage indicators, and gave examples of indicators that drive other indicators.
- Chair Lang said the NVSG is doing 5-, 10-, and 20-year planning, and must be careful not to focus on individual projects. The Group can have specific metrics that should be tracked for multiple decades.
- Mr. Snyder said many NVSG members have participated in these types of studies and the eventual report is set on a shelf. He said the Group must take action on its conversations and ideas.
- Chair Lang stated Moody's will distribute a product before the next meeting which will capture the substance of previous meetings so that the NVSG's final two meetings can be structured around achieving consensus. He said the Group should focus on a few key metrics and that clarity of the report is important. He said the State has not had a strategic direction, but the NVSG could add credibility and momentum to public investment. The Chair said the State has failed to fully capture federal resources, which contributes to the State's deficit. He said Nevada's case for improving connectivity to adjacent regions is well made.
- Sylvia Young, member, said Moody's should carefully consider the process for the next two meetings, and provide the top five indicators in each area, then the NVSG can select two or three indicators from the five.

- Mr. McMullen said the NVSG can eliminate some ideas today on which there is no consensus, and at the next meeting, can vote on the top benchmarks or goals. Mr. McMullen said Moody's will provide an executive summary document.
- Keith Smith, member, asked for clarification regarding the next meeting. He said that the top five subjects and the metrics will be discussed, but indicated the Group needs the materials in advance to give the members a chance to study and reflect. Mr. Smith said the Group was tasked with 5-, 10-, and 20-year goals for the State, and he suggested the members will see the information broken into those categories, with specific goals, objectives, and metrics for each. He also requested a sheet showing all the ideas suggested to date, for reference purposes.
- Chair Lang encouraged Moody's to work on the structure of short-term versus long-term goals, working with him and the staff and to provide that information well in advance of the next meeting.
- Mr. McMullen said Moody's has culled the strategies and goals from the SWOT analyses and sample metrics have been provided to the Group for each goal in order to develop 5-, 10-, and 20-year objectives.

IDENTIFICATION OF NEVADA'S STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS ("SWOT") AND 5-, 10-, AND 20-YEAR GOALS RELATING TO HEALTH AND HUMAN SERVICES BASED ON DISCUSSIONS AT THE NEVADA VISION STAKEHOLDER GROUP'S MEETING OF MARCH 22, 2010

Group 1 (March 22, 2010, meeting, Room 4401—Las Vegas, and Room 2134—Carson City):

- Susan Rhodes, member, reviewed the SWOT analysis on Health and Human Services as discussed by the Group in Rooms 4401 and 2134. (See March 22, 2010, minutes for details.)

Group 2 (March 22, 2010, meeting, Room 4412—Las Vegas, and Room 2135—Carson City):

- Ms. Young reviewed the SWOT analysis on Health and Human Services as discussed by the Group in Rooms 4412 and 2135. (See March 22, 2010, minutes for details.)

She said Nevada's community colleges do a good job training health care professionals, many of whom receive two-year degrees. She suggested Nevada reposition the State as a great place to get education or be retrained in professional imaging disciplines, and that health care facilities and hospitals tend to pay well for white collar workers.

- Chair Lang said that because of Nevada's scant funding for Medicare, the State loses the opportunity to attract retirees. He said well-resourced seniors may demand medical

services but do not demand educational services. Nevada could be a natural retirement State and could bolster the housing market, but not if State benefits are insufficient.

PRESENTATION REGARDING RECENT TRENDS IN THE ECONOMY OF NEVADA AND THE UNITED STATES AND LIKELY FUTURE ECONOMIC DRIVERS

Mark McMullen, Director of Consulting, Moody's Analytics, Inc.

- Mr. McMullen remarked on Nevada's economy, the aging population, and the shift away from consumer-based growth. He referred to a handout titled "Nevada After the Downturn" ([Exhibit B](#)). He said:

- Ø When the current recession ends, Nevada will return to being an above-average performer; Moody's does not expect the boom levels of the 1980s and 1990s to return, but Nevada will see above-average population growth when job opportunities return;
- Ø Items that make Nevada attractive to seniors—climate, the environment, housing costs, and other factors—are attractive to others as well;
- Ø At the beginning of the current decade, savings rates were very low and many baby boomers were using their savings at an alarming rate;
- Ø Now, regions that depend on consumer spending face a slow recovery as those persons try to rebuild their savings and plan for retirement;
- Ø For most of the period after World War II, consumption grew more rapidly than broader economic output; for the first time since World War II, consumption will now grow at slower rate than broader output; investment and savings will now be the main engines of growth, rather than consumption; and this will affect such states as Nevada that depend on the leisure, hospitality, and construction sectors;
- Ø Nevada has not lost its attractiveness, especially with recent improvements in housing affordability, and will gain a higher-than-average number of jobs over the next 15 years; however, job gains will be tilted toward lower-value-added consumer services and retail spending, compared to gains in other states where health care and science are fast-growing sectors; and
- Ø Although attracting growth industries is a common economic development strategy, increasing productivity and wages within existing industries is also important; the average entertainment workers in Nevada produce twice as much as entertainment workers in other states; innovations and productivity enhancements are clearly occurring in Nevada; even without the rapid growth in hotel rooms that occurred recently, Nevada can see growth in the gaming cluster with technological advances; and entertainment and gaming can be an effective engine for regional growth.

