MINUTES OF THE
NEVADA LEGISLATURE'S
INTERIM FINANCE COMMITTEE'S SUBCOMMITTEE TO
CONDUCT A REVIEW OF NEVADA'S REVENUE STRUCTURE
WORKING GROUP TO REVIEW NOMINATIONS FOR THE
NEVADA VISION STAKEHOLDER GROUP
S.C.R. 37, 2009 SESSION

October 20, 2009

A meeting of the Nevada Legislature's Interim Finance Committee's Subcommittee to Conduct a Review of Nevada's Revenue Structure, Working Group to Review Nominations to the Nevada Vision Stakeholder Group (S.C.R. 37, 2009 Session) was called to order by Chairman Marcus Conklin on October 20, 2009, at 9:13 a.m. in room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada and videoconferenced to the Great Basin College, Greenhaw Technical Arts Building, room 124, 1500 College Parkway, Elko, Nevada and the Legislative Building, room 4100, 401 South Carson Street, Carson City, Nevada.

COMMITTEE MEMBERS PRESENT IN CARSON CITY:
Assemblyman Marcus Conklin, Chairman
Senator Bernice Mathews
Senator Randolph J. Townsend
Assemblyman Pete Goicoechea
Assemblyman John Oceguera

COMMITTEE MEMBERS PRESENT IN ELKO:
Senator Dean A. Rhoads

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:
Senator Valerie Wiener
Assemblywoman Kathy McClain

COMMITTEE MEMBERS ABSENT:
None

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:
Russell Guindon, Senior Deputy Fiscal Analyst, Fiscal Analysis Division
Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division
Joe Reel, Deputy Fiscal Analyst, Fiscal Analysis Division
Brenda Erdoes, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Becky Lowe, Secretary, Fiscal Analysis Division

EXHIBITS:
Exhibit A: Agenda
Exhibit B: Attendance Record
Exhibit C: Nominations Received To Date
Exhibit D: Nomination Form

I. ROLL CALL.

The meeting was called to order by Chairman Marcus Conklin. The secretary called roll and all members were present.

II. OPENING REMARKS.

Chairman Conklin welcomed the members of the Working Group and the public. He said that SCR 37 required the Interim Finance Committee (IFC) to perform several tasks, including selection of a consultant to analyze Nevada's Revenue Structure and provide recommendations for long-term stabilization of that structure.

Chairman Conklin reported that the Working Group to Review Responses to the Request for Proposal had reviewed the eight responses submitted through the request for proposal (RFP) process and selected four firms to present proposals to the full IFC Subcommittee at its October 28, 2009, meeting.

Chairman Conklin said the other component of the interim study was to create the Nevada Vision Stakeholder Group (NVSG), which would work with the selected consultant to analyze and make recommendations regarding quality-of-life issues in the state of Nevada. The Working Group to Review Nominations to the Nevada Vision Stakeholder Group was created by the IFC Subcommittee to consider the nominations submitted for appointment to the NVSG. He said that SCR 37 required the formation of the NVSG from a lists of names submitted by the community and statewide groups involved in business, education, health care, human services, economic development, transit and energy, or any other group deemed appropriate by the IFC Subcommittee to assist in developing a 5, 10 and 20 year strategic plan for improving quality-of-life in the state.

Chairman Conklin recalled that at its September 28, 2009, meeting, the IFC Subcommittee approved the application form for nomination to the NVSG. The form was then placed on the Nevada Legislature website so that interested parties from the program areas of commerce and industry, education, health and human services, infrastructure and public safety could submit nominations. The five program areas were the functional areas by which the state's budget document was categorized, and were intended to incorporate the quality-of-life areas listed in SCR 37. Although it may not be a simple or straightforward process to categorize the state's quality-of-life areas into select groups of general programs, such a process was necessary to provide a workable structure for the nomination and appointment of members to the NVSG.

Chairman Conklin said it was important to restate that the objective of the NVSG was to develop recommendations to improve the quality of life for Nevadans in the many areas in which the state and local governments provided public services. Thus, although nominations had been submitted for persons for one or more of the five program areas, the actual role of each member of the NVSG was not necessarily limited to the specific area of expertise in a program area for which that person had been appointed. In fact, it was anticipated and expected that individuals that were appointed would benefit the group in several or all of the quality-of-life areas to be studied. He said that was a relatively straight forward observation given the background and experience of the people being considered for appointment. In addition, it would be difficult, if not impossible, to consider the program areas as separate stand-alone functional areas rather than an inter-related system.

