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MEETING NOTICE AND AGENDA

Name of Organization: Nevada Vision Stakeholder Group (Senate Concurrent Resolution No. 37, File No. 102, *Statutes of Nevada 2009*)

Date and Time of Meeting: Friday, May 14, 2010
9 a.m.

Place of Meeting: Grant Sawyer State Office Building
Room 4412
555 East Washington Avenue
Las Vegas, Nevada

Note: Some members of the Group may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location: Legislative Building, Room 4100, 401 South Carson Street, Carson City, Nevada.

If you cannot attend the meeting, you can listen or view it live over the Internet. The address for the Nevada Legislature website is <http://www.leg.state.nv.us>. Click on the link "Live Meetings—Listen or View."

Note: Minutes of this meeting will be produced in summary format. Please provide the secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes.

A G E N D A

Note: Items on this agenda may be taken in a different order than listed.

*Denotes items on which the Group may take action.

I. Introduction and Opening Remarks

Robert E. Lang, Ph.D., Chair

EXHIBIT A NevadaStakeholder Document consists of 19 pages.
☒ Entire document provided.
A copy of the complete document is available through the Research Library (775/684-6827) or e-mail library@lcb.state.nv.us. Meeting Date: 5/14/10



*II. Approval of Minutes of the Meeting of February 11, 2010, in Las Vegas, Nevada

*III. Discussion and Action on Proposed Recommendations to the Interim Finance Committee on Strategies and 5-, 10-, and 20-year Goals for Improving Nevada's Quality of Life, Relating to:

- A. A Sustainable and Diverse Business Climate;
- B. An Innovative and Attractive Business Climate;
- C. Meeting Needs for Food, Shelter, Health, Culture, and Recreation;
- D. Safe and Connected Communities;
- E. Encouragement and Opportunities for Educational Attainment and Improved Educational Performance; and
- F. Efficient, Effective, Inclusive, and Accountable Government.

The "Nevada Vision Stakeholder Group, Preliminary Executive Summary," attached below, contains proposed recommendations. The document is also available on the Nevada Vision Stakeholder Group's webpage at Nevada Vision Stakeholder Group (S.C.R. 37), or a written copy may be obtained by contacting Dave Ziegler, Principal Research Analyst, Research Division, Legislative Counsel Bureau, at (775) 684-6825.

*IV. Review and Discussion of Future Meeting Dates and Agendas

V. Public Comment

(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

VI. Adjournment

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call Connie Jo Smith at (775) 684-6825 as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; City Hall, 201 North Carson Street; Legislative Building, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed and e-mailed for posting to the following Las Vegas, Nevada, locations: Clark County Government Center, 500 South Grand Central Parkway; and Capitol Police, Grant Sawyer State Office Building, 555 East Washington Avenue. Notice of this meeting was posted on the Internet through the Nevada Legislature's website at www.leg.state.nv.us.

May 10, 2010

NEVADA VISION STAKEHOLDER GROUP

Preliminary Executive Summary

DRAFT

Prepared By
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Our vision for Nevada:

The people of Nevada enjoy a magnificent natural landscape and inviting, compassionate communities. We are diverse, independent, optimistic, entrepreneurial, and determined to succeed.

Every Nevadan receives encouragement and opportunity to attain the highest level of educational excellence.

Our business climate:

- Encourages innovation and broad-based economic resiliency and vitality;
- Leverages our unique market strengths;
- Attracts investment and talent; and
- Balances sustainable growth with responsible use and conservation of our natural assets.

Nevadans of all ages□ from children to seniors□ are able to meet their needs for food, shelter, health, and culture and to enjoy our recreational resources. They are safe and connected□ through communications and transportation□ to their communities and the rest of the world .

Our governance is efficient, effective, inclusive, and accountable. We monitor results and demonstrate measurable progress. We respect each others' points of view.

*"Home" means Nevada, "Home" means the hills,
"Home" means the sage and the pines.
Out by the Truckee's silvery rills. Out where the sun always shines.
There is a land that I love the best, Fairer than all I can see.
Right in the heart of the golden west
"Home" means Nevada to me.*

In 1933, the Legislature adopted **"Home Means Nevada"** as the official state song. Mrs. Bertha Raffetto of Reno wrote the song to honor the state.

Preliminary Executive Summary

Background

Nevada's economic conditions are finally improving, but the severity of Nevada's two-year economic downturn has brought to light many of the long-term challenges that cloud the future that many envision for Nevada. Not only is economic growth subject to painful swings, but the state's primary drivers—resource and consumer industries—will also provide less of a boost going forward than they have during past business cycles. With slower growth, it will become increasingly difficult to maintain a quality of life that Nevadans expect.

As the baby-boom generation ages and makes up for a lack of lifetime savings, downward pressure will be felt by Nevada's consumer and hospitality industries. Further, the local gaming industry also faces heightened competition from other states and abroad. In rural Nevada, expansion of primary resource industries will be modest, since commodity prices are not expected to return to their recent peaks for several years.

Nevada's relative cost advantages, its hospitable culture, and its vast natural beauty, however, will continue to attract migrants, helping to overcome shifts in demand for its basic core industries; long-term growth is still expected to exceed the national average. However, while still significant, population gains will not match the state's trend of the last 30 years. Residential, retail and hotel construction, therefore, will no longer be primary drivers of regional growth.

The reduction in Nevada's growth potential is troubling because even during the state's boom years many of the wants and needs of Nevadans were not being met. For example, a wide range of measures of educational outcomes suggest that Nevada could do a better job of teaching its children and training its workers. Despite current tight state and local budgets, now is the time to implement the structural changes and investments that Nevada needs to change its course, lest the obstacles that it faces become insurmountable in the years ahead.

Stakeholders

While Nevada's recession helped to illuminate its challenges, they are not new and have been openly discussed for many years. For most policy areas, strategic plans have been developed by state agencies and private-sector groups with the goal of providing public services more efficiently.

The primary task of the Nevada Vision Stakeholder's Group was to take a broad look at the most important goals for Nevada's future and to identify the key investments and structural changes needed to get there. Although the group included several policy experts, detailed policy analysis was not its aim. But nothing was off limits for discussion, from the structure of the economy and government finances to systems of education, healthcare, transportation and public safety.

