MINUTES OF THE
GOVERNOR'S STEERING COMMITTEE
TO CONDUCT A
FUNDAMENTAL REVIEW OF STATE GOVERNMENT

June 22, 2000

The fifth meeting of the Governor's Steering Committee to Conduct a Fundamental Review of State Government commenced at 9:37 a.m. in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City. The meeting was video conferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas.

STEERING COMMITTEE MEMBERS PRESENT IN CARSON CITY:

Denice Miller, Co-Chairperson
Don Hataway, Co-Chairperson
Senator Maggie Carlton
Assemblyman Lynn Hettrick
Assemblyman David Parks
Charles Archer, Las Vegas Business and Management Consultant
Marcia Bandera, Superintendent, Elko County School District (ECSD)
Dale Erquiaga, Private Business Consultant
Fred Gibson, Nevada Taxpayers' Association
Paul Gowins, State Employee
Terry Murphy, Private Business Consultant

STEERING COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Lieutenant Governor Lorraine Hunt

STEERING COMMITTEE MEMBERS ABSENT:

Assemblyman Greg Brower
Jeanne Botts, Washoe County School District
Marvin Leavitt, City of Las Vegas
Luther Mack, Reno Businessman

SPECIAL INVITEES:

John P. (Perry) Comeaux, Director, Department of Administration
Deni L. Conrad, Executive Director, HELP of Southern Nevada
Danielle Fanning, Interpreter, Vital Signs
Dean Heller, Secretary of State
Kara Kelley, Las Vegas Chamber of Commerce (LVCC)

Dr. Thomas Pierce, University of Nevada, Las Vegas (UNLV)
Dr. Kristine Tower, University of Nevada, Reno (UNR)
Carole Vilardo, Executive Director, Nevada Taxpayers' Association (NTA)
Sydney Wickliffe, Director, Department of Business and Industry

COMMITTEE STAFF PRESENT:

Linda Fitzgerald, Assistant to Chairwoman Miller
Linda Law, Policy Analyst, Office of the Governor

Philene O'Keefe, Committee Secretary

Exhibit A is the meeting notice and agenda. Exhibit B is the attendance roster. Exhibit C contains the following documents distributed prior to the start of the meeting:

1. Draft set of the minutes of March 23, 2000;
2. Calendar of meeting of the Nevada Legislature's interim committees; and
3. Updated recommendations list with suggestions received through June 19, 2000.

CALL TO ORDER AND OPENING REMARKS

Chairwoman Miller called the meeting to order and the secretary called roll. Madame Chairwoman explained that Jeanne Botts was suffering from a serious illness and would not be able to continue her work with the committee. She expressed her appreciation for Ms. Botts' efforts and noted that her experience and knowledge would be "sorely missed" during the committee's continued work.

To accommodate conflicting schedules, Madame Chairwoman noted that presentations to the committee would not follow the schedule outlined on the agenda. For clarity of reading, all presentations will be placed under the heading "Proposals and Invited Presentations" in these minutes (see page 8 for the start of presentations).

APPROVAL OF MINUTES

Following the presentation made by Secretary of State Dean Heller, Chairwoman Miller called for a motion to approve the committee's minutes of March 23, 2000.

ASSEMBLYMAN HETTRICK MOVED FOR APPROVAL OF THE COMMITTEE'S MINUTES OF MARCH 23, 2000. MOTION SECONDED BY ASSEMBLYMAN PARKS AND CARRIED UNANIMOUSLY WITH ALL PRESENT VOTING AYE.

REPORT ON FUNDAMENTAL REVIEW FROM THE SECRETARY OF STATE

Chairwoman Miller introduced Dean Heller, Secretary of State, and noted that Mr. Heller was the first constitutional officer to respond to the committee's request to participate in the fundamental review process. Secretary Heller distributed the following:

4. A booklet titled *State of Nevada, Office of the Secretary of State, Annual Report, Fiscal Year 1999*; and

5. A copy of his presentation titled "Secretary of State, Fundamental Review of State Government."

(Identified as Exhibit D to these minutes. The above documents can be found on the Secretary of State's web site: www.sos.state.nv. The annual report is found on the Secretary of State's home page, and the presentation can be found by clicking on the Secretary of State's Speeches link.)

Secretary Heller commended the committee for its work. He recognized the difficulties of reviewing every state agency and program because after being elected as Secretary of State in 1994, Secretary Heller began a "fundamental review" of the office. After 5 years, the process continues, he noted.

Secretary Heller reviewed the office's mission statement (page 2) and noted that the Office of Secretary of State competes with 49 states for commercial recordings. This competitive atmosphere is unlike other state agencies. The mission statement, among other things, reflects his efforts to promote and encourage businesses to locate in Nevada.

The Secretary highlighted a chart titled "Secretary of State Revenues per full time Employee" (page 6), which demonstrates that revenues per full-time employee increased from $100,000 in 1987 to $350,000 in 2000. Secretary

Heller, while acknowledging the efforts of his employees, opined that this increase is a direct result of increased technology.

Secretary Heller briefly reviewed the information concerning commercial recordings (found on pages 7 through 11). Referring to his "money-back guarantee" for commercial recordings (page 10), he explained that $5,000 has been set aside in an account, the balance of which reverts back to the State General Fund at the end of each fiscal year. The Office of Secretary of State has refunded money approximately 12 times since the implementation of the guarantee.

Pages 12 through 14 contain charts detailing information regarding the Secretary of State's web site. The Secretary discussed those statistics, and informed the members that it is one of the most accessed sites in State Government, with an average of 1.6 million "hits" per month.

Although official numbers are not available, Secretary Heller opined that his office's postal expenses decreased by approximately $100,000 after forms were made available via the web site. In response to a question by Chairwoman Miller, Secretary Heller said the office continues to offer "documents on demand" by facsimile.

Plans to increase the efficiency and revenue-generating capabilities of commercial recordings are included on page 17 of the Secretary's presentation.

Turning to the Securities Division, Secretary Heller reviewed information contained on pages 18 through 20. He focused on page 20, which contains future plans for the Securities Division.

In particular, Secretary Heller discussed an expanded investor education, including a web-based stock market game for students. Presently, students in elementary, middle, and high schools are allocated $100,000 "on paper" and the schools compete against each other. Through a web-based program, the students are allowed to "invest" the money for 10 weeks. At the end of 10 weeks, the school with the highest return wins. Last year, students from a middle school in Las Vegas earned $800,000 in 10 weeks–and won the national contest. This year, Spring Creek High School in Elko earned $80,000; the winning middle school was from Clark County ; and the winning elementary school was from Washoe County. Secretary Heller noted that the competition has increased students' awareness in economics and investing.

In addition, the Secretary of State's Office supports the Academy of Finance at Clark High School. In his opinion, the academy offers an excellent education in finance.

Duties of the Elections Division, as indicated on page 21, were reviewed. Senator Carlton expressed her dissatisfaction with the contribution and expenditure reports that political candidates are required to prepare and file. She compared the forms to a checkbook register and asked if they could be modified to a similar format. Secretary Heller explained that similar concerns have been expressed, and since his election in 1994, he has introduced measures at every legislative session requesting changes to the forms. He noted that his Office was not satisfied with the amended form that the Legislature passed in 1999. Therefore, the proposed changes for the 2001 Session were mailed to Senator Ann O'Connell (R-Clark County), Assemblywoman Chris Giunchigliani (D-Clark County), and Assemblyman Bob Beers (R-Clark County) for comment and input. While he could not guarantee final passage during the 2001 Session, he assured the members that the legislators approved of the proposed changes.

Assemblyman Hettrick, agreeing with concerns expressed by Senator Carlton, said it would be helpful if legislators could utilize software programs currently available and submit a "register" of contributions and expenses. In his opinion, the time spent categorizing expenses, when most people are unconcerned about where or how the money was spent, causes difficulties.

Responding to Mr. Hettrick's comments, Secretary Heller said the 1999 Legislature approved, and funded, a pilot program that will allow candidates to file reports electronically. Stressing that it is a pilot program, Secretary Heller expressed anticipation that problems will develop. Further, Secretary Heller noted that many candidates file reports with their local registrars of voters. As a result, he requested that legislators use the pilot program when filing their reports this year and provide his office with input.

Turning to page 23 regarding plans for the Elections Division, Secretary Heller said a bill introduced during the 1999 Session for statewide voter registration died in committee. However, the Secretary opined a statewide voter registration system could address concerns about possible voter fraud. There are 17 registrars of voters, and 17 different systems, the Secretary noted. A statewide database would prohibit multiple registrations within the state, and could access information from systems in California and Utah. Secretary Heller stated that voters in Nevada are transient, and it takes approximately 7 years for an inactive voter to drop from the county's voter rolls.

Another important issue concerns the election statutes. Secretary Heller noted that the new Deputy Secretary of Elections is an attorney and is reviewing the elections statutes. He opined that the current language is confusing and needs amending.

And, finally, the Elections Division, by statute, is required to investigate complaints but the laws do not provide the office with investigative authority. Therefore, persons being investigated are not obligated to comply with requests for information. While the situation does not occur frequently, Secretary Heller stated that individuals who have "made the most mistakes are the least likely to comply."

In response to a question by Chairwoman Miller, Secretary Heller affirmed that his legislative packet for the 2001 Session will include statewide voter registration, amending election statutes, and granting investigative authority to the Elections Division.

Following the Secretary's review of the Notary Division's duties, Chairwoman Miller asked the Secretary to define the term "Apostilles." Secretary Heller explained that an "apostille" is the notarizing of domestic documents for international use. He said an apostille is used most frequently to certify marriage licenses for persons who are not citizens of and do not reside in the United States.

Secretary Heller directed the committee to pages 27 and 28, which contains the "pitfalls and obstacles" his office faces. After working with the Department of Information Technology (DoIT), a Request for Proposal (RFP) was prepared to address the technological pitfalls. At a recent conference of the International Association of Corporate Administrators (IACA) in New Mexico, Secretary Heller heard speeches and received data regarding technology systems used in other states. According to him, the information presented at the IACA conference indicates that Nevada's system is "well behind the curve." Secretary Heller explained that while Nevada's laws and processes are in place, the state lacks the technology and employee training needed to implement electronic filings.

As of July 1, 2001, implementation of revisions to the *Uniform Commercial Code's* (UCC) Article 9 (*Nevada Revised Statutes* (NRS) 104.9101 through 104.9708, inclusive, which become effective July 1, 2001) regarding filings will cause an increased workload in the Secretary of State's office. Currently, UCC filings are handled by local governments in county of residence. As of July 1, 2001, all UCC filings must be handled by the Secretary of State. Secretary Heller said his office does not have sufficient technology to address the anticipated increase in workloads.

Addressing the "Special Services Account" (page 28), Secretary Heller explained that expedite fees are placed in this account. On June 30th of each year, funds in excess of $2 million revert to the State General Fund. According to Secretary Heller, approximately $1.8 million of the account is used for personnel costs. Secretary Heller suggested that the legislation be amended to:

6. Raise the cap to $3 million;
7. Remove the cap completely; or
8. Leave the cap at $2 million but remove the personnel costs from the account.

Chairman Hataway explained that the cap was implemented because, at that time, the Secretary of State's office could not demonstrate a need for the excess funds. Based on the information presented thus far, Chairman Hataway opined the Secretary has demonstrated a need for those funds. He recommended that the cap be revisited during the 2001 Session.

A new Integrated Financial System (IFS) implemented by the State Controller resulted in increased workloads for the Secretary's staff. The older system provided detailed reports and could be sorted to meet specific requests. The new system, according to Secretary Heller, cannot provide those reports. Secretary Heller noted that without those reports, he cannot track the number of annual lists or filings. Although the Controller's Office assured him that detailed reports will be available when the IFS is updated, he has been without detailed reports for over one year and there is no scheduled date for said upgrade. Secretary Heller stated that any technology that doubles the work and produces less than before is, in his opinion, not "enabling" technology–rather, it "disables" the office.

Page 30 contains the office's successes, some of which include:

9. Increased information available via the Secretary of State's web site;
10. Credit card acceptance;
11. Elimination of 1-900 telephone service;
12. Processing turnaround time;
13. Employee retention; and
14. Peace officer status for investigators.

Secretary Heller discussed the problems encountered by the web site during the 1998 General Election due to the close race for U.S. Senate between U.S. Senator Harry Reid (D) and then-Representative John Ensign (R). The large number of people accessing the site at the same time data was being downloaded caused the system to crash. Secretary Heller said the site has between five and seven times more capability for the upcoming 2000 General Election. The election includes the Presidential race; therefore, Secretary Heller expects a higher voter turnout, but he does not anticipate more people accessing the site since Presidential results will be covered by the media.