III. BRIEF OVERVIEW BY STAFF OF NOMINATIONS SUBMITTED FOR THE NEVADA VISION STAKEHOLDER GROUP.

Chairman Conklin said 75 nominations had been received to date. The breakdown by program area was as follows:

- 33 Commerce and Industry
- 10 Education
- 13 Health and Human Services
- 10 Infrastructure
- 9 Public Safety

On behalf of the Working Group and the IFC Subcommittee, Chairman Conklin expressed his sincere appreciation of the nominees' interest in the process and desire to serve on the NVSG. He also thanked all of the statewide organizations and other interested parties that submitted, or planned to submit, nominations for individuals to serve on the NVSG.

Chairman Conklin said the overall qualifications, professional accomplishments and level of expertise exhibited by the expanding pool of nominees was remarkable. It was imperative that all of the nominees understood that they could contribute to the process whether or not they were appointed to serve on the NVSG. While it was the Working Group's task to review the nominations and make recommendations for appointment to the NVSG, those nominees who were not ultimately appointed were encouraged to remain engaged in the process by attending the NVSG meetings and, to the extent possible, exchanging information and ideas with the NVSG members that were appointed.

For purposes of discussion, Chairman Conklin said the Working Group must identify the number of members that would serve on the NVSG. It was desirable that the NVSG have a composition large enough in number to allow the groups in the state to have adequate representation, but not so big that the process became unworkable in terms of managing the meetings and work process, and allowing it to work well with the

consultant. After consideration of the issue, he suggested that the NVSG have a total number of 16 to 18 members with a division across the program areas as follows:

Commerce and Industry	6 or 7 members
Education	2 or 3 members
Health and Human Services	2 or 3 members
Infrastructure	2 or 3 members
Public Safety	2 or 3 members

Chairman Conklin observed that the expertise of the nominees seemed to be broken down largely in those proportions.

Russell Guindon, Senior Deputy Fiscal Analyst, Fiscal Analysis Division, said the full IFC Subcommittee approved the nomination form which was then posted on the Nevada Legislature website. The Working Group members were given copies of the nominations that had been received by Legislative Counsel Bureau staff to date (Exhibit C). He noted that nominations continued to be received. A master list of nominees was compiled listing the names alphabetically and by program area. Some nominees contacted staff with the request to represent more than one program area. That was why the same names appeared in more than one program area.

Mr. Guindon said the decision to use the five functional areas to encapsulate the quality-of-life areas named in SCR 37 added structure to the nomination process. That structure helped Legislative Counsel Bureau staff, the members of the Working Group and the IFC Subcommittee to manage the nominations, and allowed for representation across the quality-of-life areas.

IV. DETERMINATION OF THE STRUCTURE OF THE NEVADA VISION STAKEHOLDER GROUP.

Chairman Conklin said it was imperative that the Working Group identify the number of members that would serve on the NVSG, because the consultant that was selected would work closely with the group and facilitate its meetings. The Working Group would determine the size of the NVSG, and how many nominees would be appointed to represent each of the five categories.

Chairman Conklin would prefer a smaller number of members, but he did not know how the program areas could be adequately represented without 16 to 18 members.

Assemblyman Goicoechea agreed with the Chairman about the size of the NVSG. He asked if nominations were still being accepted.

Chairman Conklin said he asked staff to continue to collect nomination applications until the Working Group was ready to make its recommendations for appointments. He explained that the nomination process was not publicly advertised, and he continued to hear from people across the state who had just learned of the NVSG and the

nomination process. He did not want to exclude people who wanted to participate in the NVSG. He observed that only a small group of people attended and participated in the IFC Subcommittee meetings. He noted that no parent organization was represented in the education area, and was certain that there were some parent organizations that would like to submit nominations.

Assemblyman Goicoechea agreed that the optimum number of members for a group that functioned well was 11. However, he thought there should be 15 to 17 members on the NVSG so the various groups in the state could be represented.

Senator Rhoads asked if there was a nominee that represented ranching or farming. He said private farmers and ranchers represented 70 percent of the water in the state, and that was important to the economy. Chairman Conklin suggested that Senator Rhoads encourage the ranchers and farming industry representatives to nominate themselves to the NVSG.

