

SPENDING AND GOVERNMENT EFFICIENCY (SAGE) COMMISSION
Thursday, May 28, 2009 – 10:00 a.m.
University of Nevada Reno
Harry J. Reid Engineering Lab – Suite 109-110
1664 North Virginia Street, Reno, Nevada

NON-MEETING NOTES

- Present:** Bruce James, Barbara Campbell, Robert Feldman, David Goldwater, Stephen Greathouse, Howard Putnam, Jim Thornton
- Absent:** Don Ahern, Robert Forbuss, Randy Garcia, Steven Hill, Jan Jones, Jerome Snyder, Carole Vilardo
- Also present:** Frank Partlow (Executive Director), Perry Comeaux (Deputy Director), Suzanne Kilgore (General Manager), Pamela Fox (to take notes)

Bruce James called the session to order at 10:15 a.m. He announced today's discussion would be an informal information session of the SAGE Commission due to the lack of a quorum. Roll call was heard and it was confirmed a quorum was not present. Mr. James noted those individuals not in attendance were attending the Legislative session in Carson City and that Jerome Snyder sent his apologies for not being in attendance due to a personal matter that needed his attention. Mr. James explained Eric Herzik was asked to present information at today's discussion regarding the structure of Nevada Government, which may help in determining the future work of the SAGE Commission. David Goldwater would also make a presentation regarding his research on the budget process of Nevada Government.

Analysis and Evaluation of Nevada State Government Development, Current Structure and Forward Process – Executive Director Frank Partlow formally introduced Eric Herzik, Professor and Chair, Department of Political Science, UNR. Mr. Herzik distributed and reviewed the "Analysis and Evaluation of Nevada's State Government Development, Current Structure and Forward Progress" handout. He explained government was not designed to be run like a business due to the separation of powers and the checks and balance system in place. Government growth or change requires a change in government operation. A copy of Nevada's organizational structure was distributed and reviewed. Mr. Herzik stated Nevada was not unique when compared to other states regarding the number of Boards and Commissions extant. Nevada Boards and Commissions were required under Nevada Revised Statutes (NRS) and could only be removed by Legislative action. Public agencies differed from the private sector in that the need for a public agency was determined by the need for the service provided rather than revenue generated. Public agencies also run in a multiple value environment, including efficiency, neutrality, accountability, equity, and representativeness. A lengthy discussion followed regarding the inefficiency of the current employee evaluation system. Mr. Herzik reviewed the key differences that shape governmental services and provided several examples on how key differences make governmental services inefficient. He explained there was considerable public pressure to provide even more services without having to pay for them and that the biggest problem bureaucrats and agencies face is too many rules. He contrasted the incentives of legislators (reelection) with those in government administration (not taking risks or making mistakes). Discussion followed about liberating government in order to become more efficient and the current authority of the Legislature.

At 12:05 p.m., Mr. James called for a short lunch break. At 12:12 p.m., the meeting resumed.

Budget Process Task Force Report – David Goldwater reviewed the Pew Study for the State of Nevada. He reported Nevada was not a good communicator when compared to other states. With a PowerPoint© presentation, Mr. Goldwater reviewed the budget process and explained the Task Force is seeking realistic recommendations that take into account constitutional limitations. In case of a Governor veto of the budget, the Legislature had two choices: 1) override the Governor’s veto or 2) submit a new, balanced budget that funds education. Discussion was heard regarding Mr. Goldwater’s suggested budget process issues to be discussed further at a future SAGE meeting for possible recommendations to the Governor:

- Preparation of a Legislative budget
- Line-item veto power to the Governor
- Interim 60-day budget sessions to eliminate 75% of special sessions, reduce the need for Interim Finance Committee (IFC) action; and improve the accuracy of Economic Forum reports by using more predictable time frames.
- Setting threshold numbers for IFC that are more appropriate to today’s budget totals.
- Implementation of moving five-year percentage averages for reversions
- Offer program budgeting or line-item budgeting
- Have more of a budget planning process within state entities by using performance indicators and technology
- Creating ownership of the budget within an agency through the planning process
- Allowing State managers control over such issues as salaries, promotions, and the creation or abolishment of positions
- The adoption of an E-Procurement system
- Flexibility of reporting
- Review of State employee succession planning
- Management and ethics training for state personnel
- Advice and Consent on appointees for major state positions
- An interim study to examine the Public Works Board process
- Budgets for any major IT project to include money for a dedicated Project Manager
- Cross training of State employees
- Internal Audit guidelines reviewed for consistency
- Fundamental review of base budget
- Defining “core” services

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. Tony Munoz, Owner, Blue Streak Business Solutions, stated he recently retired from the Air Force and that he had been tasked with completing strategic transformation of the Air Force for the past six years. He commented that the government was an autocratic system that would be difficult to transform and that the first step in the transformation was to determine the desired outcome.

The session ended at 2:20 p.m.