The composition of the group was designed with this broad task in mind. Stakeholders came from a wide range of backgrounds, representing the diverse interests of Nevadans. Business leaders were brought together with representatives from organized labor, philanthropic groups and public servants. The group also included a range of minds, from academic to practical, representing educators, researchers, builders and farmers. The Stakeholders also reflected the regional diversity within Nevada, with members from both urban and rural areas. Given so much diversity within the group, their broad consensus on recommendations for the future are no doubt relevant and critical for the state.

The stakeholders also had the advantage of being divorced from the legislative process. As such, the group could set goals and make recommendations without considering political trade-offs or other legislative constraints faced by policymakers. This freedom helped generate a wealth of creative ideas, both small and large. Some innovations may not be receiving the attention they deserve because of current legislative or constitutional barriers that could be removed by policymakers only through enactment of structural reforms. Nevada's needs are dire enough that all potential reforms, including difficult-to-enact changes to the constitution, should be on the table for discussion.

Strategy Themes

Across policy areas, most potential strategies discussed by stakeholders fall into six primary categories:

Training and employee retention efforts

- » Attracting skilled workers to Nevada (e.g. teacher reciprocity, math and science teacher outreach)
- » Competitive compensation for public servants and educators
- » Training of workers for growth industries (e.g. increased production of nursing and other healthcare degrees)

Public-private partnerships and collaboration across agencies and levels of government

- » Communication across agencies (e.g. fusion centers for public safety)
- » Community-based initiatives (e.g. residential healthcare and alternatives to incarceration and parole)
- » Improved infrastructure for philanthropy and private giving
- » Gaining access to federal lands (e.g. freeing up potential energy and transportation corridors)
- » University partnerships and research centers

Encouraging IT investment and improved database management for public and private sector entities and other facility investments

- » Consolidated beneficiary databases for public assistance and other aid programs, criminal records, and health records
- » Addressing public infrastructure gaps (e.g. outdated correctional facilities, retrofits and other efficiency enhancements for public structures)

Diversifying the economic base and the structure of state tax revenues

- » Attracting growth industries (e.g. vertical integration of existing industries, economic development incentives, leveraging existing infrastructure)

- » Shifting the burden of state taxes to other industries or demographic groups (e.g. reducing dependence on consumer industries)
- » Saving government surpluses or securitizing future revenue streams (e.g. rainy-day funds)
- » Funding investment activities outside of the general fund framework

Exploiting federal funding opportunities

- » Increasing participation in federal programs (e.g. SNAP, school lunches, EITC)
- » Competing for federal infrastructure funds (e.g. high-speed rail)

- » Competing for federal research funds

Youth interventions and other preventative investments

- » Prenatal care and early childhood education
- » Immunization
- » Drug prevention and mental health programs
- » Youth outreach among education and public safety groups
- » Longer school days/years

Performance Measures

The stakeholders felt strongly that in order for their efforts to be of lasting use, it is imper-

ative to continue to monitor progress toward Nevada's goals through the tracking of quantitative performance measures. The group hopes that these performance metrics may be followed closely over time to ensure that policy reforms and other strategies are improving the lot of Nevadans as was intended.

By tracking performance, alternative strategies can be employed in areas where goals are not being met, and policymakers can be held accountable for any inaction on their part. For each stated goal contained in the vision statement, performance metrics have been chosen, with five-, 10- and 20-year benchmarks assigned for each measure.

Sustainable and Diverse Business Climate

Nevada's lack of economic diversity clearly has a negative impact on the quality of life of its residents. The dependence on consumer industries in urban areas and resource industries in some rural areas has exposed the state to boom-bust cycles. Resources for state and local governments are even more volatile than underlying economic growth.

Limits to Nevada's water supply, real or perceived, represent challenges to attracting new businesses to the region. Nevertheless, Nevada's efficient use of its water resources represents a comparative advantage over other states.

The stakeholders expressed pride in the general environmental awareness of Nevadans and the track record of the government working with businesses to arrive at environmental solutions. Members referred to the energy efficiency of the Nevada economy, water conservation efforts, the density of urban areas, and a desire of local builders to go green.

Suggested Strategies

- » Vertical integration of existing industries into their downstream suppliers

or upstream customers. For example, downstream industries for the hospitality industry include the producers of entertainment shows and a wide range of other business services. Upstream industries targeted could include convention visitors or manufacturing operations that use rare earth metals.

- » The expansion of clean energy industries. The infrastructure associated with Hoover Dam; geothermal resources; ample sunlight and land; and, most importantly, proximity to the California market all represent local comparative advantages for the production of energy.
- » The expansion of health services, research and manufacturing firms. The aging population and presence of university medical facilities in both the north and south suggest the potential to form a healthcare cluster that goes beyond providing services.
- » Invest to improve capacity and resiliency of water supply. Review and revise incentives for water conserva-

tion and management to maintain and improve efficiency of water use.

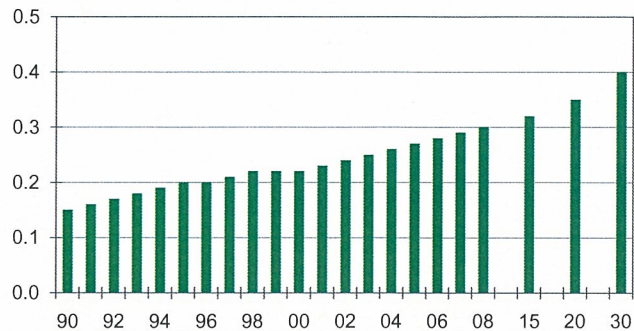
Metrics to Watch

- » **Industrial diversity index.** Changes in industrial diversity take time. The 20-year goal assumes Nevada bridges half the gap between its industrial diversity index and those of Arizona and New Mexico.
- » **Employment volatility.** The 20-year goal assumes Nevada bridges half the gap between local volatility and that of the median state.
- » **Water use per dollar of gross state product.** Over the next 20 years, the goal assumes that water conservation efforts cut consumption at a rate half that seen from 1990-2005.
- » **Generation of geothermal and solar electricity, percent share of U.S. total.** Over the next 20 years, the goal assumes Nevada increases its market share by 50%.