- Mr. Smith said from 2005 to 2007, Nevada experienced more than technological innovation. He said the casino and hospitality industries benefited from positive operating leverage when peak periods of revenue growth occurred; it was not necessary to add workers as consumers spent more. In 2008 and 2009, there were significant reductions in staff, and operating leverage was negative as the economy deteriorated.
- Mr. McMullen said the incremental cost of adding a visitor is very small and fixed costs are everything in Nevada. A change will likely show up in the broad multifactor productivity numbers.
- Chair Lang asked where the service export part of the gaming industry is captured, and where that statistic would show up in Moody's analysis.
- Mr. McMullen said that Moody's has broad service export data but does not disaggregate to this level. He said Nevada's pattern of exports is different and said he will study the data.
- Regarding job growth, Mr. Smith asked where job growth is coming from in Moody's opinion and whether the national economy will continue to be consumption driven. In southern Nevada, construction of 100,000 new hotel rooms drove job growth in the last 20 years.
- Mr. McMullen said that across regions, those that service business investment tend to have a better outlook. While consumer spending will not drive the economy, it will grow again and be a positive. He said consumer spending in southern Nevada will grow at a rate of 2.5 percent annually, compared to 3.5 percent, which we became accustomed to. Mr. McMullen said construction will be the last sector to turn around. Nevada will see an increase of jobs in warehousing and transportation-related industries, followed by firming in manufacturing with slower job losses. Then the State will see an increase in production of goods, followed by job growth in the traditional sectors of retail, consumer goods, and education. State and local employment, then construction, will be the last to recover.
- Chair Lang said conventions in Las Vegas look like consumption because of the demand for hotel rooms and services. If people decide to save more and consume less, that is different from a business determining during an up cycle the value of sending someone to a conference in Las Vegas, which could help sustain our economy. He said that Nevada is already taking market share from other regions and has momentum in the area of trade shows and conventions.
- Mr. McMullen said visitation will be a proposed metric, but he did not know whether the Las Vegas Convention and Visitor's Authority splits business from leisure travel.

In response to a question from Mr. Busselman, Mr. McMullen compared recent trends in percent change in sales tax revenues, year-over-year, versus tax revenue as a share of the United States total ([Exhibit B](#)). Nevada's sales tax revenue is volatile, but Nevada's tax revenue as a share of the U.S. total is growing, because Nevada is growing. He said that over time, with the erosion of the sales tax base, those revenues have not kept up with income growth.

- Mr. Busselman said while we complain about not having enough revenue, there has been a sharp increase in receipt of revenue.
- Chair Lang said the increase in revenue is accompanied by increased commitments and demands, and revenue growth could mask an underlying structural deficit.
- Mr. McMullen said a more appropriate graph might show revenue growth compared to population growth, which is a better surrogate for need. He said the next graph ([Exhibit B](#)) shows that Nevada has seen a large step in population age, accompanied by a sizeable jump in State spending requirements, with even larger increases expected in the future.
- Mr. Potter said the two-thirds majority rule for tax increases impedes the State in reforming taxes.
- Mr. Busselman said looking at the last four or five decades, including the decade of the State's most significant growth (2000), spending outpaced the GDP (gross domestic product). He said projections for the next decade indicate spending will lag the GDP ([Exhibit B](#)). Mr. Busselman said Nevada can no longer exist on a consumption-driven economy as it has for the last 30 to 40 years. He questioned what drives the State forward if not consumption.
- Mr. Snyder added it also goes to Nevada's tax structure. To have a tax structure based on the past four decades and looking at what the State will have in revenues going forward, Nevada will be increasingly out-of-sync, both in terms of what is driving the economy and how State government is being funded.
- Boyd Martin, member, said another driver for sales tax revenue is the construction industry, which comprises 30 percent of the sales tax revenue for Nevada.
- Mr. McMullen said that is true directly and indirectly. An engine of sales taxes is the large ticket, durable goods such as automobiles, home furnishings, and electronics, which are tied to residential construction.
- Alan Feldman, member, said he hears a lot about overall State spending and asked whether the Chair has a view of overall spending in Nevada and how that should correlate to population, GDP, or tax revenues; that is, what is the appropriate measure for State spending?

- Mr. McMullen said there are many arguments about the optimal size of government. Nevada is a low-tax, low-service State, by choice. Nevada levies fewer taxes and provides fewer services. Being a low-tax State can hurt Nevada in terms of getting matching federal funds, because they are tied to services offered. The aging population and the effect of Medicaid on the State budget are important considerations. Mr. McMullen said it will be difficult over time to remain a low-service State and continue to attract older residents.
- Janelle Kraft Pearce, alternate member, said another indicator is the number of uninsured Nevadans compared to the United States. Nevada seems to have more indigents than the average state, which is a huge burden. Ms. Kraft Pearce said comparing spending per capita is difficult.
- Chair Lang said when Moody's provides metrics to the NVSG, the Group should also be given a sense of which quintile the State is in. Not being last in some categories would be an important move forward, he said.
- Mr. McMullen referenced [Exhibit C](#) and [Exhibit D](#). He said most of the charts include a United States benchmark or a mountain west benchmark.
- Mr. Busselman said it would be helpful to have a narrative that describes what the data in the charts and graphs means and what Moody's is communicating to the NVSG.

At the request of Chair Lang, Mr. Potter reiterated his earlier comment on the two-thirds majority rule. He said it would be necessary to go to the voters to change the rule, but having the ability to adjust taxes should be a goal.

