

SPENDING AND GOVERNMENT EFFICIENCY COMMISSION
(SAGE Commission)
Thursday, January 22, 2009 – 10:00 a.m.
University of Nevada Reno
Harry J. Reid Building, Conference Room (109-110), 1st Floor
1664 N. Virginia Street, Reno, NV

MINUTES OF MEETING

Present: Bruce James (Chairperson), Don Ahern, Robert Feldman, David Goldwater, Stephen Greathouse, Steven Hill, Howard Putnam, Jerome Snyder, Jim Thornton, Carole Vilardo

Absent: Barbara Smith Campbell, Robert Forbuss, Randy Garcia, Jan Jones

Also present: Frank Partlow (Executive Director), Perry Comeaux (Deputy Director), Suzanne Kilgore (General Manager), Pamela Fox (to take Minutes)

I. CALL TO ORDER/ROLL CALL/DETERMINATION OF QUORUM

Chairperson James called the meeting to order at 10:03 a.m. Roll call was heard and a quorum of ten Commissioners was determined. He noted Barbara Smith Campbell would not be in attendance because she was recovering from surgery and that Randy Garcia was unable to attend.

II. APPROVAL OF MINUTES

A. December 4, 2008 Meeting Minutes – Carole Vilardo moved to approve the December 4, 2008 meeting minutes. Jerome Snyder seconded the Motion. Discussion followed.

The following correction was noted: (a) page 3 should reflect that Barbara Smith Campbell made the motion to adopt Proposal G and David Goldwater seconded the motion.

Carole Vilardo moved to approve the December 4, 2008 meeting minutes as amended. Jerome Snyder seconded the Motion. Motion carried unanimously.

B. December 18, 2008 Conference Call Meeting – Carole Vilardo moved to approve the December 18, 2008 Conference Call meeting minutes. David Goldwater seconded the Motion. Motion carried unanimously.

III. UPDATE FROM GOVERNOR'S OFFICE ON SAGE COMMISSION RECOMMENDATIONS MADE TO DATE

Chairperson James explained Governor Gibbons was unable to attend today's meeting given the upcoming Legislative session. He stated Governor Gibbons will be invited to attend a future SAGE meeting to provide an update on the recommendations to-date.

Jodi Stephens, Legislative Director for the Governor's Office, reviewed the following twelve of the nineteen recommendations made by the SAGE Commission that have been included in the budget:

- Centralized billing for third parties services in Mental Health & Developmental Services. (#1)
- Evaluate staff ratios in state-operated psychiatric facilities against private sector and national norms.(#2)
- Implementing managed care for aged, blind, and disabled groups in the Clark and Washoe Medicaid programs and expand to women and children in four rural counties. (#3)
- Acquire Distributive School Funding for the Nevada Youth Training Center in Elko (#4)
- Identify and coordinate activities of all departments, agencies and institutions that administer programs for the treatment of drug and alcohol abuse (#6)
- Examine ways to use the Indigent Accident Fund/Supplemental Relief Fund for federal matching funds. (#8)

- Closing Nevada State Prison (#10)
- Two- year implementation of adjustment of the PEBP subsidy for current Nevada employees and their dependents beginning on July 1, 2009 (#12)
- Modify retirement benefits for all public employees hired after July 1, 2009 (#13)
- Eliminate all state Public Employee Benefits Programs (PEBP) subsidies for anyone retiring after July 1, 2009 and initiate two-year adjustment to subsidies for current retirees beginning July 1, 2009 (#14)
- Modify retirement benefits for all Public Employee Retirement System members effective July 1, 2009. (#15)
- Create a Sunset Commission (#17)

Ms. Stephens reviewed the following recommendations still under consideration:

- Complete the downsizing of the DMV nightshift (#5)
- Establishing a discount program similar to that of the U.S. Government Printing Office with FedEx Kinkos. (#7)
- Appointing a third-party to review available options and make cost-efficient recommendations regarding the DMV Auto Insurance Verification program (#9)
- Evaluate a four-day work week for all non-critical Nevada State Employees beginning in October 2009 (#11)
- For all state agencies to review fees charged to ensure fees cover the cost of providing services (#18)
- Completing a detailed inventory of all state-owned real estate and buildings and do a portfolio review (#19)

Ms. Stephens noted that the Recommendation regarding Senior Citizens Property Tax Program (#16) received no action because the Governor was addressing those taxes in another way in his Budget.