Page 32 recaps the Secretary's goals and future plans for his office. Technology to accomplish many of the goals should be available within the next several months.

Finally, page 33 provides the Secretary's idea: www.Nevada.com. He said the web address had been available at a price of approximately $100,000; today, the web address is not for sale. In his opinion, the state should have purchased the address when it was available. He encouraged the state to investigate the possibility of reserving "www.Nevada.gov" although "www.Nevada.org" is owned by a Resident Agent.

Secretary Heller said, "I think that it is critical for the future of Nevada to take a different approach as to the way that we administer technology." Referring again to the IACA Conference in New Mexico, Secretary Heller commended the visionary thinking of many other states regarding technology. Although several of Nevada's state and local agencies have web sites, links are infrequent and inconsistent. Secretary Heller stressed that a centralized web site, with links to local agencies, would be highly useful to residents as well as tourists planning to visit the state.

Assemblyman Hettrick requested information that might benefit the 2001 Legislature to enhance international corporate filings in Nevada. Secretary Heller said the Legislative Commission's Subcommittee to Encourage Businesses to Organize and Conduct Business in Nevada (*Senate Concurrent Resolution No. 19*, File No. 144, *Statutes of Nevada 1999*) is reviewing the issue. In addition, Secretary Heller noted that the instability of Nevada's court system and the lack of a "Business Court" hampers the state's ability to attract international businesses. Delaware created a Business Court approximately 150 years ago, and companies can research business decisions. The Secretary met with The Honorable Robert E. Rose, Chief Justice of Nevada's Supreme Court to discuss the possibility of creating a Business Court. According to Secretary Heller, Chief Justice Rose agreed with the concept, and if approved by the Legislature, this will help attract businesses. But, Secretary Heller commented that Fortune 500 companies probably will continue to file in Delaware because of the stability and experience of its court system. Secretary Heller recommended a letter expressing support for the Business Court to the remaining Supreme Court Justices and the Legislature should the committee find the idea will benefit the state.

Mr. Erquiaga discussed his tenure as Deputy Secretary of State and his responsibility to ensure that corporations filed their annual reports. At that time, he had suggested that if there were no changes in the officers of a corporation, the company should file, preferably electronically, a statement that there had been no changes but the annual report would not be required. Without objecting to Mr. Erquiaga's recommendation, Secretary Heller noted that corporations should be able to file all forms for all agencies (federal, state, local, and so forth) from one central site.

Mr. Erquiaga noted that the annual list filing fee has not been increased in several years. He asked the Secretary to provide the committee with an analysis regarding fiscal impacts if the fees were raised. In addition, he asked that the analysis include how increased fees would affect the number of corporations filing in Nevada. Mr. Erquiaga informed the members that approximately 85 percent of corporations who file in Nevada do not conduct business in Nevada; rather, they tend to be shell corporations. In Mr. Erquiaga's opinion, raising fees might be a way for the state to tax businesses without taxing Nevadans.

Secretary Heller said the S.C.R. 19 Subcommittee reviewed filing fees. One proposal would lower the initial filing fee from $125 but increase the annual list fee. Presently, the initial fee is the one that produces revenue. Secretary Heller said by lowering the initial filing fee, businesses might be enticed to incorporate in Nevada, and it would shift revenue generation to the annual list fee. Based on the analysis completed by the S.C.R. 19 Subcommittee, Secretary Heller opined decreases in corporate filings is unlikely.

The fee paid by brokers has not been changed in nearly 25 years. The Secretary of State's office registers approximately 70,000 investment brokers, including dealers, branch offices, and brokers–90 percent of which are from outside Nevada. A nominal charge of $55 per year is assessed. Secretary Heller suggested that broker fees be raised. According to the Secretary, fees in other states range from $50 to $250 for broker registration. Secretary Heller opined raising this fee could also help increase state revenues without impacting the number of registered brokers.

Chairman Hataway noted that Secretary Heller's presentation focused on larger programs administered in the office. But, the Chairman stressed that the Confidential Address Program (CAP) for victims of domestic violence, while small, is one of the more important functions of the Secretary of State's Office. Secretary Heller informed the members that the CAP was implemented by the 1997 Legislature. It allows for voter registration for victims of domestic violence. In addition, his office processes mail, which is then forwarded to post office boxes. There are approximately 15 people registered in CAP, and the Secretary of State allocated one half-time employee to administer the functions.

Mr. Archer expressed support for Secretary Heller's recommendation for a centralized web site. He was concerned about Secretary Heller's decision to eliminate the 1-900 number because it appeared people were able to access needed information via the web site. According to Mr. Archer, approximately 30 percent of the national population have Internet access, most of which are businesses. Secretary Heller clarified that the 1-900 number was eliminated; however, individuals without Internet access can telephone his office to request needed information.

Lt. Governor Hunt mentioned that the Commission on Economic Development has a web site titled "www.expandtoNevada.com" and the site contains a link to the Secretary of State's Office.

PROPOSALS AND INVITED PRESENTATIONS

Proposal to Create a Consolidated Office of Disability Services

Drs. Thomas Pierce and Kristine Tower

Dr. Pierce, Chairperson of the Department of Special Education, UNLV, distributed a booklet titled *Proposal to Create a Consolidated Department of Disability Services* (Exhibit E). He explained that within the last 8 years, the State of Nevada has experienced:

15. A 50 percent increase in the number of persons with disabilities;

16. A 65 percent increase in the number of children with severe disabilities; and

17. A significant increase in the retired and elderly population in Clark and Nye Counties.

Based on the discussion held on January 13, 2000, regarding the proposed Office of Disability Services, Dr. Pierce conducted a review of how services are currently provided. He discovered that:

18. Many services for certain types of disabilities are not offered or are uncoordinated;
19. Services that are available tend to be duplicated;
20. The state contracts with private industry to provide some benefits to those with disabilities; and
21. Nevada receives several millions of dollars each year in federal appropriations for certain disability programs and support services.

Following his review, Dr. Pierce determined that the disabled and aging populations would be better served if a centralized department was created. Currently, services for those individuals are "scattered across many departments . . . and, therefore, do not have one advocate or one voice to speak for them," Dr. Pierce said. Referring briefly to his presentation on January 13th, during which he discussed the problems encountered by persons with autism in receiving benefits, Dr. Pierce noted that many of Nevada's citizens suffer from disabilities that are not being served.

Continuing, Dr. Pierce informed the members that he met with approximately 30 organizations specializing in disability programs to formulate a proposal for consolidating state programs, including employment, housing, technology, and so forth.

In Dr. Pierce's opinion, state employees in agencies offering public assistance must deal with a myriad of individuals–not just the disabled and elderly. "The group that is currently the most popular tends to get funded the most at that particular time," he explained. This causes competition between those with disabilities, thereby causing more fragmentation. And, while the majority of retired persons relocating to Nevada are healthy, they will, eventually, be in need of support from government–either federal or state.

Dr. Pierce suggested that these two populations, members of whom are in need of similar services, would be better served by one coordinated service delivery system. He asked the members to review pages 5 through 8 of Exhibit E, which contains the proposed organizational structure for the new department and its divisions.

Dr. Pierce reminded the members of his testimony at the January 13th meeting regarding a proposed Office of Disability Services, introduced during the 1997 Session as Senate Bill 433. After an amendment that removed the proposed office, the measure was passed and codified as Chapter 553, *Statutes of Nevada 1997*. The proposal includes a Division of Disability and Independent Living (DIL), which encompasses the functions included when S.B. 433 was originally introduced during the 1997 Session.

Rather than addressing services for persons with certain disabilities, Dr. Pierce's proposal would consolidate all services regardless of disability.

Dr. Tower, School of Social Work, UNR, explained that when she was young, she was diagnosed with cancer, which resulted in approximately 30 operations over her lifetime. As a result, she is classified as "disabled," although her disability is considered "hidden." Her husband is a double-amputee and has paraplegia. As disabled individuals, she and her husband have experienced difficulties obtaining services, although they are both productive citizens.

Based on her experience in Nevada, Dr. Tower stressed the need for one centralized agency in which disabled persons can obtain information about various programs and services offered. While the state appears to offer many services for those who are very young or those who are very old, Dr. Tower indicated that services for people within the "middle group"–who have the greatest opportunity to be productive and contribute the most to Nevada–are scattered and fragmented.

Dr. Tower discussed problems encountered by her family when her mother became seriously ill but was unable to qualify for disability benefits due to her age. Dr. Tower explained that she supports Dr. Pierce's proposal, but she advocates a continuum of services across a life span instead of providing certain services to those that fall within certain age populations. "If somebody needs help, they need help. And it shouldn't matter if they're 64 or 65," Dr. Tower said.

Dr. Pierce discussed a federal proposal to increase special education funding by 40 percent. This proposal becomes important, Dr. Pierce noted, because studies indicate that schools have failed to diagnose children with special education needs due to the increased expense to the state. "The more the federal government tends to fund special education, the more there are people with disabilities," Dr. Pierce said.

The purpose for the proposal outlined in Exhibit E, Dr. Pierce explained, is to provide accountability to the state and those that are in need of services. He reiterated that Congress has appropriated several millions of dollars for disability programs. But, each state must apply for a portion of those appropriations. Given the size of the departments and responsibilities of administering a variety of programs, Dr. Pierce opined the state could be losing millions in federal funds for disability programs.

In conclusion, Dr. Pierce agreed with remarks made by Dr. Tower regarding the "middle group," who are denied services because of an age requirement.

Chairwoman Miller expressed appreciation to Drs. Pierce and Tower for their presentation. She opened the meeting to comments and questions from the members.

Chairman Hataway commended Dr. Pierce for the information in Exhibit E. He noted that the members need to read the material and evaluate it for future consideration. Chairman Hataway inquired if the proposal included programs administered by the Division of Child and Family Services or Department of Education (DOE). Dr. Pierce said the proposed DIL includes early childhood services, such as children who are critically ill or who have been diagnosed with behavior disorders. He said he did not incorporate the DOE's Special Education programs because they are closely integrated with regular education studies. Dr. Pierce opined that special education programs are separate from support services that are offered before or after school–housing, respite care, and so forth. With the exception of those noted earlier, the DCFS does not administer programs specifically targeted to disabled persons, Dr. Pierce commented.

Mr. Erquiaga disclosed that a family member is employed by the Center for Independent Living and another family member qualifies for services discussed. He referred to Dr. Pierce's remarks regarding federal appropriations. Mr. Erquiaga asked if:

22. Counties would be impacted if federal funding was shifted into a newly-created office; and

23. There could be an increased use of grants to local non-profit organizations, particularly in rural communities.

Dr. Pierce responded that a person residing in a rural community should be provided services in that area rather than moving that person away from his or her family. In the past, Nevada relocated children with severe disabilities to out of state facilities–which cost several hundreds of thousands of dollars per child. In 1998, 300 children were placed in out-of-state facilities; presently, 5 children reside in out-of-state facilities. Dr. Pierce's department at UNLV has worked with families in counties bordering Clark County to ensure that services are provided in the local community.

Addressing Mr. Erquiaga's first question regarding possible impacts to county governments, Dr. Pierce opined county governments would not be at risk of losing grants or other funding sources if the proposal was adopted and passed by the Legislature. He noted that federal appropriations are allocated for specific programs and funding for local services should not be affected by a change in the administering agency. Dr. Tower opined that the proposed Department of Disability Services could bring cohesion among the various interest groups thereby eliminating competition when applying for federal appropriations.

Responding to a question by Mr. Gowins regarding economic impacts to the state, Dr. Pierce noted that the proposal was designed to promote fiscal responsibility while reducing state costs. He admitted that the persons appointed to manage the office will determine what constitutes fiscal responsibility.

Assemblyman Hettrick reminded the members that many federal programs require states to contribute a certain percentage of funds as well. Addressing Dr. Tower's discussion regarding her mother's illness, Assemblyman Hettrick noted that governments–federal, state, and local–have limited resources with which to fund programs. Therefore, program eligibility must include some types of criteria, either by income or age. Assemblyman Hettrick said expanding eligibility to include all persons of all ages would increase the costs of the programs. Assemblyman Hettrick assured Drs. Pierce and Tower that legislators serving on money committees would prefer to provide services to those in need, but given the state's limited resources, many requests for appropriations must be denied.