- Mr. McMullen said the State's volatile revenue structure showed up as a threat in all sections. He understands Nevada needs to increase return and reduce volatility, but lacks a good metric to display stable funding.
- Chair Lang inquired how other states compare to Nevada's volatility.
- Mr. McMullen said the most volatile revenues in the last two business cycles were seen in personal income tax states. The nonwage forms of personal income, e.g., capital gains, are not realized for tax purposes at the same time they are earned, unlike withholding from wages and salaries, or retail sales taxes. Mr. McMullen said with capital gains, people hold onto assets for many years and then cash in when there is a downturn, so there is a surge, then a void, which has created a great deal of volatility.

Mr. McMullen said corporate income taxes are also volatile because of the tie to profits, but are typically a small part of the tax base. Sales tax states and property taxes are not as volatile, but in Nevada it is different because of the tie to consumer spending

from elsewhere. Mr. McMullen said every state depending on sales taxes was hit hard in this recession due to the tie to the construction industry and auto sales.

- Chair Lang said some of Nevada's volatility is due to the taxation structure and some is due to the inherent nature of the State's economy. He asked what share is due to forces that the State controls.
- Mr. McMullen said because Nevada has gone away from personal income taxes, much of the volatility has to do with the volatility of the economy. Less reliance on such taxes as gaming taxes would reduce both volatility and return. He said Nevada should think about making big investments outside the State General Fund framework and consider moving away from restrictive balanced budget conditions. He said large investments with large up-front costs, which produce benefits far down the road, belong in a capital budget, as used for roads and other infrastructure.
- Mr. Feldman asked whether Moody's examined how Nevada spends money compared to other states, whether there is a right or wrong way, and whether there are distinct differences.
- Mr. McMullen said equity and efficiency often get confused, so differentiating right and wrong with spending is difficult. Moody's is studying the states' major taxes, fees, and spending programs. Nevada's spending is tied to demographics, e.g., the large and growing school-age population, which increases the share of education spending, and the increase in services used by older persons. Nevada is similar on the tax side to Florida, a leisure, hospitality, and sales tax state that depends on tourism.
- Mr. Smith said the NVSG needs an answer to Mr. Feldman's question as the NVSG sets goals and metrics to monitor those goals. He said an understanding of what Nevada is spending and how funds are being spent must be part of the goal setting process. As the State looks at revenue sources and how Nevada gauges success in diversifying the economy or funding, the State needs to identify benchmarks and move from how Nevada is funded today. Mr. Smith said the State may not experience the tremendous growth in young families and students as it has in the past and therefore needs to be careful about making future decisions based on the phenomenal growth of the last decade, which will not occur at the same pace.
- Mr. Snyder said the report provided to the NVSG regarding the Spending and Government Efficiency (SAGE) Commission addresses efficiency in government and spending. He said Nevada's economy has changed, the tremendous growth may not return, and the State needs to evaluate and adjust the way it spends money.
- Chair Lang said there are actions the State can take in managing its volatility and better preparing for the future. He said that Moody's should include those actions in the discussion, and that any guidance Moody's can provide on the benefits of making

certain changes and the justification for expenditures would be useful. Some are obvious while others are more elusive, he said.

- Mr. McMullen said he can obtain information on relative spending and revenue shares, for comparison with other states.

DISCUSSION OF QUALITY-OF-LIFE INDICATORS RELATING TO PUBLIC SAFETY AND IDENTIFICATION OF NEVADA'S SWOT AND 5-, 10-, AND 20-YEAR GOALS RELATING TO PUBLIC SAFETY

- Mr. McMullen said there are no speakers at today's meeting, but there are data packets on public safety provided in each member's meeting folder ([Exhibit E-1](#), [Exhibit E-2](#), [Exhibit E-3](#), [Exhibit E-4](#), [Exhibit E-5](#)). He asked the NVSG for comments regarding fire, police, corrections, and disaster preparedness, and to what extent advancements would lead to improvements in one's quality of life. Mr. McMullen said he would also like to discuss the federal role, including matching funds and unfunded mandates.
- Ms. Kraft Pearce said she was disappointed there was no expert testimony on today's topic. She said it is difficult to strategize without expert presenters. She said the handouts are excellent but do not tell us whether we are meeting the State's needs or what the concerns are for public safety, which is a foundation for all other categories. She said it would be important to know the State's conviction rate and to hear from the Division of Parole and Probation, Department of Public Safety, on how Nevada stands.
- Cedric D. Williams, member, said the Group needs expert testimony. As a 16-year firefighter and the Public Information Officer for the North Las Vegas Fire Department (Fire Department), Mr. Williams addressed questions regarding the community's public safety.

Mr. Williams said: North Las Vegas firefighters make \$25 to \$28 per hour; about 80 percent of their calls are medical calls; every unit includes paramedics; they typically respond to residents within 4 to 5 minutes; and that management has sometimes decided it is less expensive to pay overtime than to hire additional staff. He said southern Nevada is known to be a terrorism target and is vulnerable to earthquakes, and these facts affect all public safety entities, including hospitals. He said North Las Vegas has 223,000 residents and 189 firefighters, that federal funding has dried up, and that the Fire Department does not have access to additional funding sources.

- Chair Lang asked where data on firefighter salaries comes from. Mr. Williams said North Las Vegas salaries and benefits are at par with the rest of the country. He said some employees work much overtime.

