

**MINUTES OF THE
JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT AND ACCOUNTABILITY
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-fifth Session
March 30, 2009**

The Joint Subcommittee on General Government and Accountability of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Steven A. Horsford at 8:34 a.m. on Monday, March 30, 2009, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Steven A. Horsford, Chair
Senator Joyce Woodhouse
Senator Dean A. Rhoads
Senator Warren B. Hardy II

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Mo Denis, Chair
Assemblywoman Kathy McClain, Vice Chair
Assemblyman Marcus Conklin
Assemblyman Pete Goicoechea
Assemblyman Joseph M. Hogan
Assemblywoman Ellen Koivisto

STAFF MEMBERS PRESENT:

Steven J. Abba, Principal Deputy Fiscal Analyst
Brian M. Burke, Principal Deputy Fiscal Analyst
Rick Combs, Senior Program Analyst
Lynn Hendricks, Committee Secretary

OTHERS PRESENT:

Michael E. Skaggs, Executive Director, Nevada Commission on Economic Development, Division of Economic Development
Andrew Clinger, Director, Department of Administration
Stephen C. Woodbury, Chief Deputy, Nevada Commission on Tourism, Division of Tourism
Brian K. Krolicki, Lieutenant Governor, Office of the Lieutenant Governor

CHAIR HORSFORD:

We will start with the budget for the Nevada Commission on Economic Development (NCED).

COMMERCE AND INDUSTRY

ECONOMIC DEVELOPMENT AND TOURISM

Economic Development - Commission on Economic Dev – Budget Page ECON
DEV & TOURISM-1 (Volume II)
Budget Account 101-1526

STEVEN J. ABBA (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The first issue to be considered by the Subcommittee involves the Governor's recommendation to merge the NCED with the Nevada Commission on Tourism (NCOT). Information the Subcommittee has received indicates there are few efficiencies and synergies to be gained by the merger. In addition, there are few savings to be realized through the merger. For the NCED, the savings amount to approximately \$98,000 over the biennium from the elimination of a clerical position and reduced leasing costs for office space if the two agencies are colocated. The savings in the NCOT's budget will result from the elimination of the executive director position and savings from the colocation of the two agencies. There are also additional one-time costs for both agencies. For the NCED, that involves Web design work, new brochures and printing. For the NCOT, one-time costs include a new telephone system, new computer equipment and new furnishings.

If the Subcommittee wishes to decouple the merger, it would require additional General Fund money of approximately \$129,000 in fiscal year (FY) 2009-2010 and \$271,000 in FY 2010-2011. Funds would be split between the NCED and the NCOT budgets and would involve the restoration of a half-time clerical position and rent costs in the NCED, and restoration of the executive director position and rent costs in the NCOT.

SENATOR HARDY:

Previous testimony on this issue convinced me that these agencies have two separate missions. We need both agencies to succeed, particularly in these dire economic times. I would hate to see them go through any kind of a merger, with the resultant growing pains, when we need them so desperately. One of the reasons we are always able to pull out of recessions faster than the rest of the country is that a Nevada vacation is a great bargain. We need these agencies to be able to function well right now. I would oppose a merger.

SENATOR RHOADS:

Will the rural grant programs be put back in if we decouple the merger?

MR. ABBA:

Whether the agencies merge or not, there is funding for the development authorities. There is an issue we will discuss a little later regarding the funding for the urban, rural and intercity development authorities.

ASSEMBLYMAN GOICOECHEA:

The merger would only save approximately \$400,000. If you look at that figure versus the big picture, I do not think a merger makes sense. The savings are not big enough. I would support decoupling the merger.

CHAIR HORSFORD:

This merger was originally proposed because of the possibility of long-term savings. Based on the separate functions and roles of the two agencies, the

benefit of their current effect on the economy is much greater than any potential savings produced by a merger.

ASSEMBLYMAN HOGAN:

As we look at agencies threatened with serious reductions or closures, one thing we need to consider is the current condition of those programs, including the level of intensity and management's awareness of what needs to be done. These two agencies are currently as effective as I have ever seen, with energetic leadership and a lot of new ideas. They are right on the edge of important breakthroughs and accomplishments. It would be tragic to sacrifice the high-caliber operations we have here for a relatively small savings. We should not engage in this destructive merger.

CHAIR HORSFORD:

It seems clear the Subcommittee's desire is to not merge the two agencies.

MR. ABBA:

We will work closely with both Commissions to determine if the costs we determined must be added back can be reduced.

The next issue pertains to staffing in the NCED.

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The Governor recommends eliminating the Deputy Director position in the NCED for a General Fund savings of approximately \$113,000 in each year of the biennium. This position is the southern manager for the NCED. It oversees the Las Vegas office of the NCED and the Nevada Film Office and is also the lead person in the NCED's efforts to attract more foreign investment to Nevada and to work with corporations in Nevada to export goods to foreign countries. The *Executive Budget* indicates if the merger is approved, this position should be added back. It is our thought that this position was eliminated as a budget target that has nothing to do with the merger. Eliminating the position would create some serious difficulties for the agency in operating the southern Nevada office. Based on the information we have received, we recommend this position be added back to the organization. Staff have identified some savings that would offset the majority of costs of adding back this position. The options for the Subcommittee today are to approve the Governor's recommendation to eliminate the position for a savings of \$113,000 each fiscal year, or to restore the position at that cost using some of the potential savings we will identify later.

SENATOR RHOADS:

We should save the position. If southern Nevada ever needed to attract tourism and economic development, now is the time.

CHAIR DENIS:

I agree we need to have a deputy director in southern Nevada. It is a key role. Staff have identified some adjustments that could offset the difference. My preference would be to restore the position and make adjustments, such as to the Train Employees Now (TEN) program.

CHAIR HORSFORD:

It is hard to make some of these decisions without looking at the whole picture. With some better alignment and partnership between the NCED and the Department of Employment, Training and Rehabilitation (DETR), proper utilization of funds from the American Recovery and Rehabilitation Act of 2009 (ARRA) and some more strategic approaches, we can make some of this happen. It has to happen according to plan or the money will not be there. It sounds like the Subcommittee is moving toward restoring the deputy director position and making adjustments elsewhere to offset it.

MR. ABBA:

The next matter before the Subcommittee involves the Governor's recommendation to eliminate three existing and filled positions in the NCED's budget for a General Fund savings of approximately \$182,000 in FY 2009-2010 and \$200,000 in FY 2010-2011.