Senator Mathews said she thought 15 members would be ideal. She would agree to a higher number if that was what the Working Group wanted, but she hoped the number did not become unmanageable.

Chairman Conklin said that the smaller the number of NVSG members, the more difficult it would be to balance representation of the component groups of the program areas. To give the NVSG legitimacy, there must be representation from ranchers, teachers, parents, industry, and underrepresented groups. He would prefer a smaller group, but was pulled in both directions. He asked if the Working Group was comfortable with a group of between 17 and 19. He said if the Working Group put an upper limit of 17 on the number of members of the NVSG, it could not appoint 19 members later. However, if the number was set at 19, but there were just 17 nominees that everyone agreed on, that would be okay.

Senator Townsend suggested that the Working Group first analyze the program areas for which the IFC Subcommittee wanted representation. A number of members would be chosen for each group, and that would give a total number. For example, commerce and industry included gaming, farming and ranching, and those could be broken down into components. Education included K-12, the universities and parental involvement groups. He said that would give an idea of how many constituent groups there were to be represented, then that could be narrowed down. For example, one member might represent the university and community colleges. He said figuring out the number of representatives for each program area might be easier than setting a number for the whole group, and making the component parts fit that number.

Assemblyman Conklin had an idea of how many members would represent each area based on his own analysis of the groups. He realized that the members had just received the updated list of nominees, and would need a chance to look through it. He reiterated that it was important for the Working Group to determine the number of the

whole NVSG group so that Legislative Counsel and the consultant could finalize a contract.

Senator Mathews said there were two completely different facets to the gaming industry: large and small gaming interests. She said the small gaming interests were mainly in the rural areas. It was her opinion that both groups should have a place at the table. Small gaming interests were sometimes left out in favor of the larger gaming interests. Senator Mathews wanted the public to know that the Working Group members were just getting the nomination material and had not yet reviewed it.

Assemblyman Oceguera said that Senator Townsend's suggestion might be a way to establish the total number of NVSG members. He liked Senator Townsend's analysis of the education area, which, in fact, arrived at the same number Chairman Conklin suggested. He suggested that the five program areas be addressed individually to determine the components of representation for each area, and then assign each area a number of representatives.

Chairman Conklin agreed and suggested the smaller areas be analyzed first, starting with public safety. He noted public safety was an area in which local government was as active, or more active, than state government.

Senator Townsend observed there were a number of nominees on the list that represented local government from elected positions. He thought the Working Group should be extremely cautious with regard to appointing elected officials to the NVSG, because the process could become political. The study was a big step for the state, and it should be as apolitical as possible. He noted that the filing process was not over, so it was not yet known who would run for political office. He did not want the NVSG to be used as a political forum. He noted there were individuals in local government who had expertise in a number of areas; for example, a city manager might also oversee fire and police.

Chairman Conklin agreed completely.

Assemblyman Goicoechea was concerned because the list of nominees under public safety illustrated that the smaller counties were represented mainly by elected officials.

Chairman Conklin said there may not be someone from a rural area appointed to each category, but no matter which category a nominee was appointed to represent, the member would be a part of the whole NVSG. For example, a nominee appointed to the commerce and industry area would also address public safety issues. Knowing that, it might serve to appoint nominees with a broader spectrum of experience. For example, a long-time city manager may be able to contribute to the areas of infrastructure, public safety, as well as commerce. The more skills brought to the table, the better the process would be.

Assemblyman Goicoechea said if elected officials were eliminated for consideration, that would disqualify some quality nominations that represented the rural areas.

Chairman Conklin noted the Working Group could opt to set the number of members at 19, and not be bound as to which groups the nominations came from. There must be some rationale as to a number of members that made up the whole NVSG, but he did not know if this was the way to go about that because the Working Group would want all program areas and groups to be covered. However, it also made perfect sense to determine what kind of nominees were needed for each group to provide expertise and give balance to the NVSG. He agreed that it would be beneficial to appoint someone from local government to the public safety area. He asked if there were other suggestions in the area of public safety.

Senator Townsend said many of the nominees were high-profile individuals who were known by the legislators. The flip side of that was because a nominee had a high profile did not mean the person had time to put into the NVSG. He asked if the nominees would be asked if they were committed to working through the process. As a long-time legislator, he was frustrated with the inability to work through some of the issues in the legislative session, and that was why working groups were created to work through problems in the interim. He hoped that the nominees knew they were being nominated, and were willing to commit the time. Otherwise, it would be a burden to staff to organize the meetings.