- Chair Lang asked whether the salary data is inaccurate. Mr. Williams said that data is inaccurate because management has decided it is less expensive to pay overtime than to hire a new person, and that his community has never caught up with growth.
- Ms. Simon said she respects the concerns about public sector compensation, and perhaps the role of the NVSG might be to point out that the cost of government is an important element in developing a vision for the State, and that the NVSG wants reasonable and competitive compensation for our government employees. She requested the NVSG address indicators regarding public safety.
- Chair Lang asked Mr. McMullen to obtain statistics showing Nevada's numbers of public safety employees per capita, in order to check on the issue of overtime versus hiring additional employees.
- Mr. Snyder said it is hard to sort out the facts, because in talking to two different persons, one gets two different perspectives. He said better transparency is needed and the NVSG needs good, reliable, objective data.
- Terry J. Reynolds, member, said it is appropriate to look at the overall numbers of public safety employees per capita. He said the State grew in population and also grew in the size of the area covered by public safety personnel. Nevada has struggled to keep up with the per capita numbers in the western United States in providing sufficient public safety personnel.
- Chair Lang and Ms. Kraft Pearce said that per capita numbers for public safety staff need to take into account many thousands of additional visitors on any given day.
- Mr. Feldman said southern Nevada may host 300,000 extra people in its 100,000 hotel rooms, and on a peak weekend there could be many more visitors. He said Las Vegas and Reno are unique.
- Mr. Smith said in addition to 300,000 visitors, each large hotel casino property has more than 100 police officers and security guards who work very well with local fire and police departments.
- Thomas A. Perrigo, member, said he had previously researched quality-of-life issues, asking people about the importance of certain indicators and their level of satisfaction. Public safety rose to the top in both importance and satisfaction. Mr. Perrigo said where Nevada ranks poorly, e.g., crime rates, may reflect such other quality-of-life areas as health, welfare, education, and the economy.
- Mr. Busselman said some indicators may have statewide application and some may be more local. He said today's discussion is centered on Las Vegas, and the NVSG needs to emphasize the importance of giving local communities the resources to take care of their problems.

- Ms. Kraft Pearce said sweeping funds and taking money from local governments has a statewide impact on field personnel, jails, courts, and prisons.
- Mr. Snyder said Nevada has sophisticated police agencies with a strong Federal Bureau of Investigation presence in addition to private security forces, yet the State ranks poorly in the crime rankings. He said the NVSG needs to hear from a panel of expert professionals to break down the issues and understand where the focus needs to be.
- Chair Lang noted that the state crime rankings ([Exhibit E](#)) show the top five states are New England states that border Canada, and the bottom five states are southern states. He discussed the sociological aspects of these rankings, and how they may affect Nevada.
- Ms. Simon offered comments on behalf of the Washoe County Sheriff. She said public safety is the largest expense of public taxpayer money for local governments and may be the second largest component of State government expenditure. Regarding indicators, she said it is important to measure quantities, efficiency, and outcomes. She said releasing prisoners in a period of high unemployment could lead to increased crime rates and affect our goals and strategies.

Ms. Simon said Nevada has a high crime rate per 1,000 residents; violent crime, fraud, and identity theft are rising; and the types of crime should help us determine strategies. She said Nevada ranks seventh for juvenile arrest rates, and if we can resolve the issues of younger persons, it will help reduce adult crime. She also said there are issues related to training of providers and with managing and utilizing data for decision making.

- Mr. McMullen said it would be useful to examine the data, to identify programs where Nevada is in danger of falling below acceptable levels, and to identify those problems that have the potential to damage quality of life.
- Chair Lang suggested the NVSG conduct a SWOT analysis, provide it to the experts, and ask them to help the NVSG refine the analysis at the next meeting.
- Peter C. Bernhard, member, said there is an ongoing debate related to whether rehabilitation is a realistic goal in incarceration, or whether the public is looking for punishment. He said with movement toward decreasing prison populations or closing prisons for budget reasons, there could be an overlap with health and human services. For example, would rehabilitation programs be needed to assist persons in overcoming drug addiction that leads to criminal conduct? He said it is not as simple as saying the recidivism rate must come down. He also said he would like to hear testimony on: what crimes will be most significant in the next ten years; whether there will be a movement toward decriminalizing nonviolent offenders; whether the NVSG should recommend decriminalizing nonviolent offenders to reduce costs of courts, prisons,

prosecutors, and public defenders; what types of crimes are being committed today, by what type of person, for what reasons; and how these factors will change in the next 10 or 20 years.