According to Dr. Pierce, Congress enacted Special Education programs after realizing that the costs of providing support and services at a young age were significantly less than providing benefits to an adult individual who required long-term care, hospitalization, or congregate living facilities. Dr. Pierce explained that Medicaid Waiver Funds can be used to match federal appropriations. Classifying persons based on the type of disability is difficult. In Dr. Pierce's opinion, the proposal does not require more personnel or state funding. "Will it cost more money? I can't tell you that," Dr. Pierce acknowledged, although he anticipated that the elimination of duplicated or replicated services would result in cost savings to the state.

Dr. Tower noted that because programs are administered by different agencies, it is difficult for disabled persons to know where to obtain needed services. She reiterated her support for a consolidated department. Many disabled persons are capable of caring for themselves and leading active, productive lives, she stressed. In Dr. Tower's opinion, investing in services for the adult disabled population will "pay for itself in the long run."

Chairwoman Miller reminded the members and those present that the committee asked Dr. Pierce to develop an organizational structure that would improve service and coordination at the same level of funding. Increased revenue is a separate issue, which has been discussed between Chairwoman Miller and Mr. Gowins. Governor Kenny Guinn has scheduled a meeting with legislative leadership on July 12th to discuss the state's spending priorities. She commended Dr. Pierce for his efforts.

Assemblyman Hettrick warned that the legislative money committees will expect proponents to address how the state will fund expanded services given the limited resources available and the Legislature's constitutional requirement to pass a balanced budget. Dr. Pierce noted that the proposal is a "theoretical structure," and a more thorough analysis must be completed.

Mr. Archer suggested that the proposal include the costs of overhead, such as facilities and equipment, as well as personnel. Dr. Pierce noted that many services can be outsourced. Chairwoman Miller noted that the current organizational structure includes parallel services, and the proposal would eliminate or consolidate those services.

Lieutenant Governor Hunt noted her support for a more in-depth analysis of the proposal. She agreed with Assemblyman Hettrick's concerns regarding funding. Madame Lt. Governor strongly encouraged further consideration to determine if the proposal can be accomplished without incurring additional cost to the state.

Public Testimony

There being no further comments or questions from the committee, Madame Chairwoman opened the meeting to public testimony. The following persons testified in support of the proposal to consolidate services. There was no opposition presented at this meeting.

24. Bob Hogan, Director of Programs for Accessible Space and Nevada Community Enrichment in Las Vegas (a letter

expressing his support is included in Exhibit E);

25. Laura Shelton Kassen, a resident of Sparks;
26. Robert DeRusso, Northern Nevada Center for Independent Living (NNCIL);

27. Sheena St. Orrs, Volunteer for NNCIL;
28. Bev Kling-Hesse, Advocate for NNCIL;
29. Thomas Jackson; and
30. Michael Goodwin, Program Manager of In-Home Care for Accessible Space, Sparks.

Dr. Pierce expressed his appreciation to the committee for the opportunity to prepare and present his recommendation. He offered his assistance as the committee takes the recommendation under further consideration.

Chairman Hataway commended Dr. Pierce and assured him that the committee will analyze the organizational and economical aspects of the proposal.

Including the letter from Mr. Hogan (mentioned earlier), Exhibit E contains letters from the following persons expressing support for Dr. Pierce's proposal:

31. Kitt Barth, Administrator of the Governor's Committee on Employment of People with Disabilities;
32. Chairman of the Advisory Council on Traumatic Brain Injuries (no name provided);
33. Brain Injury Association (no name provided); and
34. Colleen A. Thoma, Ph.D., President of TASH of Southern Nevada.

Proposal to Combine Family to Family with Family Resource Centers (FRCs)

Deni L. Conrad and Kathleen Sandoval

Deni L. Conrad, Executive Director, HELP of Southern Nevada, introduced Kathleen Sandoval, Program Director of Children's Cabinet in Reno. Ms. Conrad distributed a pamphlet containing the following documents (Exhibit F):

35. "Proposed Fold-In of Family to Family Programs with the Family Resource Centers," dated November 23, 1998; and
36. "Southern Nevada Issues that Effect the Entire State Presented by Deni L. Conrad, Executive Director, HELP of Southern Nevada, June 24, 1999."

Ms. Conrad explained that the FRC were created by statute during the 1995 Legislative Session. The original concept was to create neighborhood centers in specific geographic, at-risk areas throughout the state. The measure created two governing boards to provide direct oversight and technical assistance to the local centers. The local centers would be administered by Neighborhood Councils, comprised of local residents and case managers, and fiscal agents. Each center was charged with preparing a needs assessment and creating a neighborhood action plan to address statutorily-directed issues and other needs unique to that neighborhood.

Continuing, Ms. Conrad said the Director of the Department of Human Resources (DHR), Charlotte Crawford, appointed the Children's Cabinet in Reno as the administrator for northern and rural Nevada. In addition, Ms. Conrad said Ms. Crawford formed a collaboration between HELP of Southern Nevada, the BEST Coalition, Economic Opportunity Board, Family Cabinet, and the Las Vegas Metropolitan Police Department (METRO) to administer the southern Nevada centers, and appointed HELP as the fiscal agent.

The local boards issued RFPs in the at-risk communities and selected sites based on needs assessments. The local boards provide program oversight, fiscal audit accountability, and technical support. Since its inception, the program has grown to 40 locations statewide with hundreds of collaborative partners, Ms. Conrad noted. Appropriations of approximately $2 million per year are used to provide services to centers statewide. For the first six months of Fiscal Year 1999/2000, it is estimated that over 24,000 "unduplicated" clients sought and received services through the centers.

Ms. Conrad opined that merging the Family-to-Family Program into FRCs is "natural" and economically logical. She stressed that the proposal would "preserve the programming of Family-to-Family," such as the Resource Lending Library, infant care classes, early childhood parenting classes, preventive health care screening and immunizations, early abuse, neglect identification and consultation education, New Baby and Toddler Pantries, and general referral services. According to Ms. Conrad, the proposal would eliminate duplication of services because many of those mentioned are offered at FRCs.

Continuing, Ms. Conrad noted that merging the programs would provide the following to the state's citizens:

37. Increase in accessibility–Family-to-Family services are offered in 13 sites presently but that number would increase to 40 if merged with FRCs;
38. All members of the family, regardless of age, could receive services from the same location;
39. Continuum of care by one provider;
40. Elimination of duplication of service delivery in areas already provided by FRCs, such as parenting;
41. Allow better access to the FRC's established information and referral network;
42. Reduce administrative and overhead costs, particularly related to building space; and
43. In southern Nevada, possible increases in the matching funds program–which totaled $183,080 for 1998/99 and $744,982 for in-kind services.

Ms. Conrad referred the members to the proposal in Exhibit F, which contains proposed budgets for northern and southern Nevada. She estimated that Nevada could save approximately $1.4 million per year if the programs were merged.

Finally, Ms. Conrad noted that Ms. Sandoval had been successful in merging the programs in Winnemucca, and she asked Ms. Sandoval to explain the process used.

Ms. Sandoval informed the members that the 1999 Legislature cut funding for Winnemucca's Family-to-Family Connection and FRC, which affected the number of services each center could provide on its own as well as the number of hours each center could remain open. Staff was cut in half. As a result, the programs collaborated and determined a way to utilize both budgets to ensure that Winnemucca residents received the needed services. Therefore, the budgets were amended and programs merged.

The collaboration agreement provides that the FRC, with its limited funding source, pays 100 percent of the rent and related costs and funds a total of 10 hours per week of the Resource Specialist position. The Family-to-Family Connection funds are used for basic costs such as office supplies, travel, postage, telephone, and so forth, as well as the following personnel positions:

44. Center Coordinator - 25 hours per week;
45. Resource Specialist - 10 hours per week; and
46. Licensed Professional - 4 hours per week.

(The collaboration agreement can be found on pages 8 and 9 of the proposal in Exhibit F.)

As a result of the collaboration, the following program management was established:

47. The Center Coordinator provides supervision for all employee positions funded by both programs and is responsible for assigning tasks to the Resource Specialist. The Coordinator also provides direction to the Licensed Professional regarding her role in hospital visitation, home visitation, and lactation consulting; and for planning and carrying out all programs offered by either grant out of the Winnemucca FRC and New Baby Center.
48. The Resource Specialist is responsible for facilitating parenting classes and support groups that are sponsored by the Center, coordinating the Resource Lending Library–which includes materials for infants age 0 to 1 and family

resource materials for families with children over the age of 1.

49. The Infant Support District (ISD) Manager assists in major grant writing, budget preparation, and policy development, and assists the Center Coordinator in working with the board to set up the Center's 501C3 status (non-profit status for the Internal Revenue Service).

The collaboration agreement merged the FRC's Neighborhood Council and the Family-to-Family Connection's Local Advisory Board into one board, which lessened the time commitments of those serving. It also allowed the board to focus on unifying the Center, rather than having a building that housed separate programs. The unified entity provided a "one-stop shop" location for services for the entire community "from cradle to grave," Ms. Sandoval said. Ms. Sandoval discussed the numerous programs offered for residents of all ages.

According to Ms. Sandoval, the Center Coordinator must complete two separate reports as required by the funding sources, and this task is time consuming. As a result, the Center Coordinator is unable to dedicate the time needed to provide direct services to the community. Ms. Sandoval suggested that the funding streams be merged to consolidate RFPs, outcomes measurements, reporting formats, and so forth. The Center could then focus on providing the needed services.

Chairwoman Miller noted that she met with Ms. Conrad before the meeting and briefly reviewed the proposal. In the Chairwoman's opinion, the proposal uses the state's limited resources effectively.

In response to a question by Mr. Gowins regarding the Center's demographics, Ms. Conrad said FRCs are located in neighborhoods that meet certain risks defined by statute, and the majority of the persons served are "at-risk" based on the geographic location. Conversely, Family-to-Family Connection Centers are open to a broader spectrum of individuals, Ms. Conrad commented.

Mr. Gowins asked for clarification regarding the socio-economics of the persons using the programs. He commented that some individuals utilizing the services provided by the centers appeared to have the financial ability to pay for those services.

Ms. Conrad said 90 percent of persons utilizing FRCs are in the low-income brackets. Ms. Conrad stated she did not have information regarding the Family-to-Family program centers. Ms. Sandoval explained that centers located in rural Nevada encompass the whole economic spectrum because it is the only resource available in a given area. Further, Ms. Sandoval noted that services provided at FRCs are available to "everyone," although they are located in at-risk neighborhoods. In Ms. Sandoval's opinion, parents of all economic levels can benefit from parenting classes, as well as other programs offered at FRCs.

Assemblyman Parks noted that the proposal was dated 1998 and he asked if current figures were available. Ms. Conrad explained that the budgetary information, along with estimated savings, are based on current budgets.

Assemblyman Hettrick expressed support for merging the programs, but he recommended that the budget be considered more carefully to ensure the anticipated expenses are accurate before the proposal is adopted. For instance, Assemblyman Hettrick noted that the budget includes an additional 500 square feet of space. Ms. Conrad explained many centers would need the additional space for staffing and to offer the combined services. Assemblyman Hettrick suggested that Ms. Conrad be prepared to justify line-by-line budget items when the committee considers the proposed budget. In addition, he suggested that the committee receive data on the total number of participants in the Family-to-Family Connections program, both statewide and by location.

Assemblyman Hettrick explained that during the 1999 Session, he researched the Winnemucca Center and discovered that there were 5 computer systems serving 38 clients. While he noted his support of proposals that would save state resources, he reiterated concerns he expressed during the 1999 Session regarding Family-to-Family's administration of funding. Mr. Hettrick stressed that he would need to see specific details and further justification of the budget estimates before he could support the proposal. Ms. Sandoval assured the members that if the committee supports the proposal, a more detailed analysis and budget would be prepared. The analysis would specify the FRCs in which the various Family-to-Family centers would be merged, and determine those requiring additional space or equipment.

Ms. Bandera, who serves as Chairman of the United Way for the Great Basin and Northeastern Nevada, said she had reservations about the Family-to-Family program from its inception. On the other hand, the FRCs have provided excellent services, and, in her opinion, the recommendation would enhance the program. She suggested that an analysis be completed to determine if the cost savings could be used towards other needed services not presently offered.

Ms. Murphy asked the witnesses to address the following questions:

50. How are people notified about the services being offered?
51. How many people are accessing the services that could afford to pay?

Ms. Conrad explained that the FRCs are located in narrowly-defined geographical areas, with the exception of rural communities. The Neighborhood Councils are residents of those areas. Ms. Conrad opined that many residents find the Center by "word of mouth," as well as marketing efforts by other state agencies. Ms. Conrad said the legislation or grant that funds the services requires that they be offered to the general public at no charge.

In northern Nevada, community awareness of services offered is the result of collaborative efforts between the FRCs and public and private entities. Further, Ms. Sandoval noted that many recipients in Washoe County volunteered their time for various events.