Discussion followed stressing the importance of completing an inventory of all state-owned real estate to determine non-producing assets.

Board member Feldman suggested considering a four-day work week for all state employees to improve morale. Chairperson James added a four-day work week would also have a positive impact on the environment.

IV. REPORT ON FINDINGS FROM SURVEY OF NEVADA STATE EMPLOYEES

Frank Partlow, Executive Director, introduced and thanked Dr. Veronica Dahir, Associate Director Center for Research, Design, and Analysis and Kerry Kleyman for their assistance with the survey. He explained 10,000 state employees were contacted to complete the survey and approximately 4,000 state employees responded. Regarding the survey, Mr. Partlow stated he was impressed overall with state employees' "care factor" towards the state and that employees understand personnel costs drive the cost of state government. He reviewed the following suggestions by employees for reducing personnel costs:

- More part-time employees
- Eliminate overtime and sick pay abuses and establish accountability for both overtime and sick pay
- Make classification changes for receipt of overtime pay
- Reduce number of middle managers
- Review classified and un-classified employee threshold
- Implementation of a four-day work week (overwhelming approval)
- Flex schedules
- Tele-commuting or working from home
- Job sharing
- Re-consider the Interim Finance Process
- Implement energy conservation system
- Require inmates to use rakes instead of leaf blowers
- Consolidation of agencies to reduce duplication of work
- Cross-benefit analysis of state employers to determine if increased employment could increase revenue protection
- Widespread use of job cross-training
- Evaluation of travel expenses by state employees
- Centralization of IT system
- Wider use of delinquent account collection tools
- Prompt payment fees and penalties for late payments

Discussion was heard regarding concerns with centralizing the IT system and how to collect payment fees. Deciding when the ten top suggestions obtained from the survey would be chosen was discussed.

At 11:30 a.m., Chairperson James called for a short lunch break. At 11:50 a.m., the meeting resumed.

V. REVIEW OF INDIVIDUAL TASK FORCE ACTION PLANS AND REPORT SCHEDULE FOR EACH TASK FORCE

A. Information Technology (IT) – Commissioner Putnam explained a report would not be offered until June 30, 2009 due to overwhelming legislative requests for IT assistance. He commented that it would take time to centralize IT functions. Discussion followed.

Commissioner Vilardo requested to know if there was discussion about installing DMV kiosks in public areas for public access. Commissioner Feldman reported DMV kiosks were located in certain areas and that kiosk use has increased since being implemented in 2003. The cost savings to the State and the impact of implementing a program in which auto dealerships enter vehicle information into the DMV system at the point of sale was mentioned. Ideas on how to centralize IT operations at the DMV that would be a cost benefit to the State and would also offer better assistance to the public were reviewed.

B. HHS Regulatory Issues – Commissioner Vilardo reported a meeting would be held on February 2, 2009 to determine HHS regulatory issues and to identify individuals governed by regulations. More information would be provided at the next meeting by Perry Comeaux, Deputy Director, because Commissioner Vilardo would not be in attendance.

C. HHS Mental Health Services – Perry Comeaux, Deputy Director, reported Mike Wilden and his staff would meet with the Task Force to recommend individuals for the Task Force. He noted a Senior Advisor has yet to be assigned to the Task Force. Discussion was heard about reviewing the areas of patient treatment and medication management to improve cost efficiency.

D. HHS Health Care Systems – Commissioner Greathouse reported they were in the process of forming the Task Force and that the first meeting was expected to be held in mid-February. The focus would be on recommendations made from Mike Wilden and from the employee survey, if any.

E. Personnel – Perry Comeaux, Deputy Director, reported Commissioner Jones was still considering individuals for the Task Force including a Senior Advisor. He commented on the number of issues that would have to be addressed by the Task Force. Chairperson James suggested spending time at the next SAGE meeting to determine the direction.