Sustainable and Diverse Business Climate

Sustainable & Diverse Business Climate: Metric #1

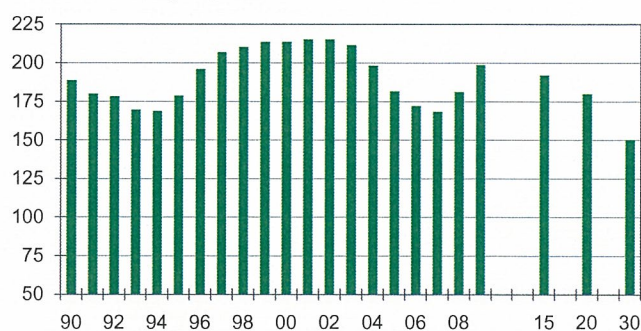
Industrial Diversity Index, U.S.=1



Source: Moody's Economy.com

Sustainable & Diverse Business Climate: Metric #2

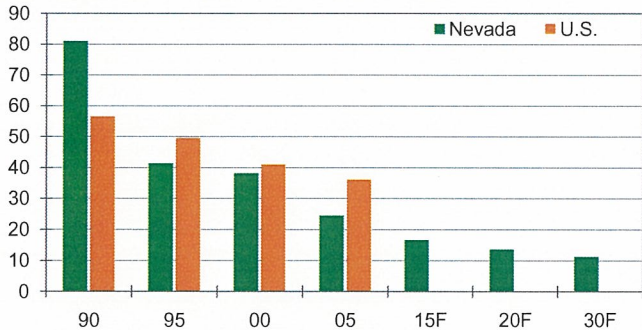
% of U.S. volatility, 3-yr MA



Source: Moody's Economy.com

Sustainable & Diverse Business Climate: Metric #3

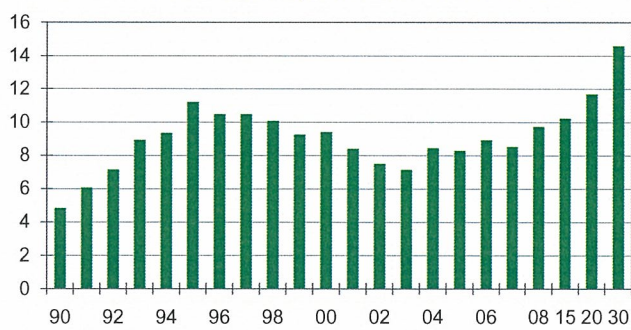
Water withdrawals, gallons per thousand dollars of GSP, \$2000



Source: USGS, BEA, Moody's Economy.com

Sustainable & Diverse Business Climate: Metric #4

Geothermal and solar electricity production, % share of U.S.



Source: EIA

Innovative and Attractive Business Climate

Nevada's lack of economic diversity has further implications for the future in that it has left the state with relatively little exposure to growth industries. With gaming and construction industries having matured, new engines of growth will be required going forward.

Much of the discussion about economic development centered on leveraging Nevada's natural resources and existing infrastructure to expand into growth industries. Rather than chasing industries that are popular right now, the stakeholders looked to areas where Nevada's existing infrastructure and cost structure would provide lasting comparative advantages for producers.

Suggested Strategies

- » Build the research curriculum and invest in research at Nevada's universities. Create partnerships between the educational system and businesses

active in growth fields (e.g., Cleveland Clinic, Nevada Cancer Institute, Ruvo Brain Institute, Brookings Mountain West) to bring outside investment and human capital to the system.

- » Leverage existing infrastructure for new uses by expanding firms. Assets include the international airport and convention facilities in the South and recreation opportunities and transportation infrastructure in the North. On a smaller scale, the telecommunications equipment associated with Switch Communications and infrastructure at federal nuclear waste and test sites provide near-term opportunities.
- » Invest in economic development, with stable funding and an orientation for results. Amend Nevada's constitution to allow government investment in the private sector and utilize a state

investment council to manage investments and attract venture capital. Employ tax increment financing and business improvement districts as economic incentives.

- » Attract and train skilled workers needed by growth industries.

Metrics to Watch

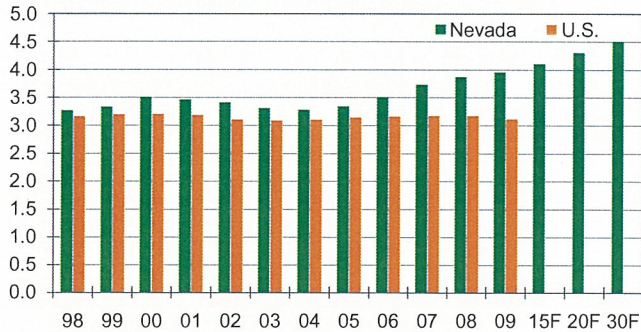
- » **Transportation and warehousing share of employment.** Goals assume growth of past decade continues, leading to a 4.5% industry share in 2030.
- » **High-tech share of employment.** Goals assume Nevada bridges half the gap with the median state by 2030.
- » **Venture capital funding.** Goals assume Nevada raises \$300 million in 2030.
- » **Cost of doing business.** Goals assume firms in Nevada face 80% of average business costs by 2030.

THE VISION | PART TWO (CONTINUED)

Innovative and Attractive Business Climate

Innovative & Attractive, Metric #1

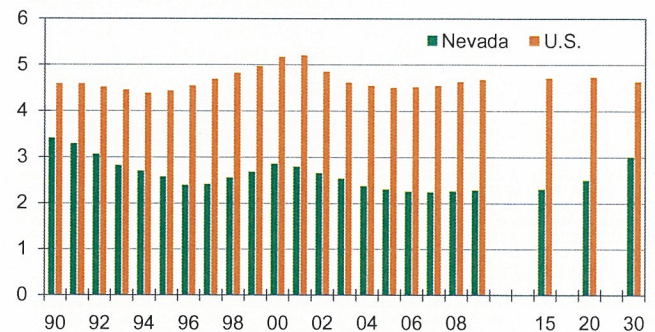
Transportation and warehousing employment, % of total