- Mr. Feldman said the data indicate the crime rate is going down ([Exhibit E-1](#)). He said, however, calls to law enforcement are real, they must be answered, and where Nevada is in the rankings is to a degree irrelevant. Mr. Feldman asked for testimony from public safety officials on what law enforcement will look like in the next decade, in communities and on the Strip, and specifically on the impact of the international terrorism threat, international law enforcement, and the associated costs. He said, lacking a strong prevention program, Nevada could be seriously harmed.
- Chair Lang said California appears to be moving toward decriminalization of drug use, and the NVSG could ask the public safety experts what effect that will have. He also requested testimony on the baseline costs of doing business and said there is a level below which Nevada cannot go. He said public safety is a very large expense category for local governments, and he would like information on public safety costs compared to costs in other states (e.g., Arizona and Florida) with a history of similar issues.
- Ms. Simon said the fusion center efforts that are integrating crime data with spatial and geographical information have been a huge benefit to Nevada. She said much federal funding has been invested in the fusion center. She said an important indicator is the perception of safety, even though it is a subjective measure and is difficult to obtain accurately over time. Nevertheless, communities ask the question, which has a direct tie to the quality of life and such factors as the willingness of businesses to relocate.
- Ms. Kraft Pearce said the private security forces give the State an advantage in public safety staffing. Regarding nonviolent offenders, she said there are very few lesser offenders in prison because a large percentage of cases never go to trial. She said those individuals in prison are primarily the violent offenders and said the Department of Corrections would be a good source of information for the NVSG. She said coordination among local, state, and federal agencies, including various task forces, is a strength statewide.
- Mr. Williams said a strength in public safety in Nevada includes the preparation and training necessary to mitigate an incident. He said a weakness is in the mentality of doing more with less. Agencies must take emergency calls at any time and may lack personnel to answer a call. Mr. Williams said the automatic aid agreements in the Las Vegas Valley, under which the closest unit responds, are a major strength. He said the transiency of the population, in which a person of interest is a constantly moving target, is a weakness.
- Chair Lang said Las Vegas is a high rise city and he asked whether there is greater expense related to training.

- Mr. Williams answered yes, there are dangerous rescue situations because of the high rise community, and due to budget restrictions, training is often reduced. The Fire Prevention Association of Nevada has been able to provide some training to offset a reduction in training budgets.
- Ms. Kraft Pearce asked whether Nevada has a State fire marshal, and Mr. Williams replied there is one person in the south.
- Mr. Potter said a major strength of public safety is Nevada's Department of Transportation (NDOT). NDOT keeps Nevada's roads open and provides police and fire units the ability to respond to natural disasters, and closes off areas for investigations. Mr. Potter said Nevada has the lowest number of state employees per capita and has the most efficient and productive state workforce in the United States. He said cutting back on overtime would result in a drop in the level of service at NDOT.
- Ms. Rhodes said a high-rise community requires different techniques in dealing with fires and other public safety issues. She asked whether Nevada has kept up with techniques, technology, and the rapidly changing Las Vegas landscape.
- Mr. Williams said southern Nevada is very safe in terms of high rises due to major code requirements. Sprinklers are heat activated, and are a major strength in Las Vegas regarding high rises.
- Ms. Kraft Pearce said there have been efforts made in radio technology that allows for communication among agencies, although funding to replace antennas and other equipment took time.
- Mr. Feldman said he was curious to know what opportunity exists to export the knowledge that all public safety officials have gained in understanding everyone's needs and roles, particularly for large-scale special events. He said the level of cooperation and coordination is very high, and asked whether there is an opportunity to invite personnel from other states to training exercises.
- Mr. Williams said Nevadans share their expertise at training conferences held annually throughout the U.S. and other countries. Travel is getting more difficult due to budgets, so the costs fall on some attendees. He said there are about 100 firefighter fatalities in the U.S. each year, some in single-family homes.
- Chair Lang asked whether the State has private consulting firms that could export public safety services worldwide. Mr. Williams answered no; however, certain individuals travel and teach in the U.S. Chair Lang said there is a business opportunity in the manufacture and logistics of fire prevention and public safety.

- Mr. Reynolds said nothing would prevent Nevada from having the same types of classes, facilities, and training at a Federal Emergency Management Agency Center. An attempt was made in Carlin, through the University of Nevada, but did not fare well.
- Ms. Simon said northern Nevada has the Regional Public Safety Training Center, funded from the infrastructure sales tax passed locally several years ago. It is a combined public safety training center that provides training to persons from throughout the U.S. She said training is also exported through webinars. Ms. Simon also said that partnerships with the private sector providing training for law enforcement personnel are a strength; several persons have used private funding to attend the FBI Academy and Harvard's Kennedy School of Government.
- Ms. Kraft Pearce said Clark County would like to establish a regional training center. A study was conducted in the past and at that time there was not enough support to raise the sales tax for construction of the facility. She said this is an opportunity for southern Nevada.
- Chair Lang asked whether the NVSG has sufficient detail to offer the presenters who will testify at the next meeting.
- Ms. Simon said the NVSG should highlight drug use as a major threat, regarding not only public safety, but also the social service system. The vast majority of Washoe County's child welfare cases have substance abuse as a presenting factor, the child welfare system has a huge workload, and the system consumes a large amount of law enforcement and social service funds.
- Mr. Williams said another threat is that public safety agencies do not produce revenue, although they have high costs. Some public safety agencies have studied how to help create revenue.
- Ms. Kraft Pearce said the State's unemployment rate and indigent population are large threats.
- Denise Tanata Ashby, member, said there is a threat in mental health and substance abuse. She said the mental health courts are making progress, but there are few community-based resources. Ms. Tanata Ashby said Nevada should focus on juvenile justice with stronger prevention efforts and an emphasis on rehabilitation for juvenile offenders, since most of them enter the adult system later on. She said a strength is the location of the National Council of Juvenile and Family Court Judges in Reno, and there is active involvement with the Council in northern Nevada, but less involvement in the south.
- Mr. Williams said another strength for juveniles in southern Nevada is the Partnerships for Youth at Risk. The program is geared toward children five years of age and older

who start fires. Mr. Williams said the best thing is to reach the children before a certain age, otherwise, prevention is not successful. He also said there is an opportunity in the current economic downturn for collaboration and cooperation among public safety agencies.