Responding to a question by Mr. Erquiaga, Ms. Conrad said the FRCs must provide a comprehensive annual report to DHR and the Legislative Counsel Bureau (LCB). The report includes outcome measurements, which includes some basic demographic statistics. She stressed that ethnicity demographics varies from center to center depending on locale.

Chairman Hataway encouraged the members to review Ms. Conrad's paper detailing issues that affect the entire state (Exhibit F). The Chairman informed Ms. Conrad that during an earlier meeting of this committee, he expressed concerns about grants and allocations that are awarded to the same organization or service provider from various state agencies. He asked Ms. Conrad to address this issue as it relates to the FRCs.

Ms. Conrad noted that HELP of Southern Nevada receives funding from various state agencies. Like Children's Cabinet in Reno, Ms. Conrad said HELP serves as an "umbrella organization" that offers a myriad of services and it administers many programs that cross departmental lines. Recently, HELP of Southern Nevada began administering the employment training program at the Southern Nevada Correctional Center for Women. Although her organization is audited, the auditors focus on one particular program and are unconcerned about the way in which funds from other sources are used. She suggested consolidating the auditing program to ensure that all funds are used for the purposes intended.

Chairman Hataway reminded Ms. Conrad of a recent conflict that arose between DHR and the Department of Employment, Training and Rehabilitation (DETR) regarding child care services. Ms. Conrad explained that the Welfare Division has child care funds available, usually as part of the Displaced Homemaker Program. Further, DETR offers child care funds for employment training. In Ms. Conrad's opinion, the programs appear to be duplicative and she suggested they be reviewed.

A discussion ensued between Mr. Archer and Ms. Sandoval regarding space requirements if the two programs were merged. Ms. Sandoval explained that the Winnemucca Center was able to address scheduling needs and client appointments. Each center would need to be evaluated in a similar manner, she noted. Ms. Conrad explained that southern FRCs collaborate with the county, and the county serves as fiscal agents for two FRCs while the City of Las Vegas is the fiscal agent for another. As a result, some FRCs share space with Child and Protective Services.

There being no further comments or questions from the committee, Chairwoman Miller opened the meeting to public testimony on the proposal to merge FRCs and Family-to-Family Connection programs.

Public Testimony

Jan Gilbert

Ms. Gilbert, representing Progressive Leadership Alliance in Nevada, mentioned that she serves as a member of the Block Grant Commission, which reviews the Family-to-Family program. She suggested the committee invite representatives of the program to address concerns raised during this hearing before a final decision is reached.

Further, Ms. Gilbert said services provided by the Family-to-Family program were designed for all members of the general public whereas those offered by FRCs were targeted towards at-risk families. The purpose for including all income levels, she commented, was to recognize that people of all socio-economic classes need parenting advice. She opined that persons in the upper- and middle-income levels who utilize the Family-to-Family program will decrease if the facilities are merged with the FRCs.

Ms. Gilbert referred to previous discussions regarding the need for increased space at the FRCs if the programs are merged. She explained that there are 5 locations in which the two programs are co-located but 22 New Baby Centers (funded by the Family-to-Family program) would need to be relocated if the proposal is adopted.

The proposal does not include the demographics of persons using the Family-to-Family services and does not address the administrative requirements, Ms. Gilbert noted.

Chairwoman Miller opined that the government's ability to provide services is limited. Governor Guinn's task for this committee, the Chairwoman explained, is to determine what services are constitutionally or statutorily required. In the Chairwoman's opinion, the state should be providing services where needed. She assured Ms. Gilbert that the committee would not take action until it heard testimony from other interested persons, but she reiterated her support of the proposal as it appears to maximize state resources.

In response, Ms. Gilbert asked that the committee review the child abuse reporting statistics in Clark and Washoe Counties. She suggested that the Family-to-Family program has helped lower the number of child abuse cases, and in her opinion, the government should be responsible for ensuring that child abuse continues to diminish. She expressed a concern that the estimated cost savings will result in a decrease in services.

Ms. Sandoval responded to Ms. Gilbert's comments by assuring the committee that the proposal does not eliminate the Family-to-Family program. Instead, the recommendation provides a common location for services provided by both programs. Addressing Ms. Gilbert's remarks about child abuse statistics, Ms. Sandoval informed the members that FRCs provide child abuse counseling as well. Therefore, she does not anticipate an increase in child abuse if the programs are merged.

Tammy Lambit

Ms. Lambit serves as the ISD Manager for Family-to-Family ISDs in Lyon, Mineral, and northern Nye and Esmeralda Counties. Ms. Lambit clarified that she did not support or oppose the proposal.

She explained that the ISDs in Lyon and Mineral Counties are co-located with the FRCs. In Nye County, the only services offered are those provided by the ISD. In Ms. Lambit's opinion, the proposal may result in a loss of service for Nye County.

As a former caseworker for the FRC in Lyon County, Ms. Lambit stated that she served fewer families because the position was funded as part-time. The Family-to-Family program, according to Ms. Lambit, offers services to more families. There are six staff members serving four counties, and satellite offices are available in Fernley and Yerington. She expressed concern that reducing funding will impact services offered to the communities.

Brenda Hess

Ms. Hess, Family-to-Family staff member, responded to Ms. Murphy's question regarding how the program is marketed to the public. Her responsibilities for the center include hospital visitations. In her opinion, if patients perceive that she is a government representative or may be targeting "at-risk" persons, they would be less receptive towards services offered.

The Family-to-Family program provides intangible services, such as lactation consulting. Ms. Hess acknowledged that offering those types of consulting services may not prevent an infant from using drugs later in life; however, medical surveys show that an infant's chance of contracting diseases is significantly reduced when a mother breastfeeds.

Further, Ms. Hess commented that classes offered in the New Baby Centers are held informally, often with mothers and infants seated on the floor. "It's a baby safe area," Ms. Hess stressed.

Faye Warner

Ms. Warner, Manager for ISD No. 2 in Galena/Incline Village (Washoe County), explained that the ISD's fiscal agent is Children's Cabinet in Reno. Therefore, ISD No. 2 is affiliated with FRCs. The ISD offers free services without income level verification. Ms. Warner said the two programs complement one another. If staff at the ISD determines that social services are needed, the client is referred to the Children's Cabinet.

Ms. Warner discussed a client who visited the New Baby Center with her 3-week-old infant. Both the mother and baby were upset. Although this client holds a Master's Degree in Geology, she required assistance. In Ms. Warner's opinion, if this woman had been referred to a "social service-type of program," she would have refused the assistance. Ms. Warner commented that the Family-to-Family program is "non-threatening" because it is not based on income levels. Therefore, mothers from all socio-economic classes avail themselves of the services offered.

Chairwoman Miller expressed appreciation to Ms. Warner. She explained that the state should provide services where they will "do the most good." Referring to the client discussed by Ms. Warner, Chairwoman Miller stated that the woman may have been able to avail herself of other services, whereas in some of the lower income neighborhoods, persons in need may not have those choices.

Because the ISDs only serve families with infants age 0 to 1, there are many days during which staff does not see or consult with clients. Conversely, the FRCs, who offer services to people of all ages, need additional assistance. By merging the programs, the workload may be balanced and resources better utilized, the Chairwoman stated.

Ms. Warner said the Family-to-Family program should have been made available to families with children age 0 to 3. She noted her support for collaborating resources but expressed concern that program funding might be cut significantly.

Ms. Hess concurred with Ms. Warner's remarks regarding the age limit. But, Ms. Hess strongly opposed amending the program so it is only available to "at-risk" clients. She stated that the clients served by ISD No. 2 would not visit the center if the program was defined as "at-risk" or for low-income families. She said the demographics would not support a center in which mothers exchange used clothes or "unused formula" becomes available.

Mr. Gowins expressed concern about the possibility that Tonopah could lose the only family services program available if the two programs were merged. He asked Ms. Lambit to provide the committee with information about other counties in which a similar problem could arise.

Mr. Erquiaga said, "I certainly understand the argument that populations might not want to mix, but I would submit that it would probably be very good for some of the folks who live at Incline to interact with some lower socio-economic groups or people who don't speak English."

Taxpayers' Perspective on Government Expenditures and Proposals to Improve Efficiency

The Chairwoman invited Kara Kelley, Las Vegas Chamber of Commerce, and Carole Vilardo, Executive Director of the Nevada Taxpayers' Association (NTA), to present their proposals to the committee. Ms. Kelley and Ms. Vilardo distributed a document titled Recommendations for Consideration by the Governor's Fundamental Review Committee, dated June 22, 2000 (Exhibit G).

Ms. Kelley informed the members that Ray Bacon, Manufactured Housing Association, was not able to attend this meeting but asked that his support for the following proposals be noted for the record. In addition, Dave Howard, Reno/Sparks Chamber of Commerce, and Larry Osborne, Carson City Chamber of Commerce, have expressed support for the suggestions.

Ms. Kelley commended Governor Guinn for his efforts to improve state efficiencies, and she expressed appreciation to the members for the time spent reviewing various recommendations.

"We are at a dawn of a new millennium, and never in the history of humanity has there been such a time for opportunity for improvement of the human condition," Ms. Kelley said. She highlighted the changes that have occurred as a result of technological advances, including the use of Internet services. The Internet, she noted, has allowed individuals to conduct business and perform research from their homes, 24 hours per day, 7 days per week. According to her, Ms. Vilardo and other colleagues came forward to express their "desire for more efficiencies."

Continuing, Ms. Kelley stressed that the "Internet has shown us that services can become more convenient and of a higher quality while at the same time making them less expensive for the person or entity delivering them." She referred to this as a "win-win situation."

Ms. Kelley agreed with Governor Guinn's assessment that fundamental changes to state government will result in greater efficiencies and benefits for everyone, including taxpayers, recipients of state services, and state employees. Further, she opined that the Governor's unwillingness to accept "the old assumptions about the limitations on government efficiency" will result in changes.

Ms. Kelley said:

> "While we often say we would like to see government run like a business, we understand that state government is not a deft speed boat that can maneuver quickly. Our state government is more likened to an aircraft carrier. But, we're also not naive enough to believe that a fundamental review will turn government into that adroit little speed boat. We just want to ensure that the aircraft carrier's decks are scrubbed, that the engines are tuned, so that this behemoth can operate at optimal performance. If we're able to accomplish this, the citizens of Nevada will receive better, and possibly more services, with the same tax burden. In other words, they will get more bang for their buck, if you will, or higher return on their taxpayer investment."

With that, Ms. Kelley thanked the members and introduced Ms. Vilardo, who finished the presentation.

Ms. Vilardo reviewed the proposals contained in Exhibit G. "Not every recommendation . . . is going to save . . . dollars," Ms. Vilardo admitted. However, she opined that if the recommendations were adopted and implemented, state agencies would have increased efficiencies and less expenditures over time.

Making Payments to Departments

> *Allow all departments which receive payments to take those payments by debit or credit card and/or electronic funds transfers.*

Referring to a recent news article regarding state agencies' collection efforts, Ms. Vilardo opined the above suggestion would minimize the amount of outstanding debt. In addition, the state would receive payments sooner thereby allowing money to be invested in a more timely manner. Ms. Vilardo commented that the above recommendation would not require legislation.

The Purchase of Technological Equipment and Increased Training for Employees

If the Economic Forum projects an increase in revenue, a percentage of that increase should be used to fund technology improvements needed/required by the various departments. Also, a percentage should be set aside to provide additional training funds for employees.

Ms. Vilardo explained that the 1991 Legislative Session enacted the State's Rainy Day Fund, effective in 1993. According to her, the fund has been effective and still has funds available for use even though it has not received appropriations for the past two years. She informed the members that the Rainy Day Fund receives appropriations based the Economic Forum's projections of December 1st preceding each legislative session. On May 1st of each legislative session, the Economic Forum is required to update its projections. Ms. Vilardo stressed that throughout the Forum's history, the May 1st projections have "never" been less than the figures released in December. Therefore, the increased revenues, or a percentage thereof, should be placed in a fund designated for employee training and technology purchases.

Vacancies

Provide that any position not filled within 14 months be eliminated.

Ms. Vilardo opined that a state agency should evaluate the reasons why certain positions are left unfilled.

Senator Carlton mentioned that in many instances, a state agency is unable to attract and retain qualified employees. She discussed difficulties filling vacancies in the Division of Parole and Probation, primarily in southern Nevada. She suggested that some other type of factor, rather than simply a 14-month time frame, be used–such as turn over ratios.

Ms. Vilardo explained that the evaluation will help determine if positions remain vacant because:

- The position's salary cannot compete with other government agencies or private industries; or
- The position requires highly technical training, which is not offered at the state level.