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The positions are two grants and projects analysts, one in Las Vegas and one in Carson City, and an administrative assistant IV in Las Vegas. The analyst in Las Vegas serves as the NCED's chief of protocol and global trade representative. The analyst in Carson City provides client services and works with different businesses in the north and is also responsible for administering the "Made in Nevada" program. The administrative assistant is the office manager for the NCED's southern office.

The NCED did not include adding back these positions as one of their top three priorities. Eliminating these positions would create problems, but the NCED has a plan to redistribute duties within the organization. For example, overseeing the "Made in Nevada" program would be reassigned to an incumbent in a position that is not being eliminated who was formerly responsible for this program. The NCED feels it can make do if these positions are eliminated. They did request, however, that if the analyst position in Las Vegas is eliminated, they receive a one-time allocation for contract services to allow the incumbent to provide training for a year. The cost of that contract is estimated at \$50,000. We would like to work with the NCED on determining that amount.

The options are to approve the Governor's recommendation to eliminate the three positions, at a savings of \$182,000 in FY 2009-2010 and \$200,000 in FY 2010-2011; to eliminate the positions and add a one-time allocation of \$50,000 for contract services; or to retain the Las Vegas analyst and eliminate the other two positions, at a savings of \$114,000 in FY 2009-2010 and \$131,000 in FY 2010-2011.

CHAIR HORSFORD:

I wonder if there would be a way to roll some of the key functions of these positions over to the deputy director positions.

SENATOR HARDY:

My main concern with these three positions is protocol. Having lived in China for three years, I am aware of the need to stay on top of those issues. You hear horror stories about businesses that make mistakes in cultural protocol. I am

assuming that is part of what the contract training will cover, but I am not sure that is enough. This is something you have to keep up with. Are you comfortable with that part of it?

MICHAEL E. SKAGGS (Executive Director, Nevada Commission on Economic Development, Division of Economic Development):

I am comfortable with that. It is a difference of about \$20,000 over keeping a full-time equivalent (FTE) position. In trying to be a good steward of these funds, I chose the route that seemed the most efficient, and I feel I can do it with contract services.

SENATOR HARDY:

I understand we have tough choices to make. However, these two agencies are critical to our recovery. My preference would be to keep the Las Vegas analyst position and eliminate the other two. Those responsibilities are critical. A year's training may be enough, but it is a big risk.

ASSEMBLYWOMAN MCCLAIN:

I am less concerned about the Las Vegas analyst position than I am with the one working with people in Nevada. Can the deputy director we are restoring take over some of the protocol and trade representative duties? That would let us keep the analyst for in-state grants and trade shows.

MR. SKAGGS:

The deputy director can take some of those duties, but the position is being run at maximum right now. It would be difficult to load much more onto that position. If we lose the Carson City analyst position, the person who used to be in the position is on staff in Carson City and could pick up those duties fairly easily.

CHAIR HORSFORD:

I thought there was another position in State government that also addressed protocol issues. I understand this position also covers global trade, but are there special duties with this position that makes it unique?

MR. SKAGGS:

This is the only protocol officer the State has. I believe at one time it was attached to the Governor's Office. It has been in the NCED for about ten years. The FTE I have in global trade is an export specialist who works with companies that export, so the duties are quite different.

CHAIR HORSFORD:

We do not want to micromanage this. We would like to give you direction and have you come back to us at budget closing and lay out what functions can be rolled into the deputy director position. We would like to preserve the grants analyst and chief protocol functions. I am not sure about the wisdom of using a contract rather than keeping the person on staff as an FTE.

SENATOR HARDY:

You have articulated my objections. I do not have any difficulty if Mr. Skaggs thinks we can do this, but I would need to have a level of comfort that protocol issues are being covered long-term with somebody keeping up with cultural

issues. I do not want that to slip because irreparable damage can be done to relationships between countries when we do not understand their culture as we should.

ASSEMBLYWOMAN McCLAIN:

Your third option seems to indicate that if we eliminate two of the three existing positions, it changes the savings from \$199,000 to \$181,000. Is that correct?

MR. ABBA:

Option three would eliminate two positions, the Carson City analyst and the administrative assistant in Las Vegas, and retain the chief of protocol/global trade representative. If you restore that position, it would reduce the overall savings the Governor recommended by eliminating all three positions. It reflects the amount of reduced savings that would be realized.

ASSEMBLYWOMAN McCLAIN:

If you saved all three positions, would it cost \$18,000?

MR. ABBA:

No. If you restored all three there would be no savings. Roughly \$182,000 in FY 2009-2010 would not be saved, and roughly \$200,000 in FY 2010-2011 would not be saved.

SENATOR HARDY:

I propose we approve the Governor's recommendation to eliminate all three positions and ask the NCED to come back with more specific details on how they would divide up those responsibilities. Mr. Skaggs seems confident he can take care of those responsibilities, but I would like to hear details from him as to how all those duties would be performed. Alternatively, we might keep the Las Vegas analyst position and tackle the problem that way.

MR. ABBA:

If there is an appetite for maintaining this function, we would recommend either losing all three positions and allocating \$50,000 for a training contract or keeping the Las Vegas analyst position and eliminating the other two positions.

SENATOR HARDY:

I am potentially comfortable with both options. However, what sometimes happens with contracts is they fill the position for a year and do some cursory training. I want to know the easiest way, from the staff's perspective, to shift direction based on the information we get back from the NCED.

SENATOR RHOADS:

I suggest we eliminate all three positions and allocate money for a contract. That would seem to be the option Mr. Skaggs would prefer, and he knows the activities of the NCED better than we do.

ASSEMBLYMAN CONKLIN:

I am comfortable either way. The difference between keeping the Las Vegas analyst and eliminating all three positions while doing a training contract is \$10,000 a year. Is that right?

CHAIR HORSFORD:

It is also contract versus position.

