

6. The furlough program will not produce the estimated savings for various reasons and any changes to that program would need legislation, since legislation is what has instituted the program. Personnel and payroll policies have mandated that no overtime can be used in the pay period of a furlough day without an exemption through the Board of Examiners.

We have an Open Door legislative meeting scheduled for January 26th. This was moved from the 21st per a request from the legislators at the last meeting. We continue to look forward to this meeting, as it falls immediately following the Economic Forum and immediately preceding our meetings with Department Heads to further vet their cost reduction recommendations. Your recommendation that I should present these reductions via the Interim Finance Committee (IFC) fundamentally conflicts with our belief that this committee (IFC) of the Legislative Counsel Bureau is not the Legislature. I do not believe that the Nevada Constitution, nor the citizens of Nevada, envisioned a 730 day legislature. We will implement reductions where we can or ask that the Legislature work with us during a special session to resolve this budget shortfall.

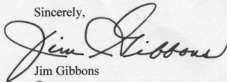
Longer Term Issues

It was the intent of this Office to reveal our reform proposal at the last open door meeting with legislators. This information was leaked to a political commentator the night before. We did explain this to those in attendance.

Directly addressing your solutions in the educational arena, it is my belief that the education of children goes far beyond studies, experts, numerous task forces and hearings. I think it is the students, parents, teachers and school districts that know what works for their education, especially teachers and parents. You have been in the Assembly since being elected in 1994. None of the suggestions you have listed have been passed in all that time; in good economic times or in bad economic times. We need to take this crisis and make it an opportunity to enhance local control. I agree with you that money alone won't fix our schools. I would hope that between now and a special session, should there be one, we will come to consensus on this and many other issues.

Lastly, I am anxious to hear the results of the committee meeting created by ACR30. While this is yet another study, I hope that one of the things under consideration would be the proposal of a ballot question to reduce sales tax (Nevada has the highest in the Nation applicable to big rig trucks). Our increased sales tax rate is a barrier to the purchase of "big rig" trucks by transportation businesses, as well as to potential programs for attracting transportation and warehousing business to our state. Our geographic location and a continuing beneficial tax status can attract many businesses to our state as long as we can create reasons for companies to come here. If I can not attend this committee meeting, I will certainly have someone on my staff attend in my absence.

Sincerely,



Jim Gibbons
Governor