Ms. Vilardo stressed that the evaluation may result in a determination that the position is unnecessary and may be eliminated. Ms. Vilardo explained that the state's budget includes a vacancy factor–something not included in private industry budgeting. She opined that this factor represents the state's "slush fund."

Chairman Hataway noted that the Budget Division evaluates positions that have been vacant for 6 months. For the 1999-2001 biennium, the Legislature eliminated approximately 12 positions. Turning to Senator Carlton's comments, Chairman Hataway explained that P&P's personnel estimates are based on caseloads of 70 cases for every officer, with the understanding that the division is short staffed by approximately 14 officers each biennium. The division is able to use the funds allocated for those positions for other programs. In Chairman Hataway's opinion, it may seem reasonable for P&P to budget at 80 cases for each officer; but, the division would need to have access to additional funding should it be able to fill the positions.

Ms. Vilardo responded that unless a state agency understands <u>why</u> positions remain vacant, it cannot take appropriate action needed to recruit and retain employees.

Ms. Murphy opined that the "new economy" will affect governmental agencies' abilities to recruit talented, qualified employees. Using P&P officers as an example, Ms. Murphy noted that many state law enforcement officers gain vital experience and certification through the Police Officers' Standards and Testing Program (POST). In many instances, having gained certification and experience, officers leave state employment for jobs in local law enforcement agencies due to higher salary structures and professional growth.

Establish a sunset for all boards and commissions

Provide a 10-year time frame as the "sunset" date for each board and commission.

At one time, the Legislature enacted a pilot program that included "sunset" provisions for boards and commissions, Ms. Vilardo explained. The program was not continued, yet during each legislative session, new boards or commissions are created. Ms. Vilardo acknowledged that creating a board or commission to address a particular issue or problem benefits the state. She stressed that a sunset clause forces the Legislature to determine if the mission of a particular board or commission has been met.

Consolidation of constitutional officers

Consolidate the Offices of the State Treasurer and State Controller.

Ms. Vilardo explained that the need to separate functions performed by the Treasurer and Controller no longer exists. Instead, she recommended that those duties performed by the Controller be shifted to the Budget Division within the Department of Administration. Adopting this recommendation would take approximately 5 years to accomplish due to the requirements of constitutional amendments, Ms. Vilardo explained. (To amend the *Constitution of the State of Nevada*, the Legislature must enact the exact same legislation during two consecutive sessions. After passage by two consecutive legislatures, the proposal must be passed by voters during the subsequent General Election.)

Consolidate Hearing Officers

Move all departmental hearings officers to a "Hearings Division" under the Department of Administration.

Ms. Vilardo stressed that consolidating hearings officers into one centralized unit would allow the state to recruit experienced personnel while allowing those individuals the opportunity for enhanced professional development. In her opinion, the recommendation will increase efficiencies over time, although it may take several years before cost savings are realized.

Program Budgets

Consolidate those programs that provide a service to a specific segment of the population. Instead of a department budget, there would be a "program budget."

This recommendation includes programs such as substance abuse, senior citizens, Family Resource Centers, and disabled persons.

Ms. Vilardo referred to testimony earlier in this meeting from disabled individuals regarding the proposed Division of Disability Services. She expressed her support for "seamless delivery of services," which increases efficiencies. The delivery process could entail state grants to local agencies or nonprofit organizations that might be able to provide the necessary services in a more cost-effective manner.

Employee Incentives

Provide an incentive for employees to receive additional training and/or allow department equipment to be upgraded through the establishment of a "cost savings" program.

Generally, an employee is more aware of how to reduce costs or improve efficiencies than the managers for whom they work. Ms. Vilardo opined that an employee sees the workload and understands how to accomplish a given task.

Measures have been introduced in previous sessions that would allow employees to receive cash incentives for cost savings realized in their jobs. However, because the concept was considered “employee bonuses,” the legislation was not passed. Ms. Vilardo explained that the program could be successful provided specific criteria were developed and cost savings legitimized through collaborative reviews by the Budget Division and the LCB’s Fiscal Analysis Division. The savings would then be returned to the agency’s budget and earmarked for employee training and equipment.

Change PERS (Public Employees’ Retirement System) Contribution Plan

Change PERS to a defined contribution plan instead of defined benefits for future hires.

Currently, the contribution made on behalf of state and local government employees is calculated as a defined benefit plan. Ms. Vilardo explained such a plan uses the employee’s best three years of earnings to determine retirement income. She recommended that the plan be amended to reflect a defined “contribution” plan rather than a defined “benefit” plan.

Eliminate “Buy-Backs” for accumulated vacation and sick time which are not taken in the year earned.

Ms. Vilardo noted that many employees accrue vacation time early in their careers when their salaries are much lower than when they retire. However, the state “buys it back” at the current salary level. Instead of using the term “sick leave,” many companies are changing to personal time off or purchasing disability insurance packages. Further, she suggested that changes to vacation and sick time practices should be implemented for new hires and not existing employees.

Ms. Vilardo explained that a defined contribution plan, for private businesses, allows an employee to donate a percentage of his or her salary towards a retirement plan. After the individual is vested and retires, earnings are determined by the type of investment and rate of return.

Assemblyman Hettrick commented that a “defined benefit plan” assures employees they will receive a certain percentage of their salaries at the time of retirement. But that amount cannot be determined until such time that they retire and the money contributed to the plan is based on employees’ current salaries. On the other hand, a “defined contribution plan” allows individuals to contribute a percentage of their salaries, and the amount in the plan at the time of retirement is dependent on how much the employee contributes as well as the success of the investments. Assemblyman Hettrick agreed with Ms. Vilardo’s recommendation that the plan be converted to a “defined contribution plan.”

Consolidate the Department of Education

Move the Department of Education under the umbrella of the Department of Human Resources (DHR). As a division in DHR, Education can still be maintained as a cabinet level position.

Ms. Vilardo opined that the Department of Education needs to emphasize academic excellence, particularly in larger school districts. Further, she noted that with an elected Board of Trustees, the members of which appoint the Superintendent, there is no accountability to the Governor, although the department is within the Executive Branch. She recommended a change to the organizational structure.

Class-size Reduction

Change the current class size ratio in 1st through 3rd Grades to 20 to 1 or keep the current ratios but only in the core subjects of reading, English, math, and science.

“We cannot afford class-size reduction the way it is being done now,” Ms. Vilardo asserted. However, she opined if the state funded class-size reduction for core subjects, the program would run more efficiently and savings could be used for class-size reduction in other grades. According to Ms. Vilardo, a 15 to 1 ratio is unnecessary in non-essential subjects, such as physical education.

Mr. Erquiaga asked if Ms. Vilardo would support increasing student to teacher ratios in Grades 1 through 3 and lowering them in Grades 4 through 6. In response, Ms. Vilardo stressed that lower student to teacher ratios must be applied to core subjects. Ms. Vilardo informed the members that every district in Nevada has requested an exemption from the statutory ratio. Ms. Bandera explained that the law requires 15 students to 1 teacher in Grades 1 through 3, although the Legislature has funded the program at 16 to 1. Approximately 40 percent of the districts utilize "team teaching," Ms. Bandera said.

Senator Carlton commented that elementary grade students are assigned to a particular classroom, and they remain in the room throughout the entire day. According to her, many elementary teachers focus students on a particular event–either historical or current–by using the event as a tool for reading, science, and so forth. All subjects become integrated around that particular event. Senator Carlton expressed concern that removing a certain portion of the students from the classroom for core subjects could disrupt the teaching strategy and might not be beneficial to the students.

Ms. Vilardo noted that she discussed the proposal with Mary L. Peterson, Superintendent of Public Instruction. Ms. Peterson was not able to attend this meeting due to a prior commitment, but, according to Ms. Vilardo, Ms. Peterson would appreciate an opportunity to address the proposal at a future meeting.

Classroom Time (University and Community College System of Nevada)

Increase the contact time spent by educational personnel in the classroom.

Ms. Vilardo said the Legislature has heard complaints over the past several sessions regarding the average time spent in the classroom by university educators. She informed the members that university funding is one of the state's largest expenditures; therefore, funds can be used more efficiently if teacher productivity time can be increased.

Merge the Division of Industrial Relations

Eliminate this division as a stand-alone division. Absorb the regulatory function into the Insurance Division. Put Nevada's Occupational Safety and Health Administration, Mine Safety and Health Administration, and Mine Safety and Training under the Department of Employment, Training and Rehabilitation.

Reduce the Service Area of the State Motor Pool

Eliminate the use of the motor pool in the urban areas (Clark, Washoe, Elko) in favor of contracting with car rental agencies.

Change Service Sphere of State Printing

Either eliminate this agency altogether or allow state agencies to obtain outside bids for their printing services. In the latter alternative, State Printing could also bid on the job.

Evaluate Equipment Needs for the Department of Transportation

Evaluate the time heavy equipment is used. If the equipment is under-utilized, future purchases should be disallowed and rental or lease contracts should be entered into.

Chairman Hataway asked Ms. Vilardo to provide the members with other recommendations when available.

Mr. Archer expressed his concerns about credit card fraud on Internet transactions, and the ability for computer "hackers" to obtain credit card information illegally. In addition, Mr. Archer commented on the potential invasion of a person's privacy rights if the state's Internet site does not contain adequate security measures.

Lt. Governor Hunt commended Ms. Kelley and Ms. Vilardo for their efforts and recommendations. She encouraged the committee to consider her suggestions carefully.

Assemblyman Parks, referring to the issue of personnel benefits, noted that the state tends to lose qualified, experienced employees who are able to obtain better compensation packages, including higher salaries, from other sources.

Ms. Bandera and Ms. Vilardo stated their intent to meet at a future time to discuss proposals related to education.

Ms. Murphy commended Ms. Kelley and Ms. Vilardo for their efforts in compiling the recommendations. She agreed that there are alternatives that need to be considered in recruiting employees for public service, including those in the teaching profession. She opined the state's teaching shortage could result in a severe crisis in the next 10 years if the issue is not addressed.

Chairwoman Miller indicated her intent to discuss Ms. Vilardo's recommendations at a later meeting.

Fundamental Review of Department of Administration

John P. (Perry) Comeaux, Director

Mr. Comeaux distributed a document titled *Department of Administration Fundamental Review* (Exhibit H), the contents of which include tabbed sections titled:

52. Budget & Planning
53. Administrative Services
54. Buildings & Grounds
55. Hearings & Appeals/Victims of Crime
56. Internal Audits
57. Motor Pool
58. Printing
59. Public Works Board
60. Purchasing
61. Risk Management

Each section includes the division's overview (or mission), effectiveness, scope of operation, current issues and challenges, and organizational structure. Mr. Comeaux noted he would highlight certain factors relative to each division, but he encouraged the members to peruse the details at a later time.

The DOA is the "housekeeping agency for state government," Mr. Comeaux explained. As such, the department provides services to other state agencies rather than to members of the public.

The Director serves as the Chief of the Budget Division, Clerk for the State Board of Examiners, and Chairman of the State Public Works Board. The statutory authority can be found in Chapter 232 of *Nevada Revised Statutes*. Currently, 379.5 positions are held in the department.

Mr. Comeaux provided a brief history of the current organizational structure, which was created when the 1993 Legislature reorganized state government. (For more details, please see the department's "Overview," found on page 3 and 4 following the cover page of Exhibit H.)

The Director briefly discussed the purview of the following divisions:

Budget and Planning Division

According to Mr. Comeaux, the mission of the Budget and Planning Division is to produce an Executive Budget that reflects the Governor's priorities, uses state government's limited resources wisely, and ensures that expenditures are legal, appropriate, and in accordance with legislative intent. By doing so, the Governor is more likely to gain the support of state legislators during appropriations hearings.

In addition, the division is responsible for monitoring and managing agency budgets during legislative interim periods. Requested changes to program budgets following legislative approval must be reviewed by the Budget Division. Mr. Comeaux commented that the division provides regulatory oversight in addition to assisting agencies during the budgetary process.

Mr. Comeaux summarized the contents of the "Budget & Planning" section in Exhibit H. Currently, the division "measures" the accuracy of forecasts provided to the Economic Forum. The division's performance is judged according to the number of documents rejected by the Office of the State Controller, how many work programs are submitted to and approved by the Nevada Legislature's Interim Finance Committee (IFC).

Continuing, Mr. Comeaux noted that the Budget and Planning Division is funded primarily through the State General Fund, although the agency charges "small amounts" to boards and commissions for services rendered.

