

**SPENDING AND GOVERNMENT EFFICIENCY COMMISSION
(SAGE Commission)**

Thursday, March 26, 2009 – 10:00 a.m.

University of Nevada Reno

Harry J. Reid Engineering Lab – Suite 109-110

1664 North Virginia Street, Reno, Nevada

MINUTES OF MEETING

Present: Bruce James (Chairperson), Barbara Smith Campbell, Robert Feldman, Robert Forbuss, Stephen Greathouse, Steven Hill, Jim Thornton, Carole Vilardo, Jan Jones, Don Ahern, Jerome Snyder, David Goldwater

Absent: Randy Garcia, Howard Putnam

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 10:12 a.m., with a quorum of eight members present. By 11:00 a.m., the following members arrived to form a quorum of twelve members present: Jan Jones, Don Ahern, Jerome Snyder, and David Goldwater. By 2:30 p.m., the following members left the meeting: Carole Vilardo, Steven Hill, Jan Jones, Robert Forbuss, and Stephen Greathouse. A quorum of seven members remained.

II. APPROVAL OF MINUTES FROM FEBRUARY 26, 2009

Barbara Smith Campbell moved to approve the February 26, 2009 meeting minutes. Stephen Greathouse seconded the Motion. Motion carried unanimously.

At this time, it was decided agenda item VI would be heard next.

III. REVIEW OF INDIVIDUAL TASK FORCE ACTION PLANS AND DETERMINATIONS OF SCHEDULING FOR REPORTS TO THE GOVERNOR FOR EACH TASK FORCE (Formerly agenda item VI)

A. Information Technology (IT) – Executive Director Partlow reported task force meetings have been halted due to DoIT staff attention needed by the legislative session, but that task force work would resume on the first of June and would include a staff update that will be distributed to the SAGE Commission for review. Commissioner Vilardo noted the Secretary of State was working on a business portal, Assembly Bill (AB) 146, regarding “one-stop business”. She commented that the Commission should support the Bill. She would e-mail further information.

B. HHS Standardization & Regulatory Issues – Commissioner Vilardo reported the task force recommended establishing policy guidelines for Recommendation 18 regarding fees that would not require statutory change. Deputy Director Comeaux noted this did not need to be included in the March recommendations to the Governor because of the lateness of the recommendation and because the Governor did not include fees in his budget. Commissioner Vilardo read the following excerpt from the suggested policy guidelines:

“A fee is a payment for some special privilege granted or service rendered to a specific group of businesses, organizations, or individuals. A fee should support specific services such as licensure or products to the payer of the fee. Fees should not exceed the cost of the service including reasonable administrative expenses. The use of fee revenue should be carefully analyzed as part of an agency’s regular budget process to determine if the fee charged is

sufficient to cover the cost of the service or product. Fees should not be used to pay for services other than those for which the fee is charged. If a fee produces excess revenue, the amount of fees should be reduced. It should not be used for other governmental purposes.”

At this time, Jan Jones arrived at the meeting.

Chairperson James suggested the task force review statute to determine how to incorporate definition of cost into policy guidelines.

At this time, Jerome Snyder and Don Ahern arrived at the meeting.

C. HHS Mental Health Services – Commissioner Forbuss reported he would provide an update at the next meeting. Chairperson James asked that Health & Human Services Director Mike Willden be asked to attend the next meeting to discuss the proposal for a computerized demonstration project that would determine overpayments or fraudulent payments within the Medicaid program, which may amount to approximately \$20 million a year in recovery to the State.

D. HHS Health Care Systems – Commissioner Greathouse noted a task force meeting was not held this month, but a study was being proposed with possible fundraising efforts from the SAGE Commission to determine which would be more effective: managed care or care management. Chairperson James suggested discussing this issue further at the next SAGE Commission meeting.

Due to the majority of Commission members in attendance at this time, Chairperson James requested item IV be heard next. There were no objections.