- Ms. Rhodes said a lack of treatment beds and treatment options for drug users is a weakness. The State has fewer treatment beds for women than for men; some providers do not admit women. Ms. Rhodes said most offenders have poor health insurance, and insurance payments usually cover one round of treatment for 30 days, which is not enough time for those with a long-time substance abuse problem. There is a need to know how treatment will be paid for if certain nonviolent offenses are decriminalized.

Ms. Rhodes said a threat is the poor public perception of certain public safety professions and employees, and of public employees generally. The threat is pervasive and needs to be addressed.

- Mr. Potter said Nevada should seek all possible federal funding for education programs and positions. He suggested Nevada should recruit a national training center for public safety entities to locate in Nevada.

Mr. Potter said he assumes the highest crime rates occur in the urban areas. He said Nevada per capita State government expenditures for corrections in 2007 was \$115, compared to the national average of \$146 ([Exhibit E-1](#)). He said the State should optimize the use of assessment districts in high crime areas where needs are not being met.

- Ms. Simon said Washoe County is one of the few recipients of the national Juvenile Detention Alternatives Initiative, which is a strength. She said the initiative has been very successful in reducing juvenile crime in northern Nevada and information on the initiative is shared statewide.
- Mr. Williams said many attempts have been made to secure federal funding, but have not been successful.
- Ms. Kraft Pearce said the sweeping of local government funds by the State should be listed as a threat.
- Brian Rippet, member, asked for an explanation of the sweeping of local funds.
- Ms. Kraft Pearce said that often during regular or special legislative sessions, when there is a perception of not having enough time to deal with an actual issue, legislators will look at pockets of funds within local governments and divert tax revenue that would have gone to the local government or for other purposes at the local level.

She said she is speaking personally and not for anyone else. Ms. Kraft Pearce said Nevada should look at the adequacy of service levels before balancing the budget.

DISCUSSION OF POTENTIAL GOALS AND STRATEGIES FOR QUALITY-OF-LIFE INDICATORS RELATING TO ECONOMIC DIVERSIFICATION, EDUCATION, ENERGY USE, THE ENVIRONMENT, HEALTH AND HUMAN SERVICES, JOB CREATION, PUBLIC SAFETY, PUBLIC TRANSIT, AND TRANSPORTATION

- Mr. McMullen said at the next NVSG meeting Moody's will provide the top five goals, sample strategies, and key metrics. The major topics to date include health and human services and education. Mr. McMullen said there are many potential indicators and goals and asked the NVSG to help narrow the topics and achieve consensus. The top goals in health and human services are: (1) insurance coverage, (2) reducing hunger; (3) increasing preventive medicine and immunizations; (4) reducing obesity; (5) reducing infant mortality; (6) better database management; (7) improved revenue systems; (8) additional federal funds; (9) information technology (IT) innovations; and (10) taking the burden off emergency rooms for psychiatric patients, indigent care, and other uninsureds. He said Moody's would like to limit the list to 5 goals or fewer.
- Mr. Feldman said he heard several things that were actually part of one goal, IT efficiency. He asked whether the goals could be better categorized.
- Ms. Simon said several infrastructure issues cut across every topic: technology; data availability and integration; stable, adequate revenues; and federal funding. Therefore, the NVSG may have a set of goals that apply universally in all sectors, and specific goals regarding the health element, for example.
- Mr. McMullen said many strategies, particularly within economic development and diversification, tend to touch all other categories. He asked the Group whether it wants to structure the goals from the top down or the bottom up.
- Chair Lang said common themes are helpful, but he does not want to lose the specificity in each category.
- Mr. Snyder said other efforts that may be of help to the NVSG include the new Nevada Education Reform Blue Ribbon Task Force.
- Mr. McMullen said NDOT and the Department of Health and Human Services (DHHS) have prepared planning documents, but he has not heard whether there has been a statewide planning effort on public safety.
- Ms. Kraft Pearce said the Nevada Sheriffs' and Chiefs' Association may be doing statewide strategic planning, but she does not know of a formal document or process.

- Ms. Simon said on the emergency management side, there is a statewide strategic plan, which is implemented locally. There are local specific plans; for example, evacuation and hazard mitigation plans. It is a statewide effort applied locally.
- Mr. Busselman said at the previous meeting there was a presentation by the DHHS regarding its planning efforts. He suggested the NVSG recommend implementation of the DHHS goals as a priority.
- Mr. McMullen said Moody's is using the efforts of the agencies as a starting point. He said the role of the NVSG is, in part, to say whether they make sense. Individual agencies are immersed in details, and the NVSG looks at the broader strategy.
- Chair Lang said the NVSG must account for activities already completed, but the NVSG must deliver goals and metrics. Chair Lang said it is vital for the NVSG to take into account the existing work, and that the NVSG's work complements it. He said the output of the NVSG will be general in nature, but the Group can be specific about a relevant indicator it believes will endure.
- Mr. Smith said the deliverable is a set of goals or visions for Nevada in 5-, 10-, and 20 years, and not how the State is responding to today's recession, which tends to color the Group's comments. He said the key questions are what is Nevada doing well today, how do we want to live, how does Nevada want to operate, and how does the NVSG want the State to look in the future. He said the NVSG needs to select goals and support them with the detailed rationales from its discussions, so that there is a basis for the decisions.
- Chair Lang said even when Nevada had good resources, the State was still not doing well on the indicators. He said the work of the NVSG is about direction. The next five years represent a fairly short time horizon, likely resource-constrained. Looking out 10 or 20 years, the NVSG can be more ambitious and can assume that conditions will have changed. He said in 20 years, Nevada will be a transformed State that has diversified its economy, addressed some of its chronic deficiencies, created a structure that is safer in recessions, and created a series of successes. He said other states have organized themselves, moved in strategic directions, produced results, and built good will.
- Mr. Smith said regarding overarching goals, that the NVSG should not lose the specificity within each category. He suggested Moody's identify global goals, and three to five specific goals for each subject area. He said the Group can then react to those suggestions. He asked Moody's to provide detail sheets to support each goal.
- Chair Lang asked whether the Group could proceed with four or five general themes on which it can reach consensus today.