ASSEMBLYMAN CONKLIN:

My concern with [option] two—and I'm certainly willing to go along with it, but I just want to make sure it's on the record—is a lot of the times when we move from a full-time employee to a contract, there's a lot of wiggle room in how much work gets done under that contract. And I just—you see it all the time. Somebody leaves, they're making a, you know, base salary of X, and then they go on contract, they make, under the contract, X plus 20 percent, and there's a lack of control that we would typically have when the person's a full-time employee. Of course, you have other responsibilities when they're a full-time employee. You have long-term liability. With a contract, you can terminate any time. I just want to make certain if we choose to go the contract route that we make it clear that there are certain safeguards that we want in place, that we get our money's worth. As, you know, I think it was ... Senator Hardy that was just talking about things, you know, sometimes it's just a cursory training and so on and so forth. I just want to make sure we have the safeguards in place if we choose option number two.

CHAIR HORSFORD:

It appears the consensus is to keep the Las Vegas analyst and eliminate the other two positions. I would like to ask Mr. Skaggs to bring us back a reorganization plan at the budget closing, with an explanation of how the functions for the grants and projects analyst and the chief of protocol would be handled. I would be reluctant to agree to a contract without clear specificity as to the scope of the work. Unless you tell us this is the best way to do it and give us specific, measurable details as to how it would work, we will probably not support the contract option. The deputy director position needs to be beefed up. These are difficult times, and people are having to take on more responsibilities. Whatever you can add to that person's position to fill some of these obligations would be important.

MR. SKAGGS:

I understand and will bring you that information. One thing that makes this position unique is that its function is to create a network with all the counselor offices. It is this personal network that is difficult to replace. That is why we were trying to find some way to save that capability for a period of time. I will bring back two different plans to do that.

CHAIR HORSFORD:

We have to be careful during times when we are reducing staff. If that function is important, particularly with the international role, we should be cultivating talent in that area. If only one person can do this, it is not a good position to cut.

Let us move on to the regional development authorities.

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E-664 Program Reductions/Reductions to Services – Page ECON DEV &
TOURISM-6

MR. ABBA:

The next issue involves the Governor's recommendation to continue funding for the urban, rural and inner city development authorities but at a reduced level. The amount recommended is \$2,842,000 annually. This is a reduction of \$653,000 from the amount approved during the 74th Legislative Session.

I have compared the Governor's funding recommendation for the development authorities for the 2009-2011 biennium to the amounts approved by the Legislature for the 2007-2009 biennium. What the Governor is recommending in FY 2010-2011 is actually a higher amount than the budget reductions. It should also be noted that the rural development authorities (RDAs) are taking a proportionally larger reduction in terms of the grants that are recommended, a 30-percent reduction compared to 14 percent for the other development authorities. Having said that, the NCED has cited as their number two priority is adding \$100,000 to the RDAs if funding is available to lessen the blow reflected in these tables.

The first option for the Subcommittee to consider is to adopt the Governor's recommendation to provide \$2,842,000 each fiscal year. The second option is to redistribute \$100,000 recommended for the urban development authorities, specifically the Nevada Development Authority (NDA) and Economic Development Authority of Western Nevada (EDAWN), to the RDAs on a proportional basis. That would provide the RDAs \$795,000 each fiscal year. This gives them \$200,000 more than their base operating level. It gives the executive director the ability to provide the RDAs \$200,000 in supplemental grant funding. Mr. Skaggs has passed this information on to the RDAs. I cannot say it has met with their approval, but they understand it. I have listed this as one of the options for consideration.

ASSEMBLYWOMAN MCCLAIN:

If we change the reduction of the RDAs to the same 14.1 percent as the other development authorities, what would that get them?

MR. ABBA:

If we give them \$100,000, it changes their reduction from 30 percent to approximately 20 percent. If you want to stay within the pool of funding recommended by the Governor, you would need to redistribute approximately \$50,000 from the urban development authorities to the RDAs.

ASSEMBLYWOMAN MCCLAIN:

What if I do not care about staying within the pool?

MR. ABBA:

The difference between what the Legislature approved for FY 2008-2009 and the Governor's recommendation is \$653,000. If you want to go that route, you would have to add \$653,000 each fiscal year to this budget.

ASSEMBLYWOMAN MCCLAIN:

I am trying to even the percentage of cuts across all four development authorities. It would not be a lot of money, but it would be more equitable.

ASSEMBLYMAN GOICOECHEA:

It looks like it would make them all come out close to 20 percent, with \$100,000 to the RDAs and an additional \$50,000 from the EDAWN and the NDA.

ASSEMBLYWOMAN MCCLAIN:

Let me restate my question. In order to get all four reduced by 14 percent, what money would it take?

MR. ABBA:

It would take an additional \$159,000 for each year of the biennium.

SENATOR HARDY:

I would support giving the RDAs \$100,000 from the EDAWN and the NDA. That makes it more equitable but does not require an add back.

SENATOR RHOADS:

I feel comfortable with that option as well. That is fair.

CHAIR HORSFORD:

Has that \$100,000 figure been fine-tuned? I would like to start lower and see what they are going to get with it. The rural communities deserve to have money for grants, but without an explanation of where the \$100,000 comes from, it is unwarranted.

MR. SKAGGS:

The additional \$100,000 was based on trying to level the playing field and get somewhere close to the amount of the reduction they all experienced in this budget. I am also concerned that moving this \$100,000 to the RDAs and having \$200,000 for supplemental grants allows me to work a little closer on targeting areas of high unemployment, primarily in the Carson City area. In previous testimony, I stated that what is driving this budget category is the high unemployment in Las Vegas, Reno and Carson City. This allows me to deal with that situation effectively.

CHAIR HORSFORD:

I appreciate the information you provided the Committee; however, it did not include what type of sectors there are throughout the state. My concern has always been the strategic initiatives between economic development and workforce development and who is doing what. Your role is not to fix unemployment. Your job is to help create industry, and that ultimately leads to employment. We cannot have multiple agencies creating the same thing.

Is the \$100,000 figure the right number? You are saying you based it on equity, but I want to know what we are getting for that amount. If we do not have a plan for that, can we start with a lower number? Now that you know the number, you are going to tell me how you can spend it. I do not think that is right.

ASSEMBLYMAN CONKLIN:

I cannot support Option 2 in good faith. I am not sure it is the dollar amount. There is no doubt the RDAs need economic development, but dollar for dollar, the return on your economic development expenditure is far overshadowed in Clark County and in Washoe. Those are the communities suffering the most. Others have unemployment, but traditionally they have higher unemployment to begin with, so the actual unemployment shift they are suffering is smaller than we have in our economic drivers. The money you spend in Clark and Washoe Counties for economic development returns faster because they are our economic centers. Businesses that come to Nevada consider those two places first. It would not necessarily be prudent to cut the larger portion of money from the two urban counties to give to the rural counties, since we are limited in funds to begin with.