Senator Townsend recalled that last year he and Senator Mathews served on an interim committee regarding the Washoe County School District in which different organizations were allowed to make appointments to the committee. There were four legislators on the committee, and they all agreed that the appointed committee members were very active, committed, and extremely helpful to the process. He said is not always the high-profile committee member that would make the best contribution to the process.

Assemblyman Goicoechea recalled that the nomination form included a section were the nominee acknowledged and agreed to the time commitment required to serve on the NVSG. He said there were some high-profile nominees that he felt very strongly would do the job. He would not like to see those nominations thrown out because there was a decision made not to include elected officials. Senator Townsend said he was not concerned about anyone from the rural areas not putting in the time required to serve on the NVSG.

Chairman Conklin said that section 8 of the nomination form (Exhibit D) was an acknowledgement of the time commitment involved. That was included to give nominees an understanding that a minimum of 20 hours per month would be required to serve as a member of the NVSG.

Chairman Conklin wondered if it would be appropriate to appoint someone from the tourism industry to represent the public safety program area, because public safety issues could have a major effect on tourism.

Assemblyman Oceguera suggested there be two appointments to represent the area of public safety. Assemblywoman McClain agreed.

Chairman Conklin envisioned the infrastructure area to include a variety of components, among them roads, transportation, telecom, development, and sustainability. He thought infrastructure should have four appointments.

In response to a question from Senator Townsend, the Chairman did not think renewable energy would fit into the infrastructure area because it required a very different skill set.

Senator Townsend said energy and transportation had significant social impacts. For example, individuals had to take time away from their families to commute to work, particularly in the traffic stranglehold faced in southern Nevada. He said it was important to think of those two aspects together.

Chairman Conklin said the state wanted to attract diverse industries in the future, and companies that intended to relocate would look for three things: transportation, communication and workforce. If a community did not have those things, it was probably not the best place for a business to relocate. The program areas would overlap and integrate because the people in commerce and industry would be interested in what was happening with infrastructure.

Assemblyman Goicoechea noted some nominees were listed under other program areas, but perhaps should have been included under infrastructure, because of the points raised by Chairman Conklin.

Chairman Conklin did not want to discuss specific nominations, but the discussion showed that if nominees had expertise in several programs areas, it was less important how many seats were allotted to the program areas. This discussion would help to guide the Working Group members when it was time to review the nominees and make recommendations. He did not think anything would preclude the Working Group from appointing a nominee to an area for which he or she was not nominated to serve.

Assemblyman Goicoechea agreed.

Chairman Conklin asked for the members thoughts about allotting three or four spots to the infrastructure category. Assemblywoman McClain preferred that the number of representatives for the infrastructure program area start at three. She was concerned that there would be no slots left for the health and human services area.

Chairman Conklin asked for a suggestion as to the number of appointments that should be made to the health and human services program area. He commented this could be considered a stand-alone program area in some respects, but there were interrelations to other areas in many ways.

Senator Weiner asked Working Group members to keep in mind that the primary intent of the NVSG was to study quality-of-life issues. The state must have proper infrastructure to bring business into the state, but the businesses would want to know that they could raise families here and have access to proper health care and education. She said quality-of-life issues were not separate from commercial issues. She said Nevada's education and health care rankings were major areas of complaint from people inside and outside of the state. She said health care and education were profound quality-of-life issues, as well as huge components of the state's budget. She did not want for the two areas to be minimized as the conversation moved forward. She suggested that four members be appointed to represent each of the areas of education and health and human services.

Senator Mathews said she had a fair grasp of the health and human services area, and thought it was important, in light of the number of members in the whole NVSG. She suggested the number start with three, but would agree with four if that was the wish of the Working Group.

Chairman Conklin said there was some trepidation about appointing three members to the health and human services area, but some thought that three members was too few.

Senator Weiner said that she would agree with Senator Mathews' suggestion to start with three members at minimum, but she would be happier if the program area was represented by four members.

Chairman Conklin noted that some nominees to the commerce area were executives in the healthcare industry. They were in business, but had expertise in the area of health care. He stated that even if only three nominees were appointed to represent the health and human services area, other members would have some kind of expertise in that area. Chairman Conklin asked if there was a general consensus among the members that the number of representatives to the health and human services program area should start at three, and there was no objection.