IV. REVIEW OF NEVADA DEPARTMENT OF TRANSPORTATION (NDOT) PROPOSALS A (DISTANCE-BASED USER FEE PILOT PROGRAM) AND B (DESIGN/BUILD CONTRACT REGULATIONS) FOR POSSIBLE INCLUSION IN MARCH 31, 2009 REPORT TO THE GOVERNOR

Scott Rawlins, NDOT Deputy Director, reported the National Surface Transportation Infrastructure Finance Commission’s primary recommendation to Congress was to establish a Vehicle Mileage Tax (VMT) to replace the dwindling fuel tax. Nevada agencies have begun to review the proposed tax program and to address privacy issues, equitable fee structure, and institutional administrative structure. A volunteer pilot study and public workshops would also be held to address these issues. Discussion was heard regarding privacy concerns, shared funding for the pilot program, and to include verbiage in the proposal that it would be a volunteer pilot program. Commissioner Forbuss suggested incorporating Las Vegas into the study. Commissioner Feldman pointed out insurance companies have established similar programs to determine insurance rates by vehicle mileage information. Commissioner Hill suggested including commercial vehicles in the study.

Jim Thornton moved to adopt Proposal A as amended. Carole Vilardo seconded the Motion. Motion carried unanimously.

Regarding Proposal B, Mr. Rawlins explained there were two on-going design/build projects including the I-15 North project and that Proposal B would clarify language regarding design/build contracts and reduce the dollar limit to explore further projects. The Commission requested “NRS 408.388” be included in the proposal to clarify the NRS statute in question. Discussion was heard regarding concern about design/build contracts overriding competitive bidding. Due to lack of consensus by the Commission, a recommendation was not made on this item.

At this point, Carole Vilardo left the meeting.

V. REVIEW OF PROPOSAL C TO PROVIDE STATE SUPPORT FOR THE 2010 CENSUS FOR POSSIBLE INCLUSION IN MARCH 31, 2009 REPORT TO THE GOVERNOR

Executive Director Partlow explained the purpose of the census was to have an accurate count of individuals on a national, state, and regional level. With a PowerPoint© presentation, Cathy Illian, U. S. Census Bureau Regional Director, explained the census occurs once every ten years to determine federal funding allocations to states. She commented that the partnership program at the local level would provide a more accurate count of Nevada residents. Dave Byerman, Chief Government Liaison for Nevada, U. S. Department of Commerce, explained the census may garner the State of Nevada another electoral seat; create temporary federal jobs to conduct the census; and generate

more funding for the state. He explained he was in attendance to request the Commission recommend Nevadans make an investment in the State of Nevada to complete a more accurate census at the local level to generate more federal funding allocation and that an undercount could result in a loss of approximately \$15 million per year until the next census. It was discussed that funding for the census was not included in the Governor's budget; each state implements census campaigns at different levels, and that Nevada should implement a campaign on a per capita basis.

Stephen Greathouse moved to approve Proposal C as written. David Goldwater seconded the Motion. Motion carried unanimously.

At approximately 12:10 p.m., Chairperson James called for a lunch break. At 12:40 p.m., the meeting resumed.

VI. REVIEW OF NEVADA DEPARTMENT OF MOTOR VEHICLES (DMV) PROPOSALS D (DMV INSURANCE) E (DMV FEES) AND F (BOOKLETS AND TESTS) FOR POSSIBLE INCLUSION IN MARCH 31, 2009 REPORT TO THE GOVERNOR

Regarding Proposal E, Commissioner Feldman explained the proposal would charge an additional \$2.50 for processing costs of services. Regarding Proposal F, an additional fee would be charged for the number of times an individual has to re-take a driving test and for bulk copies of the test booklets. Regarding Proposal D, Commissioner Feldman explained the proposal would re-instate showing proof of insurance cards when registering vehicles which in turn would reduce the number of uninsured motorist accidents and violations which are currently paid for by the State. Also, Phase 2 of the computerized insurance verification program now being developed by DMV would include the ability to print proof of insurance cards from a secure DMV server, making the information readily available to DMV and law enforcement. Discussion was heard regarding allowing car dealerships to register new vehicles.