Director Comeaux discussed the upgraded version of the Nevada Executive Budget System (NEBS). According to him, the revisions are more user friendly and will allow agencies to input their budget requests directly. Further, the system will provide more in-depth analyses without requiring additional manpower. At the time of this hearing, the division was providing training to the agencies.

The division's issues and challenges include:

62. Difficulty in allocating and managing the state's limited resources to ensure that the highest priorities are met, which is a direct result of the state's increasing size and complexity.

63. Utilizing newly-available technologies to ensure that decision makers have better, more complete financial analyses and information.

64. The on-line payment processing planned once the IFS is fully implemented will change the auditing process from a pre-audit of payments to a post-audit of statistically valid, randomly selected documents located at various agencies. A review of job function and responsibilities will need to be completed to ensure that the employee has the qualifications to perform such audits.

65. Difficulty in hiring and retaining qualified financial managers in various state agencies given the higher salaries and more competitive compensation packages offered by local governments or private businesses.

<u>Administrative Services Division</u>

Mr. Comeaux informed the members that the division performs the central budgeting and accounting function for the DOA. In addition, the division provides similar services to agencies outside the DOA, such as the Offices of the Governor and Lieutenant Governor, Ethics Commission, and so forth. One important function of the Administrative Services Division is the preparation of the Statewide Cost Allocation Plan, which is used to collect funds from state agencies for services paid from the State General Fund for non-general fund sources.

The "Administrative Services" section of Exhibit H contains specific information regarding the agencies it supports as well as its functions. Mr. Comeaux encouraged the members to review the data at a later time.

<u>Buildings and Grounds Division</u>

The function of the Buildings and Grounds Division is to maintain state-owned buildings. Mr. Comeaux mentioned that the Department of Prisons, Division of Mental Health and Developmental Services (Department of Human Resources), and the University and Community College System of Nevada (UCCSN) maintain their own facilities, but Buildings and Grounds is responsible for all other Executive Branch buildings.

Secondly, the division assists state agencies to acquire leased space when state-owned space is not available. Buildings and Grounds maintains records on commercial buildings and office space throughout the state.

Responding to questions by Ms. Murphy, Mr. Comeaux noted that the state has established square foot standards depending on the employee's position, as well as room requirements for copiers or other forms of office equipment. Further, the division will provide an agency with names of owners and/or management companies, but Mr. Comeaux clarified that the agency is responsible for negotiating the terms of the lease. The division reviews leases to ensure that the agreed-upon rate meets, or is below, market value.

Addressing Ms. Murphy's concern regarding asset management and real estate holdings, Mr. Comeaux explained that the state maintains an inventory of state-owned and leased facilities, including the cost and location for each lease. He acknowledged that the state leases a significant amount of office space, and a recommendation to reduce the amount was developed during a collaborative effort of representatives from the Budget Division, Buildings and Grounds Division, State Public Works Board, and Division of State Lands ([DSL] State Department of Conservation and Natural Resources [SDCNR). The suggestion has been forwarded to Governor Guinn for review. Mr. Comeaux suggested that the Administrator of DSL be invited to present information regarding the management of state lands.

Due to time constraints and at Chairwoman Miller's request, Mr. Comeaux briefly addressed concerns regarding the State Printing Office (SPO) and the State Motor Pool (SMP).

State Printing

According to Mr. Comeaux, options relating to State Printing include:

66. Privatizing the function in its entirety; or
67. Amending the statute mandating that state agencies submit all printing jobs to the State Printing Office so that agencies can solicit competitive proposals with the requirement that the SPO be included in the bidding process.

State Motor Pool

Mr. Comeaux recommended that an in-depth review of SMP be conducted. However, Mr. Comeaux opined that the state would not recognize improvements either economically or in efficiency if the function were privatized. According to him, the amount charged by the SMP to agencies is considerably less than the contracted rate charged by rental agencies for back-up vehicles. The SMP performs basic maintenance on state-owned vehicles not used by the SMP, and the price charged to those agencies is considerably less than commercial maintenance shops.

Chairwoman Miller suggested that a RFP be developed to ensure that any change to the current practice is cost beneficial to the state. She questioned if the department had conducted a study regarding wait times experienced by employees. Chairwoman Miller noted many employees utilizing the SMP are in classified positions and are eligible for overtime. Therefore, studies should include personnel costs. Mr. Comeaux admitted that such a study had not been performed. Employees traveling from Reno to Las Vegas now have two flights from which to choose, and this has decreased the wait time at the SMP, Mr. Comeaux explained.

Further, Mr. Comeaux stated that the facility in Las Vegas is small, thereby hampering efforts to meet employees' vehicle needs quickly and efficiently. The Clark County Airport Authority has notified the state that the motor pool will need to be relocated in the next few years. When that occurs, Mr. Comeaux suggested that the new location include more office space and a parking area that allows employees to access state vehicles and depart the facility more easily.

Before moving to the other portion of Mr. Comeaux's presentation, Chairwoman Miller opened the meeting for comments or questions from the members.

Assemblyman Hettrick noted that the SPO provided charts that compared the actual costs of specific printing jobs performed by the SPO to the average costs that are charged by outside vendors. He asked Mr. Comeaux to provide him with the lowest and highest costs charged by vendors for each job.

Further, Assemblyman Hettrick commented that the SMP's hours often make it inconvenient for employees, who are then forced to rent a vehicle from a car rental agency. In his experience, rates for rental cars vary between $19 and $26 per day, including liability costs. Referring to information provided in Exhibit H, Mr. Hettrick noted that approximately one car per week is considered a "total loss" due to car accidents. He noted that the cost of administering these claims should be included.

Returning to the issue of the SPO, Senator Carlton noted that legislators receive significant amounts of mail and printed agency reports–even though they have not requested copies. She suggested that the reports be compiled and made available for download via the state's web site or that the data be provided through a CD-ROM. Senator Carlton opined that the state could see significant cost savings in printing and postage charges if reports were maintained on some type of electronic media (web site or CD-ROM or both) rather than printed copies mailed to individuals.

In response, Mr. Comeaux explained that agencies are required by statute to prepare certain reports, although he opined the statutes may not mandate that they be printed and mailed to individual legislators. The Budget and Planning Division downloaded its reports to the agency's web site, and the reports are available to all interested persons.

Mr. Erquiaga, referring to his previous employment within state government, explained that statutes require agency reports. In many instances, agency administrators mail the prepared reports to legislators, and other interested persons, to demonstrate compliance with the mandate.

Continuing, Mr. Erquiaga reminded the members that during the committee's meeting on November 11, 1999, Marlene Lockard, then-Director of the Department of Information Technology (DoIT), stated that DoIT had the ability to prepare all reports in CD-ROM format. He said the Division of Micrographics (Department of Museums, Library and Arts [DMLA]) has the ability to scan documents onto a CD-ROM for approximately $2 per disk.

In addition, Mr. Erquiaga recalled that NRS authorizes the State Librarian to mandate the form in which state records are maintained. He suggested that the committee review the language relating to archives and records to determine if the statute needs to be amended to meet current technology.

Mr. Archer opined that maintaining documents electronically may have hidden costs as the files require certain amounts of disk space, and that space needs to be organized for easy access to the data. He suggested that a review of the statutes mandating the preparation of reports be conducted to determine if reports can be consolidated, reduced, or eliminated.

Mr. Comeaux explained he had not met with the State Librarian regarding maintaining the state's historical records. He admitted the issue needs to be addressed, but he agreed with Mr. Archer's suggestion that the statutory reporting mandates be reviewed for possible amendment or repeal. Mr. Comeaux said he was unable to address the cost of computerized disk space; however, he noted that printing reports and physically storing paper copies is very costly.

In response, Mr. Archer noted that technology experts claim that storing documents electronically is less expensive than maintaining paper copies. In his opinion, the costs must include software upgrades and training. Further, when documents are maintained on a drive that is not currently attached to a main frame or server, access becomes more difficult and less efficient.

Referring specifically to reports submitted to legislators, Assemblyman Hettrick suggested that prepared reports be made available for download from a web site. An e-mail message could be sent to each legislator providing a link to the report, and stating that the report would be available on that site for a specific time period, such as 90 days. At the end of that period, the report would be removed from the web site and stored on CD-ROM. In Assemblyman Hettrick's opinion, rotating reports would allow for repeated use of computer memory and space.

Further, Assemblyman Hettrick suggested that an inter-departmental memorandum from Mr. Comeaux be sent to all state agencies with the following instructions:

68. Immediately discontinue the practice of mailing printed reports to legislators;
69. File all mandated reports on the agency's web site; and
70. Send the DOA a memorandum when the report is available on the web, with the report title and web site address for access.

Mr. Comeaux recommended that the agencies be required to submit a printed copy of the report to the State Library and Archives. Acknowledging that some legislators do not read their e-mail regularly, Senator Carlton suggested that postcards be sent to legislators that would contain the report title and web site address. Mr. Erquiaga noted that the statute requires that each agency submit 12 printed copies of its report to the State Library. During his employment with the DMLA, Mr. Equiaga said it was rare that an agency complied with the statute. Mr. Comeaux explained that the SPO has been instructed to send the mandated copies directly to the DMLA when the report is submitted for printing.

Ms. Bandera requested that state agencies be instructed to accept reports from local agencies or school districts electronically or in CD-ROM format, if the reporting agency has the ability to transmit the required data in that manner.

Department of Administration's Concept Paper

Mr. Comeaux explained that during meetings with Governor Guinn, the Governor expressed an interest in decreasing his "span of control" thereby allowing him to become more involved in the management of the State Government. Responding to Governor Guinn's instructions, Mr. Comeaux prepared a "concept paper" (Exhibit I) that merges certain departments into the DOA. This "concept" would eliminate two cabinet-level positions reporting directly to the Governor; instead, those positions would become administrators of the respective divisions reporting to the director of the DOA.

The departments proposed for consolidation include the:

71. Department of Information Technology - provides planning, quality assurance, communications, and enterprise server time and maintains a majority of state computers and networks; and
72. Department of Personnel - provides state employees with job opportunities and agencies with screened job applicants.

Mr. Comeaux's "concept paper" consolidates the above departments into the DOA as separate divisions. To ensure that the director's "span of control" is manageable, the SPO, SMP, and Divisions of Purchasing and Risk Management should be combined into a Division of General Services.

The fiscal services and personnel units within the DoIT and Personnel should be combined into the existing Administrative Services Division and proposed Personnel Services Division in the DOA.

Further, Mr. Comeaux discussed the state's seven data centers. During Ms. Lockard's presentation on November 11, 1999, these centers were referred to as the "silo effect." Mr. Comeaux stressed the importance of managing the state's information technology resources, "starting at planning at a statewide level." Mr. Comeaux recommended that the state prioritize the establishment of an effective and viable planning and quality assurance capability by separating the planning and quality assurance functions from DoIT and appointing an IT Council comprised of the data managers from each data center.

The IT Council, according to Mr. Comeaux, would be responsible for developing the state's strategic plan, establishing standards for hardware and software, and so forth. The appointment of the IT Council and separating the planning and quality assurance functions from the DoIT will ensure that the state proceeds in a uniform and unified direction to meet information technology needs.

The DoIT's existing contract administration, part of the agency's Fiscal and Support Services Unit, would be handled by the Purchasing Division, which performs similar services for other agencies.

The PERS and Public Employees' Benefit Program provide services to state employees. But, their functions include services for non-state workers, such as retirees and former state employees. The agencies report to independent boards, but Mr. Comeaux proposed that they consult with the director of the DOA, as their functions can have significant fiscal impacts on the state.

The State Public Works Board and Buildings and Grounds Division should be combined into a Buildings Services Division within the DOA. The division should be headed by the manager of the State Public Works Board.

The DSL manages lands belonging to the state. Although DSL and Public Works Board interact, Mr. Comeaux commented that state-owned land is comprised mostly of natural resource, including state parks. In addition, the DSL deals extensively with federal land management agencies. As a result, Mr. Comeaux recommended that the DSL remain under the purview of the SDCNR.

Although the Division of Archives and Records provides central services to state agencies, Mr. Comeaux recommended the division remain in the current organizational structure of the DMLA.

Mr. Comeaux suggested that if the proposal to consolidate DoIT and Personnel into the DOA is adopted, the current departmental directors should jointly review staffing needs. Mr. Comeaux opined economies of scale and reclassification of certain positions might allow the consolidation without the need for increased employees. The Department of Personnel should be instructed to study and prepare recommendations for the salaries of the administrators and agency heads in the newly-enhanced DOA.

He directed the members to the pages of Exhibit I containing the proposed organizational chart. Finally, the last page of Exhibit I includes the proposed changes for additional positions and enhanced salaries, although he reiterated it may be possible to consolidate without a need for increased staffing levels. He briefly discussed the staffing proposals contained in Exhibit I.