Chairman Conklin asked if the Working Group would be amenable to starting with three appointments to the education area. Senator Weiner said three was the minimum number for education, and she hoped the number would be raised to four. She said education was a major factor in quality of life, and a large part of the state's revenue was spent on education.

Chairman Conklin asked for the Working Group's input on the number of members that should be appointed to the area of commerce and industry. He noted that all of the members nominated in the area had expertise in a second area. For example, there was a nominee in the commerce area who worked in private education. He thought that if that member were appointed, it would still be considered a commerce area nominee for purposes of the number allotted for each area. Given the sheer number of people

with an interest in this core area – nearly 40 percent of the responses – he thought six or seven members would be appropriate.

Chairman Conklin said if 6 of 7 members were allotted for the commerce and industry area, then the whole NVSG would comprise 17 or 18 members.

Assemblyman Goicoechea noted that the nomination process was not over, so the Working Group members did not have the names of all nominees. He wondered, if the commerce and industry area were capped at six members, and at the end of the process the Working Group agreed that additional nominees should have been added for appointment in that area due to potential contribution to the process, could appointments be made to "at large" positions? If so, he suggested holding the number of commerce and industry member at six to allow flexibility.

Chairman Conklin said that would require the NVSG to number 19 members. That number could not be changed once it was approved by the Working Group and given to the consultant.

Assemblyman Goicoechea said if the higher number was set by the Working Group, and there were no additional nominees that the members felt should be appointed to the at large areas, 17 members would be appointed,

Senator Mathews agreed that 6 members would be appropriate to represent commerce and industry. In addition, she believed the ceiling should be set at 19 for the whole NVSG, particularly if that number included at large appointments. In addition, Senator Mathews noted that health and human services was a huge program area. For that reason, she would like to accommodate Senator Weiner's request for an additional appointment in the area of health and human services.

Senator Weiner said she and Assemblywoman McClain agreed to a cap of 19 members that would allow the appointment of two at large members, if necessary. She appreciated the comments from Senator Mathews suggesting that another appointment be added to the health and human services area.

Senator Townsend said many were concerned that there would be an imbalance between taxpayers and tax users on the NVSG. He was not suggesting that the number of seats be divided down the middle, but it was crucial to this debate that there be a rational balance to the membership. He noted that, in the end, the NVSG must come to an agreement. If the membership were too heavily tilted one way or the other, it would be very difficult to reach a consensus. This should be a consideration when the appointments are made. He noted that the Chair pointed out that some appointments could represent multiple areas based on the industry and background. For example, a nominee to the health and human services area could also be from the private sector.

Chairman Conklin said that was certainly representative of some points of view, but he had a slightly different point of view. Given the state's tax structure, he did not know if there was anyone who was not a taxpayer. The difference was in who paid the bulk of the taxes. That was a subtlety, but he did not want to devalue anyone in the process. He said every nominee, and the people they represented, were contributors. The fact that some groups had a larger tax burden than others was a mere factor of the size of the business. He wanted that difference to be clear. He did not want for the discussion to be partisan, but he wanted for everyone to understand what was being discussed.

Chairman Conklin said some of the service deliverers had skills. In many cases they delivered services to people who did not have resources outside of what the state provided. In aggregate, they were still part of the quality-of-life indicators of the citizens. He said that Senator Townsend was right that it would be a very delicate balance because the quality-of-life indicators needed to be identified, and they also had to be agreed upon. They had to be common and something that all people agreed were basic quality-of-life indicators that are important to everybody. Whether a nominee represented gaming that contributed 40 percent of the state's revenue structure, or an employee of a regular company that paid sales tax and property tax, they were Nevadans, and there were a few basic things that we could all agree were important. He agreed it would be a tough balance to strike.