Robert Feldman moved to accept Proposal D. Stephen Greathouse seconded the Motion. Motion carried unanimously.

Robert Feldman moved to accept Proposal E. Jim Thornton seconded the Motion. Discussion followed regarding concerns about processing charges in all state agencies. **At the end of the discussion, the motion was revoked and Chairperson James tabled Proposal E for further review.**

Regarding Proposal F, Commissioner Goldwater expressed concern that charging additional fees would be discriminatory against indigent individuals. Discussion followed regarding establishing variable costs for additional driving tests and removing the verbiage "under 65" from the proposal.

Robert Feldman moved to accept Proposal F as amended. Stephen Greathouse seconded the Motion. Motion carried unanimously.

VII. REVIEW OF INDIVIDUAL TASK FORCE ACTION PLANS AND DETERMINATIONS OF SCHEDULING FOR REPORTS TO THE GOVERNOR FOR EACH TASK FORCE (Continued)

E. Personnel – Commissioner Jones reported a meeting was held yesterday and that the following issues were discussed: 1) to restructure personnel departments; 2) to incentivize the use of sick pay; and, 3) to further review SB102 regarding overtime. Chairperson James suggested sick pay be changed to paid time off to allow individuals to determine when personal time off is needed. Discussion followed about establishing performance measures.

F. Dept. of Corrections/Prison Parole Program – Commissioner Ahern mentioned Assembly Bill (AB) 190 would eliminate capital punishment and that the task force would address the issue after the Legislative session concludes. Discussion followed about the pros and cons of keeping Carson City and other inefficient prisons in operation and reviewing privatization of those prisons.

G. Purchasing/Procurement – Commissioner Campbell reported a meeting was not held this month, but that the credit card processing fees issue would be reviewed and reported to the Commission.

H. Real Estate/Public Works Bd./Public Private Partnerships – Commissioner Snyder requested an update from Chairperson James regarding taking inventory of state-owned real estate, as was discussed during the last SAGE meeting. Chairperson James reported Governor Gibbons was talking to private companies on how to complete an

inventory. Commissioner Snyder stated another consideration was renegotiation of state-owned leases. Executive Director Partlow reported three leases have already been reviewed for renegotiation.

I. Nevada Department of Transportation (NDOT) – Commissioner Thornton stated there were no new items to report other than the two issues discussed earlier in the meeting.

J. Budget Process – Commissioner Goldwater suggested the Commission recommend 60-day annual budget sessions as opposed to every two years. He noted the issue was pending before the Legislature. Discussion was heard in favor of the current two-year budget sessions. Commissioner Campbell stated she agreed with Commissioner Goldwater’s suggestion because of the current economic climate. Following discussion, Chairperson James stated this issue needed more in-depth review.

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

L. Additional Areas for Review by Task Forces – There were no additional areas presented for review by task forces.

VIII. PUBLIC COMMENT AND DISCUSSION: Time limit, three 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, and Washoe County Public Attorneys Association, confirmed Commissioner Jones’ statement of progress by the Personnel task force. He reiterated having members of the public employee sector on the Commission and recommended public comment be heard before Commission action was taken on agenda items.

B. Marty Bibb, Executive Director, Retired Public Employees of Nevada, agreed with Mr. Dreher’s comments and stated that today’s meeting was a very productive meeting.

C. Commissioner Campbell reported the Sunset Bill was introduced in the Legislative session this week.

IX. ADJOURNMENT

There being no further business, the meeting adjourned at 2:35 p.m.

David Goldwater moved to adjourn the meeting. Don Ahern seconded the Motion. Motion carried unanimously.