Source: BLS, Moody's Economy.com

Innovative & Attractive: Metric #2

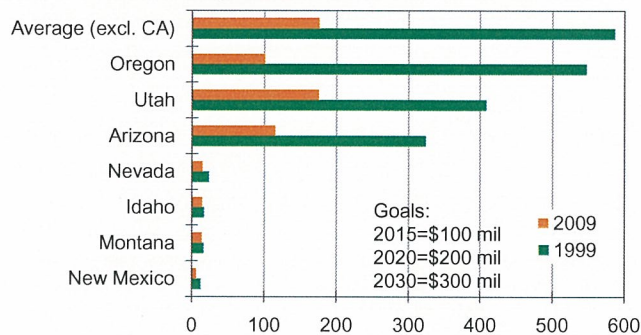
High tech employment, % of total



Source: BLS, Moody's Economy.com

Innovative & Attractive: Metric #3

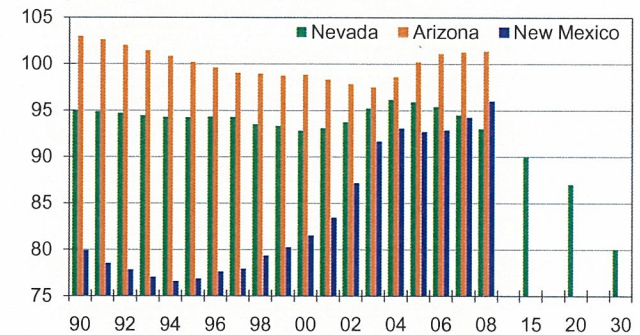
Venture capital funding, \$ mil



Source: PWC/Venture Economics/National Venture Capital Assoc. MoneyTree Survey

Innovative & Attractive, Metric #4

Cost of Doing Business Index, U.S.=100



Source: Moody's Economy.com

Meet Needs for Food, Shelter, Health, Culture, and Recreation

There was broad consensus among stakeholders that Nevada could do more to promote the health and well-being of its neediest residents. Rates of food insecurity are high relative to other states in the region, and very few children living in poverty have access to health insurance.

Overall, local health expenditures and the number of health practitioners per capita are among the lowest in the nation. This is in part due to low levels of participation in public healthcare programs such as Medicaid.

The stakeholders were particularly troubled by lack of participation in federal aid programs. For some programs such as food stamps, the federal government picks up the majority of the cost, with the state responsible for little more than the administration of the program.

Suggested strategies

- » Conduct due diligence on access to federal funding. Make appropriate investments to secure funding. In particular, respond appropriately to 2010 federal healthcare legislation and increase participation in nutrition and income support programs through the use of community outreach programs and coordination among state agencies.
- » Promote investments in IT equipment and database management among private and public healthcare providers and insurers.
- » Invest in training programs for healthcare professionals at local institutions of higher education.
- » Shift care from institutional settings to home and community wherever possible and cost-effective. Include adult day care, aging and disability resource

centers, mental health services, personal care, preventive care, primary care, others. Improve state partnerships with public health clinics. Restore and expand outpatient community health centers. Create a base of community service and philanthropy.

- » Invest in primary care and preventive care. For example, teach children about obesity and improve immunization rates.

Metrics to Watch

- » **Insured rates of the youth population:** Health insurance provides access to care in case of illness or emergency, but more importantly also to preventive care. This is most critical for young people, so that they mature into healthy and productive adults. A useful metric therefore is the share of population under 18 that is uninsured. As of 2008, Nevada's uninsured share of youth population was 19% compared with 9% nationwide. Future goals are to have Nevada's share approach the U.S. average, by reaching 12% by 2015 and to fall further to 8% by 2020, which would be below the current national average. By 2030, with successful implementation of federal healthcare reform, Nevada's uninsured youth population should fall to just 6%, two-thirds of the current U.S. average.
- » **Child immunization rates:** Protecting children from preventable disease is the most efficient way to improve overall public health. Nevada's rate of full immunization for children two years old and under has dropped from a near

average 69% in 1998 to 62% in 2008. The near-term goal is to stop the decline and reach 65% by 2015, returning to 70% by 2020 and then rising to a new height of 80% by 2030.

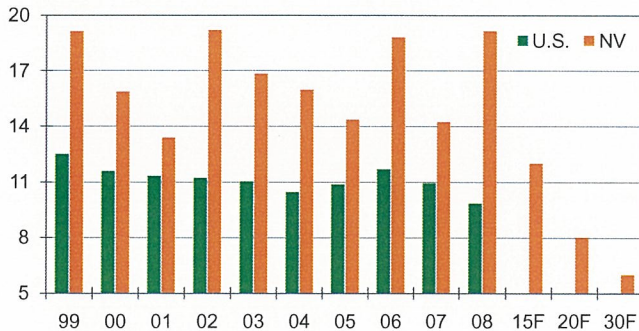
- » **Adult smoking:** Nevada has one of the highest rates of adults who smoke, despite improvement between 1998 and 2008 from 30% to 22%. Lowering this rate would rapidly improve health and well-being and lower healthcare costs. The modest near-term goal is to drop the Nevada rate to 21% by 2015, which is the current U.S. rate, and have the rate decline further to 19% by 2020 and to 15% by 2030. The long-term goal of 15% would be just below the figure of 16.5% as of 2008 for the Mountain West excluding Nevada, and thus quite achievable.
- » **Obesity:** Obesity is the fastest growing health problem nationwide. Nevada's share of obese population is low, but it has risen the fastest across the West over the past decade from 14% to 25%. An achievable goal would be to return this figure to 14% by 2030. Intermediate goals are 20% by 2015 and 18% by 2020.
- » **Adult exercise:** Linking recreation to health and to Nevada's outdoor culture, adult exercise provides a broad measure of well-being. Nevada's share of adults who exercise fell between 1998 and 2008 from 76% to 72%. The short-term goal, therefore, should be to return this figure to 76% by 2015 and to have it rise to 80% in 2020 and to 83% by 2030. This was the figure in Utah back in 1998 and is thus an achievable long-term goal.