MR. SKAGGS:

As Chair Horsford said, we are in the business of growing business to create jobs. In Las Vegas, there are 106,000 people out of work. In Reno, it is slightly less than 25,000, and in Carson City it is 10,000. I am trying to make the budget apply to those areas where the most people need jobs to be created.

ASSEMBLYMAN CONKLIN:

I cannot support Option 2.

CHAIR HORSFORD:

I hear the comment that the majority of the unemployment is in the two largest counties. However, it is in two primary sectors: hospitality and construction. The NCED is not supposed to focus on hospitality. Other than creating new industries in those sectors, how are you going to get those people back to work? That is where we need a more level playing field. It is harder to create jobs in under-served communities. We have under-served urban areas too, and the Valley Center Opportunity Zone was created to help that problem. But we have to be careful about mission creep. It is not the NCED's role to help the majority of the people who are unemployed in hospitality, other than to help create new industries where those individuals could choose to work.

ASSEMBLYMAN GOICOECHEA:

I want to make sure we are not missing a point here. The highest unemployment in the State is in Lyon County. We cannot compare the 106,000 unemployed people in Clark County to the 3,000 unemployed people in Lyon County. We are talking about jobs across the state. If we can put people to work in Fernley, it helps Reno. If you bring an industry into Lincoln County, it helps Clark County. We need that. Option 2 spreads out the money a little, and it helps all of Nevada.

SENATOR HARDY:

I appreciate Assemblyman Conklin's concerns and do not disagree with them. Some of our greatest successes in Nevada have been in some of the rural areas. That is a long-term, ongoing need, and I agree that we are in crisis mode right now to try to keep things afloat. I do not want to see us move away from what we are doing with the RDAs. I agree with Chair Horsford that we need to have a clear picture of how the money is going to be used. I would support Option 2 with that caveat.

CHAIR HORSFORD:

I will lean on the side of the RDA and go with Option 2, with recognition of the concerns of Assemblyman Conklin. Mr. Skaggs, please bring back a very specific plan at budget closing explaining how the \$100,000 would be utilized. As we proceed throughout the Legislative Session and in the interim, I would also like to hear more about how those dollars are being worked with those local regional authorities around diversification.

MR. SKAGGS:

I will do that. I have prepared a packet of information about the work of the development authorities ([Exhibit C](#), original is on file in the Research Library). The last page of [Exhibit C](#) is a map showing economic status of each county in Nevada, including major employers, target industries and unemployment rates.

CHAIR HORSFORD:

I appreciate this is a first effort, but I was looking for a lot more specificity.

MR. ABBA:

In the next issue, the Governor recommends reducing General Fund support for the TEN program from \$500,000 to \$300,000 for each fiscal year.

E-663 Program Reductions/Reductions to Services – Page ECON DEV & TOURISM-5

The TEN program is designed to provide workforce opportunities and increase the skills of Nevada workers. It is an intensive short-term job-training program to which monies are granted and administered by the university and community college system for each approved project. Funds are only available for transferable skills training, and the training provided must be completed within 180 days of approval by the NCED. The company participating in the TEN program must provide at least 25 percent of the eligible costs.

At a previous hearing, Mr. Skaggs indicated the NCED and the Employment Security Division (ESD) have entered into a cooperative agreement to expand training opportunities using funding from the ESD via the TEN program. The money from the ESD is not General Fund money and would be \$500,000 for each fiscal year. Because of this additional funding, there is an opportunity to reduce some of the General Fund allocation for the TEN program by \$100,000 or more. That \$100,000 could then be reallocated to some of the areas restored in the *Executive Budget*, such as the deputy director position or the cost of decoupling the merger.

The decision to be made is whether to approve the Governor's recommendation to reduce the General Fund allocation for the TEN program by \$100,000 or more and reallocate that money to offset some of the other restoration costs in this budget. Since there is an additional \$500,000 in each fiscal year from the ESD, the actual funding level would be greater than the historical level of \$500,000. If you wish to have Mr. Skaggs go over the cooperative effort, you could do that as well.

CHAIR HORSFORD:

Mr. Skaggs, could you give us some input on your plan with the DETR? How much more can we do so we can break even on some of this?

MR. SKAGGS:

The agreement with the DETR uses claimant employee program funds because of the need for training as jobs are created. I asked the director of the DETR to give me a current status report because the fund is being drawn down by unemployment claims. He is currently comfortable that he could provide \$500,000 a year. We would start FY 2009-2010 with \$250,000 and determine if the other \$250,000 will become available to us later in 2010. Mr. Mosley is comfortable it will be, so we could replace the TEN funds shown in this budget.

CHAIR DENIS:

It would be my preference to use ARRA funds to zero this out. We need to find ways to put money back in for some of the other things we are adding back.

CHAIR HORSFORD:

I agree. The DETR stimulus funds are coming to the Interim Finance Committee on Friday, so we can put some of this on the record at that time. This is a way for us to zero out the add backs we were just discussing by being more strategic both with the one-shot funds from the ARRA and some of the money the DETR manages on an annual basis. My direction would be to get all of it from that source to the extent possible, and we will support you in that effort when the DETR budget comes up.

MR. SKAGGS:

I understand, and thank you.

MR. ABBA:

The next issue concerns the Governor's recommendation that the NCED's marketing and advertising budget be reduced by over 50 percent, from approximately \$500,000, as legislatively approved in each fiscal year of the 2007-2009 biennium, to \$243,000 in FY 2009-2010 and \$222,000 in FY 2010-2011.

E-665 Program Reductions/Reductions to Services – Page ECON DEV & TOURISM-6

The NCED uses funds for marketing and advertising for promotional activities designed to position Nevada as a pro-business state aimed at attracting well-financed small- and medium-sized companies that pay above-average wages. They use a number of media, including print, Internet, direct mail and trade shows. Because of budget reductions for FY 2008-2009, the NCED has suspended all advertising activities. They have to partner with other agencies to go to trade shows because they do not have the funding to do trade shows on their own.