In conclusion, Mr. Comeaux admitted that the concept paper does not include specifics, and further analyses would need to be conducted should the recommendation be adopted.

Chairwoman Miller explained that Mr. Comeaux's concept paper was the result of a direct request from Governor Guinn. According to the Chairwoman, Governor Guinn prefers what he termed as "superagencies," thereby allowing him more direct contact with the directors overseeing general areas.

Mr. Archer suggested that the DoIT continue in its present structure but move the seven data centers under the purview of DoIT to eliminate the silo effect. Mr. Comeaux said statute permits the separation of technology planning by the UCCSN and the Public Safety branch of the current DMV&PS. All other agencies are subject to the planning function of DoIT.

Further, Mr. Archer commented that utilizing a central planning unit for information technology could reduce state expenditures in licensing and other related issues. Concurring with Mr. Archer's remarks, Mr. Comeaux said another source of frustration concerns possible duplication of efforts in collecting and disseminating data. Mr. Comeaux said the lack of communication between various agencies results in employees from different departments collecting and sorting data that already may have been prepared by another entity.

Chairwoman Miller reminded the members that Ms. Lockard recommended eliminating the silo effect, and Mr.

Comeaux's concept paper mirrors that proposal.

Mr. Erquiaga requested that the issue of moving the Micrographics Division and the Records Center functions currently housed in the DMLA to DoIT be reconsidered. Referring to the committee's earlier remarks regarding the possible shift from paper to electronic records, Mr. Erquiaga expressed concern that the agencies responsible for maintaining the state's records may not move in the same direction as DoIT.

Further, Mr. Erquiaga stated that many private industries are hiring Chief Knowledge Officers. He noted that comments made by Secretary Heller demonstrate that it is important for Nevada to keep abreast with new technologies. Mr. Erquiaga inquired if technology planning would be given the appropriate priority if the position was relegated to a non-cabinet level position.

Mr. Comeaux opined that the priority assigned a particular function is not determined by the agency's placement in the organizational structure. The DOA is required to plan for and manage many of the state's resources. Mr. Comeaux commented that information technology is "another state resource," for which the DOA will be responsible. He acknowledged a problem could develop if the agency is not managed by a qualified, experienced leader.

Further, Mr. Comeaux reiterated that the concept paper was configured based on a request by Governor Guinn, although he admitted that there may be other ways to reorganize state government that will accomplish the Governor's objective in reducing the number of cabinet-level positions.

Madame Chairwoman agreed with Mr. Comeaux's remarks and stressed that the person managing the division should ensure that the state's technology needs are met.

Ms. Murphy remarked that the proposed reorganization combines the majority of state assets under one department. She commented that moving the DSL from SDCNR into the DOA may be appropriate since the division manages a valuable asset-state lands. Addressing Mr. Erquiaga's concerns, Ms. Murphy suggested that the proposed reorganization shifts the DOA's focus from a department that "administers things" to that of managing assets–and information technology must be included in that category.

A discussion ensued between Assemblyman Hettrick and Mr. Comeaux regarding the State Public Works Board. Mr. Comeaux reviewed the proposal to create a new division comprised of the Public Works Board and Buildings and Grounds Division. If DSL is moved into the DOA, Mr. Comeaux suggested it be included in the same division. He reiterated that the manager of Public Works would assume the position of administrator for the new division.

Fundamental Review of Department of Business and Industry and Proposal to Privatize State Housing Division

Due to time constraints, Chairwoman Miller invited Sydney Wickliffe, who served as the Director of the Department of Business and Industry (B&I) as of this meeting, to present information regarding that agency's fundamental review and the proposal to privatize the state's Housing Division.

Prior to Ms. Wickliffe's presentation, Ms. Murphy disclosed that she is involved in a case before Ms. Wickliffe. Ms. Murphy noted that it is unlikely the issue will be discussed during this hearing; however, to avoid future controversy, Ms. Murphy indicated she would not participate in discussions regarding B&I.

Sydney Wickliffe and Chas Horsey

Ms. Wickliffe introduced Chas Horsey, Administrator of the Housing Division. Ms. Wickliffe explained that B&I oversees the greatest number of state agencies, many of which have differing missions and complexities. Ms. Wickliffe distributed a memorandum she sent to the Co-Chairpersons regarding "Division of Insurance and Division of Industrial Relations; Workers' Compensation." The memorandum responds to suggestions posted on DOA's web site regarding improvements to state government and serves as the cover letter for attached memoranda from Jim Jeppson, Chief Insurance Assistant, regarding "Workers' Compensation Insurance," and Charles J. Verre, Chief Administrative Officer, regarding "IIRS functions/ Fundamental Review of State Government." These documents are identified as Exhibit to these minutes.

Ms. Wickliffe informed the members that the Employers' Insurance Company of Nevada (EICON) is regulated by the Division of Insurance as a private insurance carrier. Further, she noted that the function of the Division of Industrial Relations is to ensure that a worker's injury claim is paid promptly and properly regardless of the company's insurance carrier.

Ms. Wickliffe noted her intent to focus her presentation on privatizing the Housing Division. She provided the members with a brief history, explaining that the 1975 Legislature created the division in response to a need for safe, decent, and sanitary housing that was affordable for low- and medium-income families.

The division's primary mission is to encourage private capital investments and to provide that capital when necessary for mortgage loans or other related matters.

When reviewing the issue of privatizing the division, Ms. Wickliffe researched other states. While many state housing financing agents originally were created through legislation, the majority had since been privatized. The Housing Division is independently rated by Standard and Poor's and currently holds a "AA" rating. The division is not funded by state dollars, its current balance sheet shows assets in the amount of $1.2 billion, and the income statement shows a net worth of $106 million.

Ms. Wickliffe recommended that the division's mission be enhanced by increasing the agency's autonomy in a manner similar to that of other states. The results of such autonomy can be measured using the following criteria:

73. General governance - to ensure that the division's statutory mission is fulfilled, Ms. Wickliffe recommended that a Board of Directors be created, the members of which would be appointed by the Governor. However, Ms. Wickliffe stressed that the most important policy decision for the Housing Division–the agency's share of the state's annual permitted volume of tax exempt bonds for issuance of private purposes–is made by a separate state board or committee. Organizationally, the board should remain under the purview of B&I. To avoid the appearance of influence by certain groups, the *Nevada Administrative Code* (NAC) should be amended to include specific rules of conduct.

74. Budgetary authority - the Housing Division is entirely self-supporting, its debt is asset-backed and secured by general obligations of the division and not the state. The buyers and raters of the debt respond more favorably when a financing authority is allowed to operate in a business-like manner with a "statutory commitment to freedom from political interference." Preparation of budget proposals would be diminished, thereby decreasing staff time. Presently, approximately 10 percent of the division's annual revenues and expenditures are reviewed during the legislative budget process. Ms. Wickliffe opined that the division's internal decision making processes are trustworthy and are made with a "high degree of integrity."

75. Personnel systems - Reiterating testimony from earlier in the meeting, Ms. Wickliffe stated that state government must compete with local governments and private industries in attracting and retaining employees. The Housing Division, to meet its mission, must be able to hire qualified personnel, and operation within the state's personnel system limits its flexibility with respect to the design, classification, and compensation of positions. Personnel decisions would be made by the appointed Board of Directors to ensure fair employment practices.

Ms. Wickliffe suggested that once privated, the agency be regulated by the Division of Financial Institutions in the same manner as other similar businesses. Dividends would be reinvested in new affordable housing programs. The Housing Division has approximately 30 employees: 4 positions are in upper management and are unclassified; 8 positions are held by loan officers with specialized training; and 15 to 18 positions are within the accounting function. Ms. Wickliffe noted that accounting personnel could be relocated to other branches of state government if necessary. Ms. Wickliffe mentioned that when the Nevada Rural Housing Authority was privatized, employees were able to maintain their status as state employees, and this option could be offered if the Housing Division is privatized.

Ms. Wickliffe commended Mr. Horsey for his efforts as Administrator of the Housing Division. She noted that he held the position for 12 years and is better able to address questions or concerns regarding the agency's function.

Mr. Horsey explained that the proposal to privatize Housing was no reflection on the division's working relationship with B&I. He expressed appreciation to Ms. Wickliffe for her support and efforts relative to the Housing Division. Mr. Horsey noted that only a few states maintain the housing financing agency within state government–one of which is Nevada.

The Housing Division's original purpose was to supplement private lending activities. Over the past several years, the division has become the preeminent lender for affordable housing in Nevada. Currently, there are approximately 31,000 families residing in either single-family homes or in apartment complexes financed by the division.

Mr. Horsey said charts detailing demographics of those served by the division may be provided upon request. He briefly discussed new programs that might have been implemented about two years ago if the division had been privatized. Further, Mr. Horsey explained the way in which businesses and governmental agencies are rated by Standard and Poor's.

The division has been successful in addressing housing needs for low- and middle-income families. However, Mr. Horsey noted the division has not been able to meet housing requirements for individuals with special needs. If the agency was privatized, its ability to attract investments from non- and not-for-profit organizations would be greatly enhanced. As a state entity, those organizations are unable to invest in the housing program, even for projects to accommodate persons with special needs. In his opinion, such participation is "critical" in meeting the needs of a rapidly growing population in Nevada.

Any profits or revenues generated by the division are used to cover the costs of overhead or are reinvested for future programs. As a result, the division has been able to finance affordable housing projects that otherwise might not have been built.

Chairwoman Miller noted that due to conflicting schedules, the committee had lost its quorum and would continue with the prepared agenda although no action could be taken. She apologized to Mr. Pursell and Michael Hillerby, Director of DMLA, both of whom had been invited to address proposals presented at earlier meetings.

REPORTS FROM WORKING GROUPS

Working Group on the Organization of the Department of Public Safety

Senator Carlton disclosed that her husband is an employee of the Division of Parole and Probation (DMV&PS) and will be impacted by decisions made by this committee. Because her husband will be affected in the same manner as other employees within the DMV&PS, Senator Carlton stated her intent to participate in discussions and to vote on recommendation concerning this issue.

Senator Carlton distributed a memorandum addressed to Chairwoman Miller from Senator Carlton and Richard Kirkland, Director of the Department of Motor Vehicles and Public Safety (DMV&PS), dated June 16, 2000, regarding "Department of Motor Vehicles and Public Safety" (Exhibit K). The memorandum contains Appendices A through G, the contents of which are:

76. Transcript of the DMV&PS Working Group Meeting of April 14, 2000, in Carson City;

77. Meeting Notice and Agenda for the DMV&PS Working Group Meeting of April 14, 2000;

78. Memorandum to Chairwoman Miller from Senator Carlton, dated March 13, 2000, regarding "Department of Motor Vehicles and Public Safety";

79. Transcript of the DMV&PS Working Group Meeting of May 31, 2000, in Las Vegas;

80. Attendance record for the DMV&PS Working Group meeting of May 31, 2000;

81. Meeting Notice and Agenda for the DMV&PS Working Group Meeting of May 31, 2000; and

82. Memorandum to Chairwoman Miller from Senator Carlton and Mr. Kirkland, dated May 25, 2000, regarding "Department of Motor Vehicles and Public Safety."

Senator Carlton explained that the transcripts were provided so the members could review the testimony in full detail. She commended the efforts of Ginny Lewis, Deputy Director, DMV&PS, and Bernie Curtis, Deputy Director, DMV&PS. These two individuals reviewed the current organizational structure and prepared a proposal to split the branches. The current DMV&PS is very large, Senator Carlton noted. Unless the reorganization is performed carefully, and given the size of the respective branches, Senator Carlton opined the end result might be two large departments.

In response to a question by Chairman Hataway, Senator Carlton said a BDR has not been developed, primarily because she was unsure which branch of state government would be responsible for introducing the measure. Chairman Hataway explained that the issue must be addressed during the budgetary process; therefore, the bill probably should be initiated from the Office of the Governor.

Organizing the public safety functions into a separate Department of Public Safety created the most controversy and testimony during working group meetings. Senator Carlton said the group received a request from the UCCSN Police Department for inclusion in the department. The group heard testimony from a number of interested persons on both sides of the issue.

Senator Carlton informed the members that there is an apparent lack of communication between peace officers and UCCSN officials. This problem was included in a report prepared by an outside vendor hired to perform an evaluation of the university system's police department. Senator Carlton noted that a copy of the report had been forwarded to her by one of the UCCSN officials. The final analysis concluded that unless communication between officials and peace officers improved, students ultimately would suffer.