THE VISION | PART THREE (CONTINUED)

Meet Needs for Food, Shelter, Health, Culture, and Recreation

Wellbeing: Metric #2

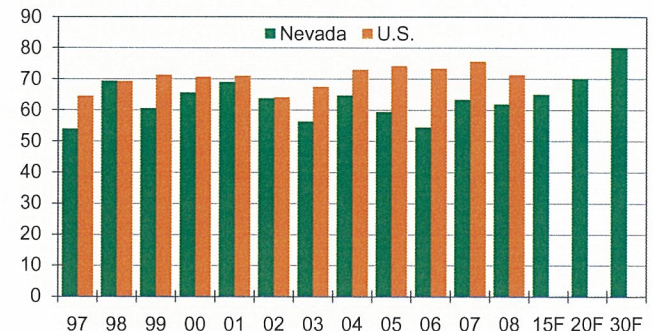
Uninsured (healthcare), % share of population under 18 years old



Source: CPS

Wellbeing: Metric #3

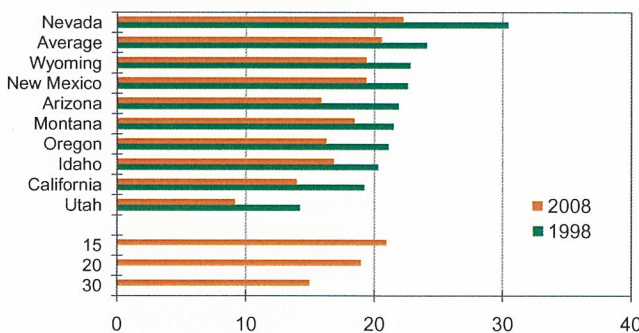
Children two years of age that are fully immunized, %



Source: Centers for Disease Control and Prevention

Wellbeing: Metric #7

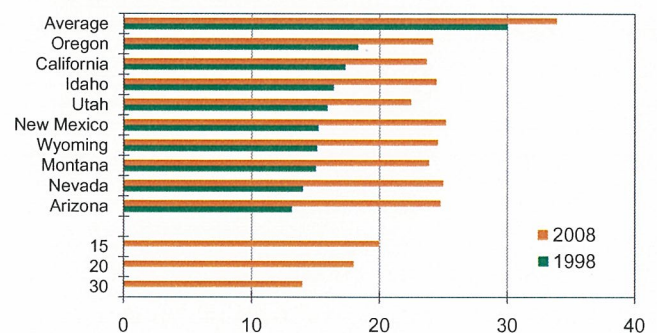
% of adults who are current smokers



Source: U.S. Centers for Disease Control and Prevention

Wellbeing: Metric #8

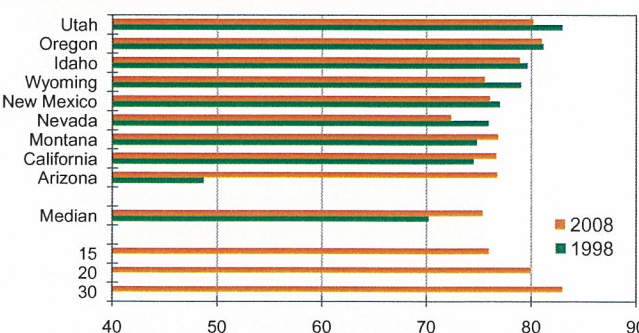
Obesity, % of adults with BMI > 30



Source: U.S. Centers for Disease Control and Prevention

Wellbeing: Metric #9

% of adults who exercise



Source: U.S. Centers for Disease Control and Prevention

Communities Are Safe and Connected

The efficient movement of goods, people and information is necessary for sustainable economic growth. Congestion in the state's largest urban centers is an obstacle to sustainable growth in the future.

The transportation network is vital for businesses to prosper in the region, particularly for Nevada's large tourism and distribution industries. Expanding linkages across the state and to other major urban centers in the Pacific and Mountain regions will promote trade and generate positive synergies for the economy.

Nevada struggles with a higher than average crime rate, largely because of property crime. Highway safety is another concern for Nevada, with a relatively large number of fatalities on the road.

Nevada's public safety workers are faced with unique challenges created by the vast expanse of land that needs to be protected, as well as the large population of tourists. These challenges have generated innovations and local expertise, much of which may be valuable to safety workers in other states.

Suggested Strategies

- » **Invest in infrastructure.** Pursue an interstate highway connection between Phoenix and southern Nevada. Connect southern Nevada to southern California and northern Nevada with high-speed rail. Reallocate capacity at McCarran Airport to long-haul flights and develop inland ports. Reinvent freight corridors in and through Nevada. Rebalance truck versus rail utilization.
- » **Explore all avenues of project funding.** Improve state, regional

and local capacity to obtain federal transportation funding and to utilize that funding when received. Invest in planning for public transportation projects such as light rail. Prepare shovel-ready projects in anticipation of future funding opportunities. Continue to develop public-private partnerships for transportation improvements. Reduce dependence upon automobiles.

- » **Stabilize public safety funding levels.** Volatile funding levels have led to insufficient staffing/compensation across departments. Uncertain funding has also led to inefficiencies in the amount of infrastructure and capital improvements at correctional facilities.
- » **Expand community-based youth, substance abuse, mental health, life skills and other preventative measures.** For juveniles, reinforce county-level probation and youth parole programs such as the Juvenile Detention Alternatives Initiative.
- » **Consolidate public safety departments and expand information sharing.** Continue and expand IT investments and fusion center development, blended with community-oriented policing and alternatives to incarceration.

Metrics to Watch

- » **Miles of road rated good or very good.** Nevada's system of high-quality roads is a strength of the state's existing transportation infrastructure, and maintaining this benchmark is essen-

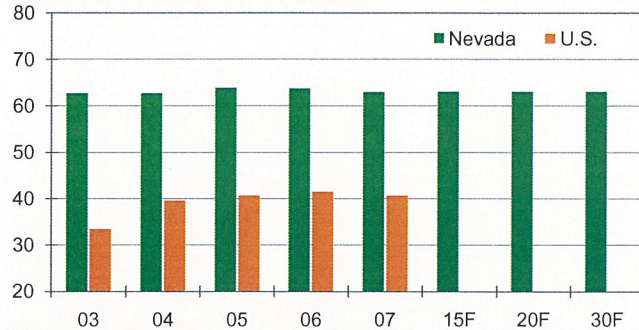
tial to existing trade connections. The goal is to maintain Nevada's above-average share of well-rated roads, which is well above 60%.