F. Dept. of Corrections/Prison Parole Program – Commissioner Ahern reported a meeting was held the day before with the Head of the Department of Corrections. The Task Force was being formed and volunteers were needed. Chairperson James noted ten percent of the State's budget was used for the program. Discussion followed about how the number of inmates could be reduced and the Legal and Law Enforcement individuals that should be approached to join the Task Force. Frank Partlow, Executive Director, noted information would be received from the Interim Sentencing Committee regarding operations and where inmates are coming from and why. Commissioner Ahern commented on how medical costs affect other Committees and that the issue of privatization of the prison program should be reviewed. Discussion followed.

G. Purchasing/Procurement – Frank Partlow, Executive Director, reported the Task Force was still being formed. A meeting was held with Kate Marshall, the State Treasurer, about procurement. Mr. Partlow also reported he and Commissioner Smith Campbell met with Dave Yargin who advised on how to broker the best cost for a commodity contract.

H. Real Estate/Public Works Board/Public Private Partnerships – Commissioner Snyder stated that the first step to address this issue would be to complete an inventory of state-owned real estate. A meeting would be held to determine what could be accomplished in the interim. Chairperson James noted he would speak to Governor Gibbons again on the request for the inventory. Frank Partlow, Executive Director, noted meetings have begun with Public Works. Discussion followed about reviewing the Public Works process to reduce duplicative work and improve cost efficiency to the State.

I. Nevada Department of Transportation (NDOT) – Commissioner Thornton reported three individuals have been appointed to the Task Force. Representatives from southern Nevada, the construction business, and County superintendents were also being sought. A meeting was held to discuss starting point issues including a review of older equipment and the forty-five maintenance stations throughout the state. Discussion followed about considering collecting taxes from miles traveled rather than from a fuel tax and who was responsible for road maintenance.

J. Reversions/Reprogramming – Commissioner Goldwater suggested re-titling this item “Budget Process” and to create an outline from suggestions. Commissioner Vilardo suggested including sub-categories and to review vacancy savings.

K. Department of Motor Vehicles (DMV) – This item was discussed earlier in the meeting.

L. Additional Areas for Review by Task Forces – This item was discussed during agenda item V.

VI. REPORT ON NPRI EDUCATION POLICY SUMMIT AND DISCUSSION OF POTENTIAL INVOLVEMENT IN EDUCATION

Suzanne Kilgore, General Manager, reported the summit was for K-12 education. She provided background information and stated there were approximately 150,000 students in programs. School standards were discussed including for teachers. She explained the theory was to allow children to obtain a good education and to be judged on their own educational capability and progress.

Commissioner Goldwater stated a constituent requested a review of diminishing taxicab authority under Clark County management. Chairperson James suggested the issue be reviewed by the Transportation Task Force.

Commissioner Ahern suggested Commissioner Thornton’s Task Force review the use of corporate air planes and longevity pay.

VII. PUBLIC COMMENT AND DISCUSSION – Time Limit: three (3) minutes per person. No action may be taken on a matter raised under this agenda item until the matter itself has been specifically included on an agenda as an item on which action will be taken.

A. Ronald Dreher, Government Affairs Director, Peace Officers Research Association, commented that SAGE Commission members were good at their businesses, but that a meeting was held with Governor Gibbons yesterday to oppose approximately 95% of the SAGE Commission recommendations due to the fact that a diverse representation of the public sector was not on the SAGE Commission. Chairperson James pointed out SAGE Commission members were appointed by Governor Gibbons and that they were attempting a diverse representation on their Task Forces. He requested that Mr. Dreher consider serving as a volunteer on one of the task forces, which is the forum for public input.

B. Thomas Donaldson, Law Office of Dyer Lawrence, commented that the SAGE Commission has made recommendations to Governor Gibbons before input could be provided from the public sector. He stressed the importance of including input from the public sector to know the impact that recommendations would have on employees and provided contact information of employee associations.

C. Craig Stevens, Nevada State Education Association representing teachers reiterated Mr. Donaldson’s comments about being involved in making recommendations.

VIII. ADJOURNMENT

There being no further business, the meeting adjourned at 2:20 p.m.

Robert Feldman moved to adjourn the meeting. Carole Vilardo seconded the Motion. Motion carried unanimously.