Senator Townsend said that his comments were not partisan or political statements. There are rational statements with regard to the ability to pay for quality of life. We all could define a great quality of life, but the question was whether we could afford it, because the economic downturn dramatically impacted our most important industry and really hurt the state. We have to ask this group to sit down and analyze what quality of life we can afford. If we wanted a high level of quality of life in one area, such as health care, then we would probably have to give up something else. Nevada is too small of a state that has too small of a tax base to be all things to all people. Senator Townsend said he was willing to pay for a high quality of higher education because he believed in it, and those were the people that Nevada businesses hired. He was willing to pay for public safety because he thought it was important. Senator Townsend said there are two ends of the spectrum: one end who does not want to pay anything, and those at the other end who are seen as a never-ending stream of revenue. He said we have to find that rational middle. Senator Townsend agreed that the study was trying to find a vision for the state, but it was also about finding a vision that the state could afford. He asked the Working Group members to be sensitive to the fact that some groups could be asked to pay more, and if a different tax structure was recommended to the IFC Subcommittee, decisions would have to be made. Those decisions should be based on a rational vision of what was realistic rather than a pipe dream. The IFC Subcommittee and the legislators would have to tell the public that we believed this was what they wanted, and that it was structured it in an affordable manner. If the public wanted more, it would have to pay more. He thought he and Chairman Conklin were on the same wavelength, but there were semantic differences.

Chairman Conklin said that Senator Townsend might be right. Many of the quality-of-life areas were interrelated. Businesses would want to come to the state if they could get their products to market, communicate with other businesses, have access to an educated workforce, good health care and schools. There were trade offs in all of those areas. For example, it was a proven fact that the better educated the populace, the lower the crime rate. There were choices as to where to invest the state's dollars. The more that was put into one area over time, the less another area would cost. The NVSG would have to be diverse enough to consider all of those issues and the interplay between them.

Chairman Conklin said the Working Group arrived at a NVSG membership of 19. In addition, the Working Group established tentative numbers for program areas. After the nominations were submitted, the Working Group members would begin the difficult task of whittling the list to 19 people. The group of 19 should be representative of the diversity of the state and made up of individuals who demonstrated the leadership needed to create a vision for the state's future.

> ASSEMBLYMAN GOICOECHEA MOVED TO SET THE MAXIMUM NUMBER OF MEMBERS OF THE NEVADA VISION STAKEHOLDER GROUP AT 19.
>
> THE MOTION WAS SECONDED BY ASSEMBLYMAN OCEGUERA AND CARRIED UNANIMOUSLY.

V. CONSIDERATION OF NOMINATIONS SUBMITTED FOR CONSIDERATION OF APPOINTMENT TO THE NEVADA VISION STAKEHOLDER GROUP.

The Working Group recessed at 10:24 a.m.

The Working Group reconvened at 10:42 a.m.

Chairman Conklin said because the nomination process was not advertised, and interested people were still submitting nominations, the process would be extended. On October 30, 2009, staff would compile the nominations that had been received, and prepare an updated list for the Working Group members. Staff would also provide the Working Group members with a worksheet to track the recommendations in each program area.

Assemblyman Goicoechea asked for the new deadline.

Chairman Conklin said that rather than have a deadline, the nominations would be collected until staff mailed the information to the members of the Working Group on October 30, 2009.

Assemblyman Goicoechea suggested a firm deadline of October 30, 2009, to allow staff to compile the information. He noted that some of the nominees struggled to meet the original deadline, but the nomination process was still wide open.

Mr. Guindon said some nominees did not include a resume. He would work with the nominees to gather that missing information if that was the desire of the Working Group. He said that the members could keep the binders they were given, and any additional information would be provided as an addendum. That would allow the members of the Working Group to review the nominations that had already been submitted. The addendum would be sent to the members electronically, followed by a hard copy in the mail.

Assemblyman Goicoechea said he was comfortable with that.

Assemblywoman McClain noted that the deadline, October 30, 2009, was a holiday.

Mr. Guindon said the holiday deadline did not cause a problem for staff. If the members of the Working Group preferred, the next Monday, November 2, 2009, could be set as the deadline.

Chairman Conklin said with the Working Group's permission he would coordinate with staff to make sure that all deadlines were met and that the Working Group members had the additional information in advance of its final meeting on November 16, 2009.

Assemblyman Goicoechea asked if the members were to review the nominations and recommend 17 members. Chairman Goicoechea said there was also an allowance for two at large members. The form to be provided by staff would break out the nomination recommendations by the five program areas with space for the two at large positions.

Assemblyman Goicoechea asked about the design of the worksheet. Specifically, he wanted to know if there would be a first and second choice for each category. Chairman Conklin recommended that the members select 17 members broken out in the program areas as discussed. Assembly Goicoechea said was not as familiar with some of the people in southern Nevada. He wondered how parity between north, south, rural and urban would be balanced.