- Mr. Smith said economic diversification is one theme, meaning a more stable economy and funding system for the State, as opposed to relying on one or two industries.
- Ms. Young said optimizing Nevada's ability to attract federal matching dollars and IT innovation at the infrastructure level are themes.
- Mr. Feldman said budget stability, in terms of both taxes and spending is a theme. Nevada needs a more stable, predictable process that enables the public sector to provide services in a predictable, stable manner.
- Ms. Rhodes said collaboration and public-private partnerships are themes.
- Paul Dugan, member, said although the NVSG did not have expert testimony, there was much information shared regarding challenges in Nevada relating to education, which carried over to the reports on health and on students coming to school and being fed. Mr. Dugan said there is not enough time in the current education day to deal with the challenges of graduation, health, and all that needs to be done to challenge students so they are prepared. He requested a discussion or statement that the school day and the school year need to increase. Otherwise, conversations and debates on what needs to be done can continue, but there is insufficient time in school in the current system in Nevada and in the U.S.
- Chair Lang asked whether there is a universal education goal.
- Mr. Potter said Senate Concurrent Resolution No. 37, File No. 102, (*Statutes of Nevada 2009*), talks about the State's large general fund deficit. Mr. Potter said that S.C.R. 37 says it is vital that the policymakers not be unduly constrained in making decisions regarding the State's fiscal systems. He said the theme for each quality-of-life issue is sustainable funding to reach the goals the NVSG has identified. Mr. Potter summarized his points: (1) fiscal policy that encourages business development; (2) seek all possibilities for federal funding; and (3) optimize the use of assessment districts to take care of local needs. He also supports elimination of the two-thirds rule for tax increases.
- Mr. Feldman said another theme is measuring results, accountability, and metrics.
- Dr. John Packham, alternate member, proposed adding as a theme improving the health of the State's population. He said several items mentioned earlier are strategies that get us there, including reducing financial barriers; increasing access to preventive services; reducing inappropriate emergency room use; and increasing the numbers of such resources as health professionals, rehabilitation beds, and hospital beds. He said everything the NVSG has discussed would be aided by improving population health.
- Chair Lang said the Legislature formed the NVSG to look at Nevada's quality of life. He said the NVSG has much latitude, but the report should not say, "We should

improve quality of life,” or “It would be good if the State were better.” If the report is too general, it will lose meaning and the NVSG will not have done its job. He asked what Nevada is underperforming in that represents opportunity. As an example, he said the goal of increasing the share of federal resources indicates that the State’s efforts have been insufficient, and the State is losing resources in the process. As a goal, it is both broad and specific.

- Mr. Potter said there are opportunities for public safety training but homes are needed for these national interests. The FBI, with its involvement in Nevada, might consider locating a regional office in the State.
- Chair Lang cited as an example the Alexandria, Virginia, strategic plan. He said Nevada’s expert knowledge in the gaming industry as a producer service can be exported. He said it is a logical extension of the capacity the State has, things that are intrinsically Nevada; it goes directly to our strengths.
- Mr. Potter said Nevada has one of the largest deposits of rare earth metals, but the national center that studies such minerals is located in Ames, Iowa. Mr. Potter asked why the facility is not in Nevada.
- Chair Lang said Nevada probably has not gained the location of centers that would have an advantage in the State, for example, renewable energy. Because Nevada is sunny, we assume the State will be a solar center. Germany is a leader in solar technology because it is not sunny. Nevada has been less than aggressive in capturing things where the State has a competitive advantage. He said Nevada has a significant mining industry but the unprocessed gold is being sent out-of-state. He cited the example of showroom productions that are produced elsewhere. He said Nevada should assess its capacities, create a plan, and execute the plan in those areas that will build value.
- Mr. McMullen said vertical integration will be key, as will leveraging the comparative advantages that Nevada has, such as, the facility at Yucca Mountain, the world-class airport, or Nevada’s proximity to California.
- Mr. Busselman asked if optimizing federal matching dollars is an objective on its own merit, or part of the whole desire to have greater budget stability.
- Mr. McMullen said it is a strategy and a way to get things the State wants. He said it is not a goal in and of itself, but it is still a strategic theme.
- Chair Lang asked whether everything the NVSG lists should be measurable.
- Mr. McMullen said he does not think that is possible. He gave as an example technological advancement, IT innovation, and data availability. He said he is unclear how to measure whether data is improved.