The UCCSN's peace officers consider themselves state employees holding classified positions. On the other hand, UCCSN officials view the officers as university employees. The evaluation report recognized that this issue also caused a rift and must be addressed before a resolution can be reached.

Senator Carlton referred the members to the transcript of the May 31, 2000, meeting. During the hearing, witnesses from the UNLV campus discussed problems they encountered during their freshman years when a member of their dormitory was using illegal substances. Despite repeated complaints, the UCCSN administration failed to take action. Even after approaching the campus police, no action was taken. Senator Carlton commented that the communication rifts between peace officers and university administration is causing undue hardship to students, and the problems must be resolved.

Senator Carlton suggested that campus police and university officials be invited to attend special meetings, which might help facilitate communication between them.

During its meetings, the working group decided not to include the Department of Prisons in the newly-proposed Department of Public Safety at this time. Senator Carlton expressed her intent to meet with the Director of Prisons and to obtain information from other interested persons before a final recommendation is prepared.

Mr. Erquiaga inquired if the working group had considered whether investigators in other state agencies should be given peace officer status. Specifically, he mentioned Secretary Heller's earlier testimony regarding the Secretary of State's mandate to perform investigations but without enforcement authority.

Senator Carlton explained that university peace officers requested inclusion in the newly-proposed Department of Public Safety, but the working group had not considered reclassifying other types of investigators. Further, she noted that the working group's original instruction was to evaluate and propose a recommendation for splitting the DMV&PS into two separate departments. After the full committee approved the proposal to move the public safety functions into a Department of Public Safety, the working group changed its focus to the organizational structure for both departments. She reiterated that university peace officers were awarded an opportunity to testify after making a specific request to the working group.

Public Testimony

Chairwoman Miller invited public testimony on the information presented by Senator Carlton.

Ron Cuzze, Ed Flagg, and Gary Wolff

The following persons approached the witness table and provided testimony on comments made during Senator Carlton's presentation:

- Ron Cuzze, President of the State Peace Officers' Council and Vice President of Nevada Council of Police and Sheriffs;
- Ed Flagg, President of the Nevada Corrections Associaion; and
- Gary Wolff, representative of the Nevada Highway Patrol Association and spokesperson for the State of Nevada Employees' Coalition.

Mr. Cuzze distributed a document from Robert Flaven, Chief of the Taxicab Authority, requesting that officers and investigators within the Authority be moved into the proposed Department of Public Safety (Exhibit L).

Mr. Cuzze concurred with comments made by Senator Carlton regarding rifts between university peace officers and university officials. He informed the members that in an interview between the university's newly-hired Chief of Police and a local newspaper, the chief stated that university police officers must learn that "law enforcement is their second priority." Mr. Cuzze strongly objected to this shift in focus by university officers.

Further, Mr. Cuzze noted that university officers have requested meetings with UCCSN officials on several occasions, but the invitation has been refused. In his opinion, the rift cannot be breached.

Mr. Cuzze suggested that the committee perform a more thorough review of the UCCSN system. He discussed the salaries of the newly hired Chief and Deputy Chief for UNLV, a campus that employs 23 officers, which he opined is exorbitant.

In addition, Mr. Cuzze said placing university police officers under the purview of the Department of Public Safety would not result in decreased security on university campuses, but it would allow officers to perform their duties without fear of reprisals. He asserted that officers should not be restricted from performing the duties for which they have been employed. He discussed situations when officers were prohibited from executing search warrants. In one instance, he was assigned the task of serving a grand jury subpoena but was threatened with termination if he executed the court document.

Mr. Wolff, as a former law enforcement officer, expressed his concerns that university peace officers are being restricted from performing their duties. He concurred with statements made by Mr. Cuzze, particularly related to the salaries paid to the Chief and Deputy Chief. He informed the members that the Chief of the Nevada Highway Patrol, who oversees more than 700 officers, is paid significantly less than that paid to the university Chief

For peace officers, police work should be their primary responsibility. Mr. Wolff mentioned that during the 1999

Session, law enforcement officers employed by school districts experienced similar problems because the school districts did not want certain crimes reported. Mr. Wolff said school administrators and educators view crimes conducted on school grounds as a reflection of their abilities.

"I appeal to you, remove these police officers from under that system," Mr. Wolff urged. By placing the university officers under the purview of the Department of Public Safety, Mr. Wolff noted university officials could discuss concerns with the appointed director.

Moving to another issue, Mr. Wolff noted that his position regarding the Department of Prisons has changed now that the department has a new director. He noted his support for placing Prisons within the Department of Public Safety.

Mr. Flagg commented that correctional officers "are the last line of defense in public safety." Crimes are committed daily on prison grounds, including prisoner assaults on officers. Such an assault is a felony, Mr. Flagg stressed. Yet, the reports filed with the facility's warden are not investigated or pursued. He supported placing correctional officers under the purview of the Department of Public Safety and opined accountability would improve.

Assemblyman Parks disclosed that he served as grand jury chairman and signed the subpoena to which Mr. Cuzze referred.

A discussion ensued between Senator Carlton and Mr. Cuzze regarding the primary responsibility for university peace officers. Mr. Cuzze said that the Chief has not announced the primary responsibility. Further, he informed the members that the association has attempted to reach university officials. One person simply refused to speak with any representatives while another official failed to recognize the association because the officers did not have a collective bargaining agreement.

Without objection, Senator Carlton assumed responsibility for scheduling a meeting and inviting parties from both groups to facilitate communication. An update will be provided to the committee at the next meeting.

Working Group on State and Local Services

A work session document was prepared and distributed during the committee's March 23, 2000, meeting. During that hearing, certain recommendations were referred to the Working Group on State and Local Services. Ms. Murphy addressed those suggestions considered by the working group and actions taken. (For more details, please see the minutes of March 23, 2000.)

> ***Transfer the responsibility for the Clark County portion of Nevada Check-Up program to the University Medical Center.***
>
> > *Testimony indicated that although a county health authority could, in part, assume the responsibility for such programs as Nevada Check-Up, until a business plan is developed to demonstrate the validity of the health authority concept, consideration of this recommendation may be premature.*

Ms. Murphy noted that this recommendation includes many complex issues that need to be considered. During a working group meeting held around the middle of June, interested persons and agency representatives will meet during the next 60 days and develop a recommendation for review by the full committee.

Chairman Hataway reminded the members that legislative interim committees will be preparing recommendations to address state and local issues. He suggested the recommendations be reviewed for possible coordination with proposals from the working group.

> ***Transfer the responsibility for the regulation of labor camps and mines prescribed under NRS 444.130 through 444.180 to county health and building departments.***

In addition to the issue cited in this item, Chapter 444 has a number of sanitation requirements that might more appropriately belong with either the health and/or building departments at the local government level. Affected agencies should develop a transition plan, including a BDR for review by the Governor.

Alan Pointer presented information regarding the Division of Mines' program to secure mines, but he admitted the division could use the assistance of local agencies. On the other hand, local entities do not have the authority to enter on public lands. Alex Harts, Division of Health, explained that the recommendation was designed to allow agencies flexibility in updating NRS 444.130 through 444.180. Robert Hadfield, Executive Director of the Nevada Association of Counties, offered to work with state and county representatives to determine if local agencies can assist the Division of Mines.

Eliminate the responsibility for the collection and disbursement of funds for Health Aid to counties from the Health Division.

A three-part approach is indicated for this item.

1.The Department of Administration has a central budget account for all special one-time appropriations that are made by the Legislature to local governments and nonprofit entities. Although the budgetary placement of each special appropriation must be judged on its individual merits; in general, any special appropriations to these two entities could be placed in this account.

2.Based on the fact that representatives of the beneficiary counties could not identify how current funds are being spent, the state should consider either repealing the per-capita State General Gund contribution to Clark and Washoe Counties or strengthen existing statutes to require the expenditure of funds for a specific purpose to maximize state priority health benefit services.

3.The direct allocation of air quality funds from DMV&PS would eliminate an extra budgetary step and improve efficiency. Both the Executive and Legislative Branches would still maintain oversight of the distribution of these funds.

Representatives from the Health Districts of Clark and Washoe Counties addressed this recommendation. The working group concluded that the State Health Division would have to resume responsibility for testing for sexually transmitted diseases, tuberculosis, and other communicable diseases. Such a change would not be in the best interests of residents. Therefore, the working group suggested that the recommendation be indefinitely postponed.

Consider the creation of regional service agencies.

As state government evaluates how services are to be provided in a fair, equal, and uniform manner, any enabling legislation to transfer responsibility to the local level should provide for the creation of a multi-jurisdictional operation to allow those governmental entities that do not have the individual financial ability to address the issues collectively.

The working group considered interlocal agreements between counties for the delivery of services. Although counties are not statutorily prohibited from entering into such agreements, the working group is developing permissive legislation to specifically address the recommendation.

The issue of state- and county-maintained roads was brought before the working group for consideration. Unfortunately, Tom Stephens, Director of Nevada's Department of Transportation (NDOT), was unable to attend the meeting. Ms. Murphy said NDOT and Clark County were directed to submit a contract for legislative approval during the next session. The contract would transfer responsibility for maintaining certain state-owned roads in the urban areas of Clark County to the county. Therefore, the issue does not need to be addressed by either the working group of the full committee.

Ms. Murphy distributed a memorandum addressed to her from Katy Singlaub, Office of the County Manager, Washoe County, dated May 26, 2000, regarding "State and Local Services Subcommittee." The memorandum summarizes a set of principles formed during a meeting held on May 19, 2000, between the County Managers from Churchill, Douglas, and Lyon Counties and City Managers from Carson City and Sparks (Exhibit M).

Working Group on the State Personnel System

Chairwoman Miller noted that during the working group's May 11, 2000, meeting, the members approved a recommendation to authorize alternative scheduling and flex-time. The motion was made by Robert Gagnier, Executive Director of the State of Nevada Employees' Association, and seconded by Chairman Hataway.

In addition, the working group approved a recommendation that exit interviews be conducted with every employee leaving state employment to determine the reason or reasons for the termination.

The Chairwoman indicated that the Personnel working group reached a consensus that cost of living allowances for employees' salaries should be given the same priority as other budget enhancements. Chairwoman Miller explained that salary increases are allocated after the budgetary process is completed and the Legislature determines that excess funds are available. Governor Guinn has indicated his preference that employee salary increases be discussed before the budget packet is prepared, and the Personnel working group concurred with his suggestion.

There are other issues still under consideration by the Personnel working group and additional meetings scheduled. Chairwoman Miller assured the members that updates will be provided at subsequent meetings of the steering committee.

SELECTION OF NEXT MEETING DATE AND DEVELOPMENT OF FUTURE TOPICS

Chairwoman Miller indicated that the next meeting will be held in August in Las Vegas. Following a brief discussion, Chairwoman Miller set the date for August 21, 2000, at 9:30 a.m. The first half of the meeting will consist of agency presentations followed by a committee work session.

The Chairwoman introduced Linda Law, Policy Analyst in the Office of the Governor, and stated that she would prepare a work session document for distribution approximately two weeks prior to the next meeting. At this time, Chairwoman Miller anticipates the work session document will include recommendations prepared by NTA, DMLA, DOA, and so forth. She advised the meeting will be lengthy.

The items on the agenda that were not covered during this hearing will be considered during the next meeting.

Finally, Chairwoman Miller explained that state agencies were required to submit agency reviews on May 1st. She has received the required agency reports and with no objection from other committee members, indicated that the Governor's staff will perform an analysis and compile a synopsis for consideration by the full committee.

PUBLIC COMMENT

Chairwoman Miller called for public testimony. Dr. Keith Rheault, Deputy Superintendent, Department of Education, distributed a one-page document prepared by Mary L. Peterson, Superintendent of Public Instruction for DOE, which responds to Ms. Vilardo's recommendations regarding the department and class-size reduction (Exhibit N).

ADJOURNMENT

There being no further business before the committee, Chairwoman Miller adjourned the meeting at 3:30 p.m.

Respectfully submitted,

Philene E. O'Keefe, Committee Secretary

Approved:

Don Hataway, Co-Chairperson Denice Miller, Co-Chairperson

Date Date

EXHIBITS

The exhibits described in these minutes are not attached to these minutes but may be reviewed in the Research Library of the Legislative Counsel Bureau, Sedway Office Building, Fifth and Stewart Streets, First Floor, Carson City, Nevada.

Tapes of the meeting shall be maintained at the Office of the Governor until the Steering Committee completes its work and presents its final recommendations to the Governor. Copies of the tapes are available at a cost of $5 per tape. For more information, please contact Linda Fitzgerald, Office of the Governor, at (775) 684-5670.