Chairman Conklin suggested that Assemblyman Goicoechea contact a member of his caucus to ask about the nominees he was unfamiliar with. He also suggested that if a member wanted more information from a nominee, they contact Brenda Erdoes, Legislative Counsel, and she would put them in contact with the applicant.

Chairman Conklin said the nomination tally sheet to be provided by staff would simply be a tool to allow the members to organize their preferences by program area. There would still be an opportunity for the Working Group to discuss the north, south, rural and urban nominees.

Assemblyman Goicoechea was concerned that if every member chose 17 names, there would be too many nominations to discuss at the November 16, 2009, meeting of the Working Group. Chairman Conklin said he might be surprised by the number recommendations the Working Group members may have that are in agreement.

VI. RECOMMENDATIONS TO THE INTERIM FINANCE COMMITTEE'S SUBCOMMITTEE TO CONDUCT A REVIEW OF NEVADA'S REVENUE STRUCTURE REGARDING APPOINTMENTS TO THE NEVADA VISION STAKEHOLDER GROUP.

This agenda item was deferred until the next meeting of the Working Group.

VII. SCHEDULING OF FUTURE MEETINGS.

A meeting of the Interim Finance Committee's Subcommittee to Conduct a Review of Nevada's Revenue Structure, Working Group to Review Nominations to the Nevada Vision Stakeholder Group was set for 9:00 a.m., Tuesday, November 16, 2009.

VIII. PUBLIC COMMENT.

Geoffrey Lawrence, Fiscal Policy Analyst, Nevada Policy Research Institute, thanked the Working Group for the opportunity to provide comments. He agreed that there was merit to the idea of studying the existing revenue structure for state and local government in order to determine methods of minimizing volatility, reducing compliance costs and maximizing efficiency. However, he found it disconcerting that the Legislature chose, in accordance with SCR 37, to require the recommendations of the tax study to first consider the recommendations of the Nevada Vision Stakeholder Group.

Mr. Lawrence said, given that the members of the Nevada Vision Stakeholder Group were to be drawn from the five major areas of state spending, it seemed clear that the group's recommendations would likely include new government spending proposals. As such, the objectivity of the associated tax study could begin to erode as the exercise devolved into a simple rationale for levying new taxes.

Moreover, Mr. Lawrence said he considered the underlying presumption of the exercise to be fallacious. By linking "quality-of-life goals" to government revenue and spending, the Legislature implicitly stated that only the public sector was capable of improving Nevadans' living standards. If so, this presumption would fly in the face of known experience as improvements in living standards were historically driven by private sector innovation.

He urged the Working Group to direct the Nevada Vision Stakeholder Group not to overlook the improvements in living standards that individuals working through free exchange could achieve on their own behalf. He urged the Working Group to direct the Nevada Vision Stakeholder Group to pursue innovative solutions and consider where

quality of life can be improved by removing obstacles for private sector involvement in the provision of public services.

Mr. Lawrence quoted Albert Einstein by saying that insanity was defined as doing the same thing over and over again, and expecting different results. Likewise, if the Silver State was to see improvement in areas such as education, it could not simply continue to dump more money into the same broken and monopolistic system. This was literally just more of the same.

He said a mounting body of evidence suggested that if the quality of education was to improve, there must first be fundamental reform in the way educational services were delivered. This reform should expand choice and accountability by dismantling barriers to private sector involvement through initiatives such as tuition tax credits, vouchers or even the expansion of publicly funded charter schools. He recognized and applauded the initiatives taken by several members of the Working Group in working toward these goals. He said there was still was much left to be done.

In addition, Mr. Lawrence said many other public services could be delivered more efficiently with private sector participation if the Nevada Vision Stakeholder Group would consider options for deregulation or increased use of contracting.

Mr. Lawrence said an approach called “managed competition” was used by the states of Florida, Virginia and Indiana, as well as many local jurisdictions around the country. Managed competition allowed public employee unions, along with private sector competitors, to submit bids for the provision of public services. A unique virtue of this approach was that it allowed government to fund measurable outputs and not simply inputs, while also encouraging public sector bureaucracies to identify cost-saving measures. Since 1995, Florida’s Council on Efficient Government reported savings of more than $5.5 billion on 289 projects by allowing public sector unions to compete with private firms. Given its successful track record elsewhere, he hoped that the Nevada Vision Stakeholder Group would consider how managed competition could be applied in the Silver State.