The NCED's number 3 priority, if funding is available, is to restore up to \$200,000 to their marketing and advertising budget. They have given us examples of how they would use these funds ranging in cost from \$106,000 to

\$158,000. We received these examples on Friday, so any questions about them should go to Mr. Skaggs.

The Subcommittee's options are to approve the Governor's recommendation to reduce marketing and advertising funds by 50 percent, or to increase marketing and advertising up to \$200,000 in each fiscal year to give the NCED more flexibility to do advertising campaigns.

CHAIR HORSFORD:

This one is problematic because the focus on marketing is different from the NCOT. What is it you use marketing for? Do we have any data that supports the types of industries you have been able to recruit based on the advertising and marketing you have done in the past? Is this something we can do without, based on the Governor's recommendation?

MR. SKAGGS:

Our marketing plan, [Exhibit C](#), has performance measures, and we expect this plan to produce approximately 3,400 jobs that exceed Nevada's average wage of \$20 an hour. We are relying on two major strategies: public relations and trade shows. Because of our emphasis on renewable energy, trade shows are one of the more productive vehicles for us to find companies that we talk to about coming to Nevada. It has been amazing how much higher the deal flow is from these renewable energy trade shows. We have attended two in the last two months, both of them in Nevada; the first show produced 125 qualified leads, and the second show produced 70. We had to go into those shows using a booth loaned by NV Energy, and we helped pay part of the fee for the booth space but took our own collateral. We are relying on these partners so we can bring our development authorities to the table. I want to increase our participation to six shows a year because they are so productive. Around each trade show, I run a public relations campaign. In the last show, we were able to pick up coverage on NBC, CBS, MSNBC and Korean television because renewable energy is a hot agenda. Public relations for us consists of planting story ideas with reporters and helping them find a story of note, and that is working much better for us than traditional advertising.

The \$158,000 campaign, described on page 12 of [Exhibit C](#), is called "Influencing Key Business Decision-Makers." An example we have referred to in previous hearings of the Subcommittee is the California campaign. We use database information to find companies with an appetite to move to Nevada. We are looking at such things as growth in sales of at least 35 percent so they need additional production space. We have a campaign like this under way right now, but we do not have enough bounce-back from that yet to tell you what traction that campaign is getting.

CHAIR DENIS:

If we only did trade shows for renewable energy, what would be the cost?

MR. SKAGGS:

That would be \$127,000 for each year of the biennium.

CHAIR HORSFORD:

My issue with that idea is we are having a discussion this Legislative Session regarding the proper agency within State government to address renewable energy. This is an area where there might be duplication. We have the Energy Office, and there is a proposal to create an Energy Commission. They are the ones creating the strategic plan on renewable energy. The NCED should be supporting that plan, not creating or promoting its own. I would support not restoring the marketing budget. I do not consider it essential, based on the other priorities we have heard this morning.

CHAIR DENIS:

Reducing the marketing budget by 50 percent would still leave enough money to allow the NCED to do some trade shows. I would support that.

MR. ABBA:

The next issue deals with the Nevada Film Office (NFO).

Economic Development - Nevada Film Office – Budget Page ECON DEV & TOURISM-10 (Volume II)
Budget Account 101-1527

There was a funding problem for the NFO. Currently, the NFO is funded with a transfer of room-tax revenue from the NCOT. The Governor's recommendation for the NCOT is to deposit room-tax monies into the General Fund, and the NCOT is funded from the General Funds. However, the NCOT's funding is still reflected in the *Executive Budget* as room-tax revenues. There is basically a hole in the budget of approximately \$720,000 in FY 2009-2010 and \$724,000 in FY 2010-2011, or \$1.4 million over the biennium. Last night, our office received a budget amendment from the Budget Office indicating there is a funding problem with the NFO. They recommended the NFO be continued and funded with General Fund monies in the amounts I mentioned.

The options for the Subcommittee are whether to continue funding the NFO, and, if so, whether to fund it with General Fund monies in the amount of \$1.4 million over the biennium.

CHAIR HORSFORD:

Mr. Clinger, could you come to the table? We would like to get a statement on the record to say you will be submitting a formal amendment on this.

ANDREW CLINGER (Director, Department of Administration):

We sent over a formal amendment on Friday that would replace the room-tax transfers with General Fund appropriations in both fiscal years of the biennium.

CHAIR HORSFORD:

Did you identify a revenue source for that General Fund appropriation?

MR. CLINGER:

We have sent over budget amendments that produce a small net savings even with this addition.

SENATOR HARDY:

We need to see where those offsets are. We have heard this before, and we need to track it more carefully. Surely the Governor's Office has specifics in mind that we could review.

MR. ABBA:

We have received a number of amendments to the *Executive Budget* and are tracking them in our office. I can make those available to the Subcommittee as well. Since we received this amendment late, I do not know what the bottom line is at the moment.

SENATOR HARDY:

It does not need to be done now. I want to be sure we are verifying those statements as they are made and staying on track.

MR. CLINGER:

I would be happy to provide a briefing to the Subcommittee. We have a list that totals all the changes. I did not bring it today but can do so whenever you wish.

CHAIR DENIS:

Have you compared your list with the list in the Fiscal Division?

MR. ABBA:

We maintain that list with the bottom-line totals for each amendment we receive.

CHAIR DENIS:

We have a list, and they have a list. Are we comparing the two lists?

MR. ABBA:

It is the same list. We receive budget amendments directly from the Budget Division electronically.

CHAIR HORSFORD:

In that case, there is nothing we need to do on this issue because they have submitted it. We will review it and make sure it covers the expenses proposed.

MR. ABBA:

Correct. At closing, we will bring documents that restore the NFO in these amounts. The only decision related to this budget is the next item.

E-610 Staffing and Operating Reductions – Page ECON DEV & TOURISM-12

The *Executive Budget* eliminates an existing and filled associate film position as a budget-reduction measure. The savings is approximately \$85,000 in FY 2009-2010 and \$85,000 in FY 2010-2011. The NCED has not marked this position as essential to be added back, though it would be nice to have it restored. The position is responsible for press-related activities within the office in Las Vegas and also administers the Nevada Screenplay Competition. If the position were restored, there would be a need for additional General Funds to restore the NFO overall.

The options for the Subcommittee are to either approve the Governor's recommendation to eliminate the position or restore it.

SENATOR RHOADS:

This is a position we could eliminate, given the NFO's assertion that they could spread the workload among remaining staff.