- Mr. Feldman said some form of metric should be delivered on everything. He said there needs to be a metric applied to the notion of improved IT. He said the resulting efficiencies would be measurable.
- Mr. McMullen said the metrics may be indirect.
- Ms. Rhodes said it is important to be sure what the NVSG does is measurable, because there must be accountability; if not, credibility is lost.
- Chair Lang said Nevada needs metrics that are vivid in the public eye. He said Nevada has made tremendous gains on the amount of gross domestic product the State produces for each unit of water consumed. He suggested Moody's attempt to create synthetic metrics that could be measured and reported on annually. He said UNLV would be pleased to participate in follow-up work.
- Mr. Busselman asked whether there is value in looking at an overarching goal of increasing the gross product of the State and tracking the producing sectors, giving the NVSG a measure of economic diversification and how it changes over time. The ultimate goal for the State is to increase Nevada's output and generate a larger level of economic activity, he said.
- Chair Lang said more GDP, from more diverse sources, with less natural resources consumed, more equitably distributed, would be a good measure.
- Mr. McMullen said he appreciates this as a theme. He said another goal that appears to fit is the improved health of the State's population.
- Chair Lang said the NVSG will begin the next meeting with public safety, discuss the SWOT analysis done today, finish with a detailed discussion of the metrics and measures, and start voting.
- Mr. McMullen said the Group will receive the materials for the vote approximately one week before the meeting.
- Mr. Rippet said there was a discussion at the last meeting of talking points and public outreach and asked where that stood.
- Mr. Ziegler said he had some brief exchanges and has provided some information, but he needs to check on where that stands.
- Chair Lang said the NVSG will begin to get materials from Moody's, and they will enable the Group to begin to inform the public on the NVSG.

PUBLIC COMMENT

- Mr. Ziegler said he was contacted by Mr. Frank Partlow, Executive Director, Nevada SAGE Commission, and asked to make sure under public comment that his letter of April 6, 2010, was entered into the record. Mr. Partlow provided each NVSG member with a copy of his book, *SAGE Nevada*, included in the record ([Exhibit G](#)).
- Pat Sanderson, citizen, said North Dakota has a state bank which helps its residents. Mr. Sanderson said Nevada cannot afford to lose jobs. He suggested raising mining taxes in a common sense form where mining's fair share is paid. He said we should not forget the importance of a retiree's pension plan and health care to the State of Nevada.
- Carole Vilardo, President, Nevada Taxpayers Association, said a major strength in southern Nevada is the creation of the Southern Nevada Housing Authority to assist with low-income housing. She suggested when talking about revenue and budgets, the NVSG mention expenditure sustainability because in the good times, the State spends money without thinking Nevada will have a downturn. Ms. Vilardo also recommended federal legislation to enact the streamlined sales tax. She said Nevada is losing \$140 to \$220 million a year from uncollected sales tax on remote sales, and this is not a new tax but one that has been on the books for many years.

ADJOURNMENT

There being no further business to come before the Group, the meeting was adjourned at 12:54 p.m.

Respectfully submitted,

C. J. Smith
Research Secretary

David Ziegler
Principal Research Analyst

APPROVED BY:

Robert E. Lang, Ph.D., Chair

Date: August 6, 2010

LIST OF EXHIBITS

Exhibit A is the “Meeting Notice and Agenda” provided by David Ziegler, Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB).

Exhibit B is a handout titled “Nevada After the Downturn,” submitted by Mark McMullen, Director, Moody’s Analytics, Inc., dated April 6, 2010.

Exhibit C is a set of handouts titled “Performance Indicators: Health and Human Services, Transport, Energy, and Environment,” submitted by Mark McMullen, Director, Moody’s Analytics, Inc., dated April 6, 2010.

Exhibit D is a set of handouts titled “Performance Indicators: Education, Diversification, and Federal Support,” submitted by Mark McMullen, Director, Moody’s Analytics, Inc., dated April 6, 2010.

Exhibit E-1 is a document provided by David Ziegler, Principal Research Analyst, Research Division, LCB, titled “Nevada Crime and Corrections Statistics and Rankings,” from *Crime Across America*, dated April 2010.

Exhibit E-2 is a document submitted by David Ziegler, Principal Research Analyst, Research Division, LCB, titled “Overview of Nevada Department of Corrections Inmate Programs.”

Exhibit E-3 is a document provided by David Ziegler, Principal Research Analyst, Research Division, LCB, titled “Criminal Justice in Nevada Part I: Overview,” prepared by the Research Division, LCB, dated February 2010.

Exhibit E-4 is a document submitted by David Ziegler, Principal Research Analyst, Research Division, LCB, titled “Las Vegas Metropolitan Police Department, Information For Nevada Vision Stakeholder Group,” submitted by the Las Vegas Metropolitan Police Department.

Exhibit E-5 is a document provided by David Ziegler, Principal Research Analyst, Research Division, LCB, titled “Offender Demographics,” December 2009 Statistical Summary, submitted by the Nevada Department of Corrections Statistics and Planning.

Exhibit F is a table titled “The 2010 State Crime Rate Rankings,” submitted by David Ziegler, Principal Research Analyst, Research Division, LCB.

Exhibit G is a letter dated April 6, 2010, from Frank Partlow to the Chairman and Members of the Nevada Vision Stakeholder Group, regarding Mr. Partlow’s book, *SAGE Nevada*, explaining the 44 recommendations for a more efficient Nevada, submitted by Mr. Partlow.

This set of “Summary Minutes and Action Report” is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library online at www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm or telephone: 775/684-6827.