He said that it would certainly not improve the quality of life for the bulk of Nevadans if the visioning process resulted in a higher tax burden while continuing to insulate government monopolies from competition. He said that vision would simply amount to a wealth transfer from those outside government to those within government.

In conclusion, Mr. Lawrence urged the Nevada Vision Stakeholder Group to consider truly innovative solutions and not simply to burden taxpayers who were already suffering with demands for even higher taxes.

Jeff Fontaine, Nevada Association of Counties (NACO) said his organization submitted the names of three individuals to serve on the Nevada Vision Stakeholder Group: all were elected officials. He asked whether the Working Group preferred to not have elected officials on the NVSG.

Chairman Conklin noted that NACO's recommendations were from the rural counties. He said representation from rural counties was a concern for Assemblyman Goicoechea and Senator Rhoads. The Chairman shared Senator Townsend's concerns about including elected officials on the NVSG. Chairman Conklin said elected officials have not been excluded from consideration, but each member would make that judgment when deciding which nominees were best suited to serve on the NVSG.

Assemblyman Oceguera said that because there was a divergence of opinion, he suggested Mr. Fontaine submit a few more nominations of non-elected officials. Mr. Fontaine asked if the organizations were limited to three nominees. Chairman Conklin said that was not correct.

Mr. Ed Uehling, resident of Las Vegas, said the individuals nominated to serve on the Nevada Vision Stakeholder Group were not visionaries. Rather, they were feeding at the public trough. He said it was the feeders at the public trough that created a huge disaster for the country, the state and for every individual. We are losing half of the value of our properties, our salaries, and seeing huge numbers of people unemployed. He said unemployment in Nevada was officially 13.9 percent, but that was a totally fallacious figure, and the real percentage was probably twice that.

Mr. Uehling said this problem was created by the government because every government worker put three people out of work. The salaries were so immense in the public sector that the private sector was being suffocated. He said 40 percent of everything produced in the United States was taken from the private sector and put into the government. That would probably increase to 50 percent if the depression that the government created continued. He was not just talking about state of Nevada's government, but also the federal and local governments. He said the politicians of the state of Nevada had the gall to impose $1 billion in extra taxes against people who were losing their jobs, and having their properties and incomes decimated.

Mr. Uehling said even in the area of "so called" commerce and industry, the people listed wanted the government to impose regulations against competitors to enlarge their monopolies and eliminate competition.

Mr. Uehling described the education system of Nevada as an industrial-age system developed over 150 years ago to keep children out of the workforce. Today, the education system was still teaching the same things as if the same conditions still existed. Today's children do not need to prepare for a career, because they were going to have multiple careers, and those careers did not exist yet. He asked how an education system that was so imbued in the past could teach children for the future. He said it could not.

Regarding public safety, Mr. Uehling said there were more people in jail in the state of Nevada than were being held by the worst dictatorship on the face of the earth. He said the people nominated in the public safety area were people who would continue to put

people in jail, which created more crime and social unrest. He asked why there was no nominee to the area of public safety who had been a victim of police brutality. For example, a mother whose son had been killed by the police right in front of her while she was telling them not to shoot; she would probably be a better "visionary" than the people nominated. He said the people nominated were not visionaries, rather, they were followers, and feeders at the public trough.

Mr. Uehling said that if the Working Group was going to continue on that course, the state would be much better off forgetting the whole concept because the same problem that was destroying us right now would be continued. A greater percentage of the current 40 percent of the country's productivity would continue to be put into the government. The amount would grow from 40 percent, to 50 percent to 60 percent. He asked how much the government ultimately wanted: 80 percent or 90 percent?

Mr. Uehling asked the Working Group not to selected anyone from the public sector, or any organization that received funds from the public sector, to serve on the Nevada Vision Stakeholder Group. If so, the result would be more of the same. He said that the group needed members who were real visionaries.

Chairman Conklin thanked everyone for their comments. There was no more public comment.

IX. ADJOURNMENT.

There being no further comments, the meeting was adjourned at 11:11 a.m.

Respectfully submitted,

_____
Becky Lowe, Secretary

APPROVED:

_____
Assemblyman Marcus Conklin, Chair

Date: _____

Copies of exhibits mentioned in these minutes are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. The library may be contacted at (775) 684-6827.