SENATOR HARDY:

I agree with Senator Rhoads. There was something in the Executive Director's comments that caused me a little consternation, though. It says if we approve this that the position will be able to be redistributed among remaining staff, but that we will not be as responsive to industry requests and the community education and outreach—Community education and outreach I understand; that is something that we, you know, that's good if we can do, et cetera, et cetera. But boy, we've got to be responsive to the industry requests. Isn't that what the Office does? I mean, what else does the Office do except respond to industry opportunities and requests? So I'm hoping that was taken out of context or a misstatement, because I want it very clear on the record that that's why the Office exists.

MR. SKAGGS:

Exactly. That was from another job description, and I apologize for the mistake. This job coordinates the Nevada Screenplay Competition. Responding to industry is still and will be our first priority.

CHAIR HORSFORD:

Are there any further comments or questions regarding the NCED? If not, we will move on to issues regarding the NCOT.

Tourism - Tourism Development Fund – Budget Page ECON DEV &
TOURISM-27 (Volume II)
Budget Account 225-1522

RICK COMBS (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There are two items here for the NCOT. The first has to do with the Governor's recommendation to replace the room-tax revenues that currently fund the NCOT's operating budget with General Fund appropriations and deposit room-tax revenues to the General Fund. Based on the expenditure levels recommended in the *Executive Budget* for the NCOT and General Fund adds made in various State agency budgets that currently receive room-tax revenue, the net benefit to the General Fund is approximately \$8.9 million in FY 2009-2010 and \$9.5 million in FY 2010-2011, for a total of about \$18.4 million over the biennium.

The room-tax revenue projected in the *Executive Budget* was \$17.7 million in FY 2009-2010 and \$18.7 million in FY 2010-2011. However, room-tax collections have continued to decline. The NCOT is currently projecting \$15.7 million in FY 2009-2010 and \$16.3 million in FY 2010-2011. Over the biennium, that is a reduction of about \$4.4 million, a budgetary hole that needs

to be filled before any add backs are considered. In a previous Subcommittee hearing, we heard testimony indicating a desire to have room-tax revenues given back to the NCOT. If you do that, \$18.4 million will have to be made up to the General Fund over the biennium. This is an additional \$14 million above the hole we are already seeing.

There are three options for your consideration. The first is to approve the Governor's recommendation to transfer room-tax revenues to the General Fund. There was some feeling at the last Subcommittee hearing that you did not want this to be ongoing. The Subcommittee could therefore include a sunset provision in the statutory change making this a one-time occurrence.

The second option is not to approve the Governor's recommendation to transfer room-tax revenues to the General Fund. If all the proceeds from room-tax revenues are used to fund the NCOT, this would add about \$18.4 million to the General Fund hole over the biennium.

The third option is not to approve the Governor's recommendation to transfer all room-tax revenues to the General Fund, but transfer enough funds from the NCOT to the General Fund to offset the resultant budgetary hole. The actual amount to be transferred would depend on whether you approve any increased expenditures above the Governor's recommendations, and that is the next issue.

CHAIR HORSFORD:

On the issue of whether to take room-tax revenues or not, we heard in previous Subcommittee hearings that it is customary with other tourism commissions that there be a nexus from the revenue source identified to fund the agency. That is the history of why the room-tax allocation was designated to the NCOT. Transferring it to the General Fund is just moving money around. The tie to room tax is clear, specific and tangible. If the NCOT is doing its job, there are revenues to support it; if it is not, there are no revenues. What is the Subcommittee's pleasure?

ASSEMBLYWOMAN McCLAIN:

Your point about the nexus is well-made. It is not smart to play the numbers game with other taxes that do not fit.

ASSEMBLYMAN CONKLIN:

There should be a nexus between room-tax revenues and tourism. However, in order for that nexus to work, we would have to leave it strictly under their control so they can plan for the boom and bust cycle. Room tax is an incredibly volatile source of revenue. If one year they take in \$50 million and they only need \$20 million, they should be allowed to hoard the excess in a reserve account to be used when they have a bad year and only take in \$10 million. But I do not know if that has been the case, or if whatever excess room tax there was went into the General Fund. If we did that, shame on us, and we should be helping them this time.

CHAIR HORSFORD:

I agree that allowing the NCOT to have a reserve is important for the boom and bust cycle.

MR. COMBS:

During the 25th Special Session in December 2008, \$2,835,000 was transferred from the NCOT's operating account to the General Fund. That eliminated the reserve level the NCOT had on hand and also required them to make some expenditure reductions to meet that. They currently are trying to fight against the fact that room-tax revenues keep dropping and their projection keeps going lower. They are trying to do what they can to leave as much money in the account as possible, but it is a minimal amount of about \$30,000.

SENATOR HARDY:

I agree that we should be careful to preserve the nexus. The third option is similar to what we did in the 25th Special Session. Should we not sunset that as well so it is not an ongoing practice, given Assemblyman Conklin's remarks?

MR. COMBS:

I do not have all the details worked out yet. I am not sure legislation would be required to do that. You could set it up as a budgetary expenditure item that they would transfer funds to the General Fund as part of their legislatively approved budget. It might be safer to have a bill that transfers the funds specifically in statute. That would ensure it was one-shot funding.

SENATOR HARDY:

We need to be mindful of this. These are extraordinary times, and that is why the Governor has made the recommendation. I do not think it is a crazy idea, but there may be a better way to do it. I would not want this to be a policy in perpetuity, but in order to fill this budget hole it might be necessary. I would support Option 3 with a sunset provision or with legislation that makes it a one-time occurrence.

ASSEMBLYWOMAN MCCLAIN:

We should leave them alone. We need to bite the bullet, get the NCOT back the way it was, let them keep the room tax and fill the hole some other way.

SENATOR HARDY:

Are you sure? We are talking about an \$18 million hole, after all. I agree philosophically with my colleagues. However, in extraordinary times, we need to do extraordinary things. Again, I would not want to see it go on in perpetuity, but it may be necessary this time around.

ASSEMBLYMAN CONKLIN:

I do not know that we have an \$18 million hole here. We are just moving money around. There is only so much room-tax revenue, and there is a budget. Whether we decide to leave the room tax in this budget and fill the rest with General Funds, or take the room tax and put it in the General Fund and then fund the budget, it still costs the same. The hole is the same; it is just where it is coming from. We can play semantics and use the money to inflate the General Fund but spend more on the NCOT, or we can leave the money in the NCOT's budget. At the end of the day, the money left in the General Fund will be exactly the same.