- » **Workers commuting by means other than driving.** This measure highlights commuters' choice between the traditional commute and alternative forms of transportation. Nevada has historically ranked below the national average. Simply attaining an average rate of use of alternative modes of transportation is an achievable long-term goal.
- » **Vehicle miles traveled per year per dollar of gross state output.** Nevada outranks the nation in terms of the efficient use of its roads. The goal is to further improve Nevada's travel efficiency and widen the spread with the U.S. average.
- » **Violent crimes per 100,000 population.** Nevada's violent crime rate is below the national average. The goal is to keep the state's incidences of murder, rape, robbery, aggravated assault and arson low, helping to attract new residents and to retain those that already reside there.
- » **Juvenile crime rate per 100,000 population.** Juvenile crime, however, is high and points to a serious threat to overall crime rates in the longer term. The near-term goal is to stop the rise in juvenile crime recorded in 2007. Longer term, the goal is to reduce Nevada's rate to the current U.S. rate of about 6,500 per 100,000 people.

Communities Are Safe and Connected

Transportation, Metric #1

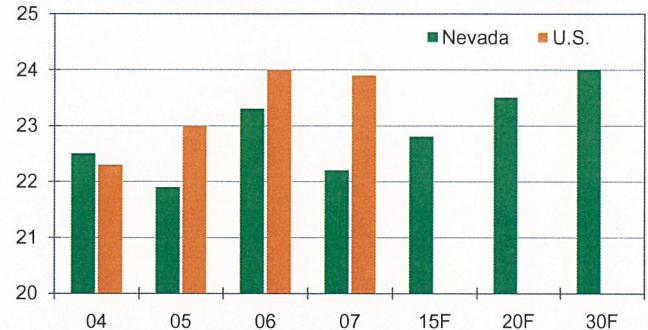
Miles of road rated good or very good, %



Source: BTS

Transportation, Metric #5

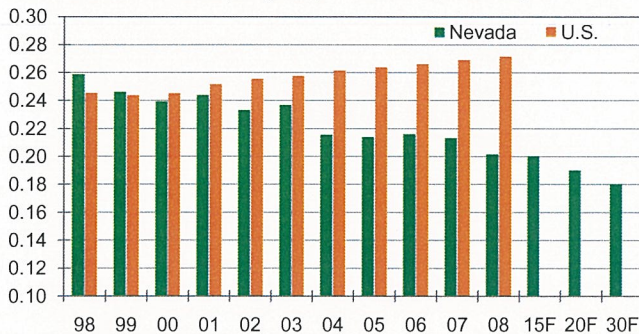
Workers commuting to work by means other than driving alone, %



Source: Census, American Community Survey

Transportation, Metric #3

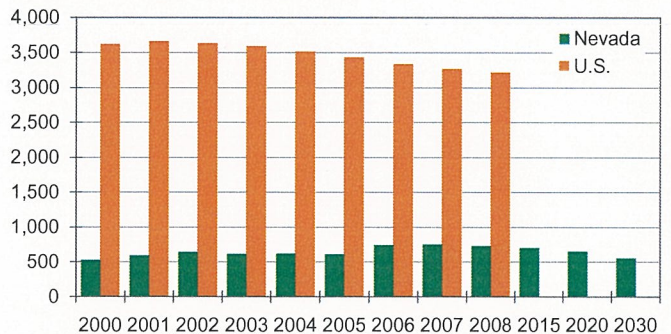
Vehicle miles travelled per year per dollar of gross output, \$2000



Source: BTS, Census

Crime rate

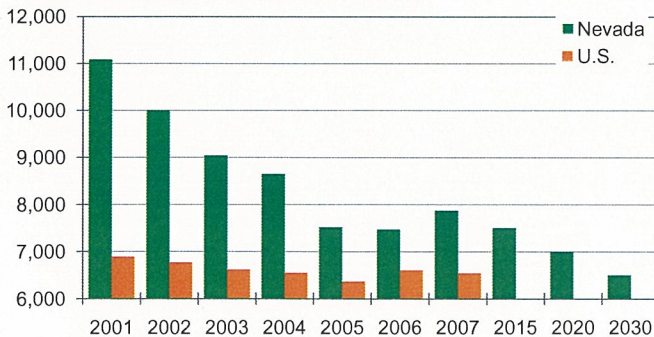
Violent crimes per 100,000 population



Source: Bureau of Census, Federal Bureau of Investigation, Moody's Economy.com

Crime rate

Juvenile crime rate per 100,000 population



Source: Bureau of Census, Federal Bureau of Investigation

Encouragement and Opportunities for Educational Attainment and Improved Educational Performance

Most performance indicators for education look bad in Nevada relative to other states. Much of this poor performance can be traced to Nevada's industrial structure and the challenges associated with educating its many minority, rural and mobile students.

Despite these challenges, there was consensus among stakeholders that the state could, and should, do more to educate its residents. However, funding increases that are not accompanied by structural reforms are unlikely to have much success.

For higher education institutions, there is a strong sense that the research capacity of the state's institutions needs to be expanded. Investments in higher education have not kept up with Nevada's rapid growth and represent an important component of its transition into future growth industries.

Suggested strategies

- » Subsidize family investments in early childhood education.
- » Improve efficiency of educational delivery using successful innovations from alternative modes, including: magnet schools, apprenticeship programs, career academies, charter schools, community college high schools, empowerment schools, international baccalaureate programs, online learning and technical academies. Increase the length of the school day and year.
- » Improve business and school relationships to encourage and accommodate parental involvement in K-12 education. Give parents opportunities to monitor children's scores or schedule parent-teacher conferences around day, afternoon and night shifts in Nevada's 24-hour schedule.

- » Address a looming labor shortage in education, especially regarding bilingual teachers and teachers of mathematics, science and special education. Utilize teacher licensing reciprocity agreements, the Teach for America program, and improve professional development for teachers in the K-12 system.
- » Build the research curriculum and invest in research at Nevada's universities. Increase research spending and capability in order to have equal or better access to growth potential as neighboring states. Train workers for growth industries.

Metrics to Watch

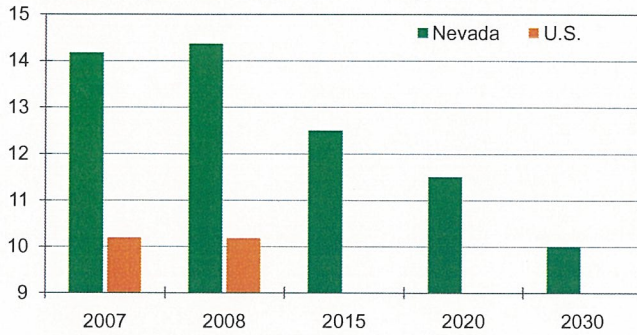
- » **Share of labor force with less than a high school diploma.** Nevada's economy is well-suited for workers at various levels of educational attainment. Rather than focusing on encouraging a bachelor's degree, when an associate degree might be just as useful, lowering the share of working-age individuals with less than a high school diploma is a better metric to watch. The goals reduce those not obtaining a diploma or equivalent, slowly bringing Nevada in line with the national average.
- » **Share of 3 to 4 year olds enrolled in school.** A near-term focus on early childhood education will make medium- and longer-run goals of increasing higher education more obtainable. A significantly smaller share of Nevadan preschool-aged children are enrolled in school. The goal to increase the share to half will bring the state in line with, and possibly exceed, the national average.
- » **Pupil/teacher ratios in public elementary and secondary schools.** More individualized attention from teachers will encourage and expand opportunities for students. Nevada currently has more students per teacher than the nation, the goal is to narrow that gap.
- » **NAEP eighth grade reading and math scores.** Better test scores for students provide an assessment of their learning, as well as giving a picture of how the state's students are positioned relative to other eighth graders in the nation. Along with a focus on early childhood education, following test scores will ensure that students are staying on track with their national peers, making the goal to level the playing field.
- » **R&D expenditures' share of GDP.** To attract not only Nevadans, but also students from outside the state to relocate to Nevada to pursue their higher education goals, the state and university system must devote larger amounts to funding research and development projects. Sources of funding include federal, industry, academia and nonprofits. To be competitive in attracting new students, Nevada needs to increase R&D funding; the state currently lags behind all but Louisiana and Wyoming. A move to 1.5% of GDP would bring the share of R&D spending to the middle of the pack for all 50 states and the District of Columbia and create more opportunities for students.

THE VISION | PART FIVE (CONTINUED)

Encouragement and Opportunities for Educational Attainment and Improved Educational Performance

Education: Metric #1

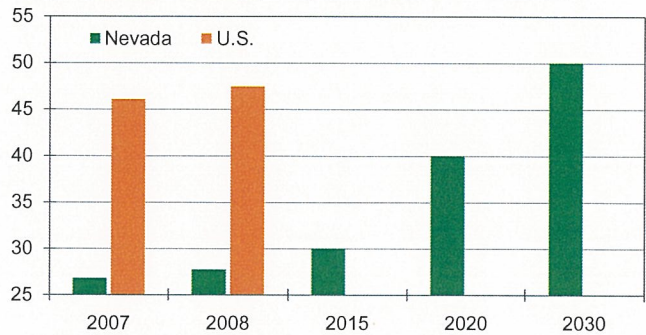
Less than a high school diploma, 25 to 64 yrs, % labor force



Source: American Community Survey, Moody's Economy.com

Education: Metric #2

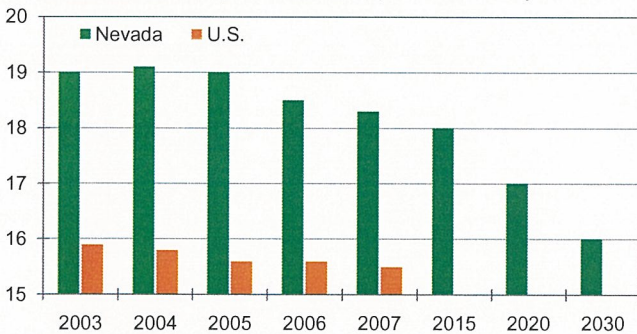
Early childhood education, 3-4 yr olds enrolled in school, %



Source: American Community Survey, Moody's Economy.com

Education: Metric #3

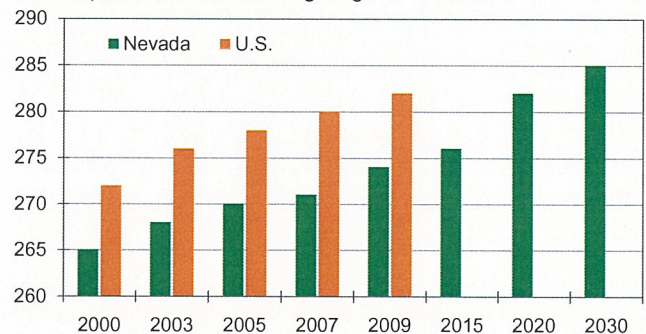
Pupil/teacher ratios in public elementary and secondary schools



Source: U.S. Department of Education

Education: Metric #4a

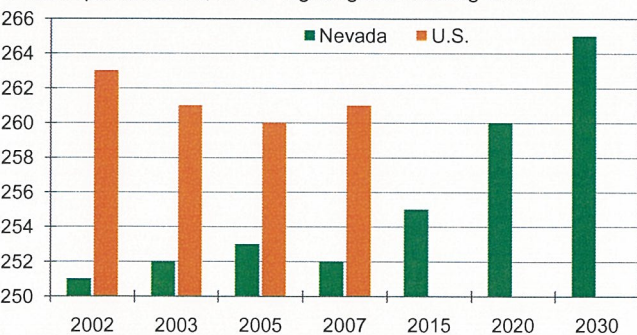
Student performance, NAEP eighth grade math score



Source: U.S. Department of Education

Education: Metric #4b

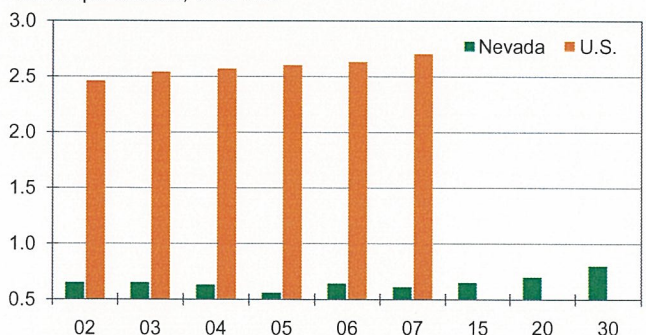
Student performance, NAEP eighth grade reading score



Source: U.S. Department of Education

Education: Metric #5

R&D expenditures, % of GDP



Source: National Science Foundation

Efficient, Effective, Inclusive and Accountable Government

Nevada is a low-tax state with relatively little government involvement in the private sector. Only South Dakota, Delaware and Texas collect fewer state and local taxes and fees measured as a share of gross state product. Direct expenditures by state government are the lowest in the nation on a per capita basis.