MR. COMBS:

If you were to give the NCOT all the room-tax revenue, that would amount to \$18.4 million not going to the General Fund that the Governor has budgeted to go there. It is \$18.4 million you will need to add to the General Fund from somewhere else. The only way the two options would be the same is if you fully funded the NCOT's expenditures at the same level as the revenue in their budget, an add of \$14 million over the biennium. If you are going to fund them at that level, you are right, the General Fund would be equal. Unless you are willing to add that type of expenditure authority to the budget, giving all the room-tax revenue to the NCOT is going to cause a bigger hole in the General Fund.

ASSEMBLYMAN CONKLIN:

Is the room-tax revenue more or less than the NCOT's budget request?

MR. COMBS:

The room-tax revenue is more, by \$18.4 million. That is the net benefit the General Fund is getting from this.

ASSEMBLYMAN CONKLIN:

Would the NCOT normally get all of that money?

MR. COMBS:

Correct.

ASSEMBLYMAN CONKLIN:

We are offering to reduce their budget at an amount less than that. Is that correct?

MR. COMBS:

The Governor's proposal was to fund the budget at an amount less than the room-tax revenue.

SENATOR HARDY:

If we give all the room-tax revenue to the NCOT, we would be creating a surplus for them in a time of crisis. We are just continuing the policy we started during the Special Session.

CHAIR DENIS:

What I am hearing is if we do not take the room-tax revenue, we will have a deficit of \$18.4 million. My preference then would be to go with the Governor's recommendation. In the end, we have to come up with the money from somewhere.

SENATOR HARDY:

My concern with the Governor's recommendation is it makes this change permanent. That is why I prefer Option 3. It does not accept the Governor's recommendation but has the same net effect for this biennium. We ought to do it by statute to make sure it is a one-time, exceptional change, and make it clear it is not our intention for that practice to continue in perpetuity.

MR. COMBS:

If you go that route, we could put something in the Authorizations Act to indicate the purpose of this was to make a transfer during the current biennium. The next issue will let you decide how much you wanted to give to the NCOT and increase the budget hole from the current \$4.4 million. Option 3 is probably your best bet, unless you want to fill an \$18.4 million hole over the biennium.

CHAIR DENIS:

I agree we do not want to make this a permanent change. That gives us the opportunity to come back and really think about how we want to do this in the future.

ASSEMBLYWOMAN MCCLAIN:

I agree. We do not want this to be an ongoing issue. I hate to take any of their money, but if we have millions of holes to fill, we had better start filling them.

CHAIR DENIS:

It sounds like we are looking at Option 3. Let us go on to the next item.

MR. COMBS:

The next issue deals with reductions to the NCOT's overall budget.

E-610 Staffing and Operating Reductions – Page ECON DEV & TOURISM-30

The Governor has recommended eliminating nine positions and making significant reductions in the NCOT's expenditures over the biennium. This is a result of the decision to deposit the room taxes in the General Fund, since there would be no savings if there were no expenditure reductions. Staff indicated these reductions were the result of them being asked to meet a reduction target and then prioritize their expenditures. Representatives of the travel industries testified this level of reduction would have an immediate and future impact on tourism.

In response to the Subcommittee's request, the NCOT provided a priority list for potential add backs to their budget. Their first priority was funding for their spring television campaign for about \$2 million in each year of the biennium. That includes \$1.5 million in each fiscal year for air time. They believe this increased marketing effort would increase fulfillment requests, and they would then need additional funding to process those requests in the amount of \$340,000 in FY 2009-2010 and \$356,000 in FY 2010-2011. In addition, they have requested a project analyst II position recommended for elimination be retained at about \$80,000 a year. This position is in their art department and would help in the preparation of materials for the fulfillment packages.

The second priority was to restore the rural grant program at a cost of about \$648,000 in each year of the biennium. As you recall, this program was reduced from \$1.75 million in FY 2007-2008 and has been reduced to \$675,000 in the *Executive Budget*. The funding requested by the NCOT would bring that back up to \$1.25 million in each year of the biennium.

The third priority is the fall television campaign for \$1.6 million in FY 2009-2010 and \$1.5 million in FY 2010-2011. Of this, the amount for

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commercial air time is \$1.2 million in FY 2009-2010 and slightly less than that in FY 2010-2011. They would like to add in another project analyst II position to assist with marketing activities as a result of this.

The fourth priority is to add back the information technology systems administrator position and 0.50 FTE of a full-time accounting assistant II position recommended for elimination in the *Executive Budget*. That would be at a cost of about \$120,000 a year.

The fifth priority is to restore the South Korea representative office at a cost of \$70,000 in each fiscal year. They have had that representation in South Korea since 1996.

We have three options for your consideration. The first is to approve the Governor's recommendations.

The second option is to restore a portion of the recommended reductions based on the NCOT's priority list. Approval of the first priority alone would add \$4.2 million over the biennium in addition to the \$4.4 million resulting from the projected decreased room-tax revenues.

The third option, if the \$4.2 million in the NCOT's first priority is more than you want to add, would be to direct the NCOT to aim for a specific budget target. They could work with me to indicate how they would prioritize at that amount, and we could then present that proposal to you at budget closing.

SENATOR HARDY:

The NCOT's first and third priority both talk about restoring a project analyst II position. Is this one position or two?

MR. COMBS:

Those are two different positions.

SENATOR HARDY:

Does one person handle the spring campaign and another handle the fall campaign?

MR. COMBS:

No. As I understand it, the first position is in the art department. The second position is related to marketing and advertising and handles some computer programs that manage mailing and contact lists.

SENATOR HARDY:

Are they not related to the television campaigns?

MR. COMBS:

The television campaigns are marketing and advertising. These positions assist with market and advertising activities. The NCED's thinking was that the more money they get for marketing and advertising, the more people they would need to use the money effectively.

STEPHEN C. WOODBURY (Chief Deputy, Nevada Commission on Tourism, Division of Tourism):

The positions are not tied specifically to the spring and fall campaigns. As we added funds back for additional marketing activities, we tried to add back the staff we would need to accomplish them. We no longer have an advertising agency; we do everything in-house now. As we build the volume of marketing advertising activities, we tried to build sufficient staff to support that in-house.

CHAIR HORSFORD:

I have questions about your priorities. Based on the presentations we heard earlier, public relations efforts seem more important than advertising because of the resulting earned media opportunities. How is that addressed within this plan or within the priorities?

MR. WOODBURY:

We submitted some other possible add backs beyond those discussed today. Some of those are familiarization (Fam) trips and other items that focus on media. Our media relations activities, such as getting media and travel writers to tour the State and give us free media advertising, have a huge impact. Our focus is marketing and advertising. They have the biggest impact in terms of creating awareness and driving people to our Website, especially when those people then request information and end up converting into actual visitors to Nevada. We focus on three things: marketing/advertising, media, and selling our product at travel industry trade shows. I am not sure I understood your question.

CHAIR HORSFORD:

In prior testimony, you said a lot of your positioning of events and stories with trade publications were primarily related to public relations. I do not see that as a priority here; I see advertising being the primary focus. I wanted to understand why that is.

MR. WOODBURY:

The next item on our priority list was to add three more Fam trips back. The bread and butter of what we do, our primary focus, is advertising and marketing. We have found that has the biggest impact on consumers becoming aware of Nevada's travel product and then coming to visit. The grant program was the second priority, and the third was the media relations department. Fam trips have a huge impact as well, but it is not something you can measure as easily in terms of driving people to the Website who then book travel and come to Nevada. It is those three things together that have the biggest impact. But advertising is our main focus.

CHAIR HORSFORD:

Before we consider adding money back into your budget, I would like to see more detail about how you are going to spend the money. What are the most important functions that should be restored to help with promoting tourism, particularly the rural events, and how would that be achieved? There has to be a consideration of staff cuts versus money put into the programs. I would be reluctant to support restoration of all the positions if there are no tools for those positions to perform. I know you have had agency contracts in the past; is that something you will pursue if funding is restored?

MR. WOODBURY:

Our plan was that as we added back activities, we would add back the staff needed to carry them out. We were considering a much smaller advertising agency contract, about \$100,000, for strategic planning because it is good to have an outside perspective.

ASSEMBLYWOMAN MCCLAIN:

I do not like seeing the funding of any agency cut 50 percent. We have been talking about how important tourism development is, and then we allow the NCOT's budget to be cut in half. I do not understand. I hope you can figure out how to do all this with no money.

MR. WOODBURY:

The cuts are actually 58 percent.

CHAIR HORSFORD:

We need to agree on a dollar amount that should be restored and then ask the NCOT to work with staff for budget closing on how those dollars would be allocated based on today's discussion. I agree with my colleague that this is not an agency we should be cutting by more than 50 percent. We have tried to restore the focus of the NCOT so you are not distracted by a merger with the NCED, but now we need to make sure you have the tools to do your job.

SENATOR HARDY:

Your first priority will cost \$4.2 million over the biennium, added to the \$4.4 million hole. Your second priority will cost \$1.2 million, and your third priority is another \$3 million. This means you are up to \$12.8 million to get through the first three priorities.

CHAIR HORSFORD:

I do not necessarily agree with those priorities. Once we agree on an amount we believe is essential to the NCOT's functioning, I want to see a plan for how those dollars would be allocated.

SENATOR HARDY:

That is difficult to do if you do not agree on the priorities. Let us see what they can do with \$8 million to \$10 million and take another look at it. I agree that this is an area where we need to have an add back.

CHAIR HORSFORD:

So your suggestion is to start with a total add back of \$8 million to \$10 million and see a plan for how those dollars are spent, recognizing I would not vote for the priorities the NCOT has given us.

CHAIR DENIS:

Let me see if I understand. If we go back to the previous discussion, we were talking \$18.4 million. Any of the stuff we do here would be subtracting from that, including the \$4.4 million off of the room-rate projection hole. Is that right?

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MR. COMBS:

Yes. You have a \$4.4 million hole because the room-tax projections are not keeping pace with what was planned in the *Executive Budget*. As I understand it, you would include that \$4.4 million in the \$8 million to \$10 million you are asking to be planned for.

CHAIR DENIS:

So if we were looking at the \$18.4 million, then we have \$8.4 million to be cut, or rather, that is the amount we would consider putting back.

MR. COMBS:

Right. Anything you put back is going to require us to come up with additional General Fund money at this point.

CHAIR HORSFORD:

Please bring back to us a priority of essential services the NCOT needs within the \$8 million to \$10 million range, including the \$4.4 million.

MR. WOODBURY:

We will work with staff to understand better exactly what dollar amounts we are looking at. Right now, we have an \$8 million operating budget, down from a \$17 million budget.

MR. COMBS:

I believe what the Subcommittee is saying is that we have a \$4.4 million hole to fill. They are considering adding about \$8 million to \$10 million; so they are looking at operating cost additions to your budget between \$3.6 million and \$5.6 million.

MR. WOODBURY:

I understand.

CHAIR HORSFORD:

Again, these are extraordinary times. There really should not be any cuts made to the NCOT, but we just do not have the revenue. Because room-tax revenue is under the projected amount, we are starting with a hole. We are doing the best we can to restore essential funding, and we need to see from you what the plan is for how those dollars would be spent. I think there should be a focus on promotion of rural events and activities, public relations-related activities promoting the entire state and essential add backs to staff to meet those functions.

BRIAN K. KROLICKI (Lieutenant Governor, Office of the Lieutenant Governor):

I just want to thank you all for your wisdom and grace in this issue. I know what you're facing is incredibly difficult. I mean, I do not wish to be in your shoes. The most important thing was the separation of the commissions in perpetuity. Thank you for that. The room-tax dedication to NCOT was the number two priority, and you've made the gestures to do that. We just need to find out the best way. Again, I just want to say thank you for what you've done, and I think it's incredibly wise. On behalf of all the people who work at NCOT and NCED, certainly the commissioners on

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both of these commissions, we appreciate your thoughtful approach to this.

CHAIR HORSFORD:
Is there any further business to come before the Subcommittee? Hearing none, I will adjourn the meeting at 10:28 a.m.

RESPECTFULLY SUBMITTED:

Lynn Hendricks,
Committee Secretary

APPROVED BY:

Senator Steven A. Horsford, Chair

DATE:_____

Assemblyman Mo Denis, Chair

DATE:_____