Not only is the overall level of government spending relatively low in Nevada, but a relatively small portion of spending is administered by the state. Nevada's local governments account for a larger share of overall state and local spending than they do in any other state. Not surprisingly, better coordination between governments was a recurring theme among stakeholder comments, particularly in the North.

In addition to a large school-aged population, a primary factor behind the relatively decentralized nature of Nevada's government administration is the state's lack of dependence on federal funds. Federally subsidized programs are largely administered at the state level. Only Virginia derives a smaller share of its general revenues from federal funds.

Nevada's tax revenues depend on fickle discretionary spending from a wide range of consumers across the globe. While this helps to shift the burden of taxes away from residents, it subjects revenues to large fluctuations and exposes them to a weak outlook. Volatile revenues have led to uncertainty in program funding levels.

Suggested Strategies

- » Stabilize government program funding levels by diversifying the tax base, using alternatives to general funds to support public investments, expanding rainy-day funds and securitizing future revenue streams.
- » Focus on comprehensive automation and other IT investments to reduce paperwork and administrative expense and to improve efficiency of service delivery.
- » Exploit opportunities for federal funding. Create an accessible, high-quality database of health and human services data, and hire dedicated grant writers, to support grant-writing efforts and

public policy development. Employ public outreach to increase participation in federal aid programs.

- » Improve data sharing and cooperation across local, state and federal government agencies. Ease access to BLM land.

Metrics to Watch

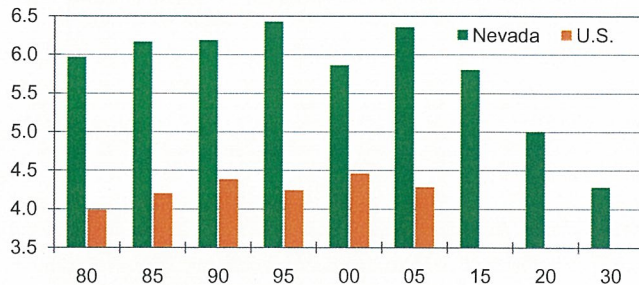
- » **Administrative costs, percentage of direct government expenditure.** Goals assume costs reduced to U.S. average by 2030
- » **Volatility of government expenditures.** Goals assume volatility reduced to U.S. average by 2030.
- » **Food stamp participation.** Goals assume 90% participation rate by 2030.
- » **Total federal funding, percentage of expenditures.** Goals assume achievement of Arizona/New Mexico average by 2030.
- » **Federal public assistance funding, percentage of expenditures.** Goals assume achievement of Arizona/New Mexico average by 2030.

THE VISION | PART SIX (CONTINUED)

Efficient, Effective, Inclusive and Accountable Government

Government: Metric #1

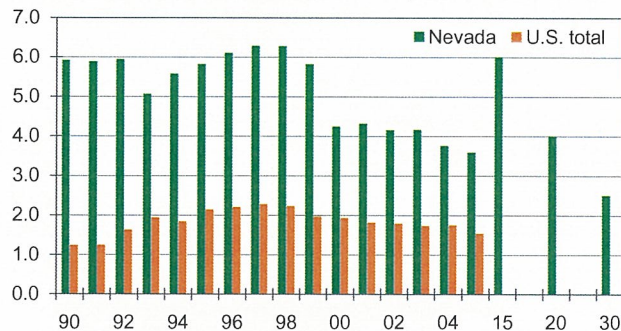
Administrative costs, % of state & local direct gov't expenditure



Costs: Judicial, legal, legislative, buildings operations, central staffing, financial administration, inspection and regulation.

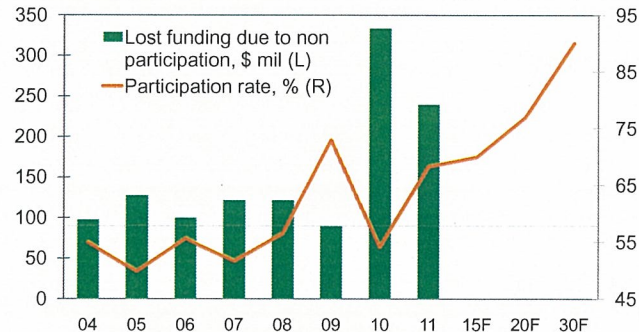
Government: Metric #2

Volatility of government expenditures, 10-year standard deviation



Government: Metric #3

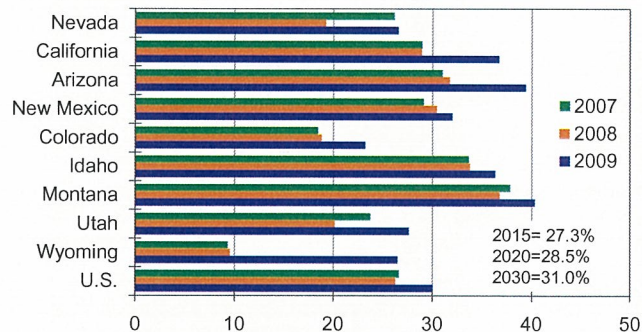
Nevada Supplemental Nutrition Assistance Program, fiscal years



Source: NV Department of Health and Human Services

Government: Metric #4

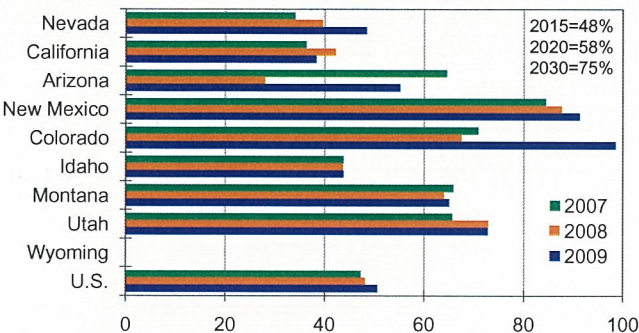
Total, federal funding share of expenditures, %



Source: NASBO

Government: Metric #5

Public assistance, federal funding share of expenditures, %



Source: NASBO

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