

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON PUBLIC SAFETY/NATURAL
RESOURCES/TRANSPORTATION**

**Seventy-Fourth Session
May 1, 2007**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Public Safety/Natural Resources/Transportation was called to order by Chair Dean Rhoads at 7:40 a.m., on Tuesday, May 1, 2007, in Room 2134 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)) and the Attendance Roster ([Exhibit B](#)) are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

SENATE COMMITTEE MEMBERS PRESENT:

Senator Dean A. Rhoads, Chair
Senator Bob Beers
Senator Dina Titus

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblyman David R. Parks, Chair
Assemblyman Tom Grady
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Kathy McClain
Assemblywoman Valerie E. Weber

STAFF MEMBERS PRESENT:

Steve Abba, Principal Deputy Fiscal Analyst
Larry Peri, Principal Deputy Fiscal Analyst
Sarah Coffman, Program Analyst
Eric King, Program Analyst
Anne Bowen, Committee Secretary
Patricia Adams, Committee Assistant

Chairman Rhoads called the meeting to order.

Chairman Rhoads stated the members of Senate Finance Committee needed to take action.

SENATOR RHOADS MOVED THAT THE SENATE REOPEN AND
RECONSIDER THE DEPARTMENT OF MILITARY BUDGET CLOSING
HELD ON APRIL 20, 2007.



Chairman Rhoads said the military budget contained enhancement unit 325 (E325) in which the governor recommended the project challenge program. The Governor recommended amounts of \$500,000 General Fund in FY 2008, and \$3 million (\$1.2 million General Fund) in FY 2009. The Joint Public Safety Subcommittee did not approve decision unit E325.

SENATOR RHOADS CONTINUED HIS MOTION AND MOVED THAT THE SENATE APPROVE THE GOVERNOR'S RECOMMENDED PROJECT CHALLENGE PROGRAM IN DECISION UNIT E325.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION PASSED IN THE SENATE (Senator Titus was not present for the vote.)

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CONSERVATION AND NATURAL RESOURCES
TAHOE REGIONAL PLANNING AGENCY (TRPA) (101-4204)
EXECUTIVE BUDGET PAGE DCNR-184

Sarah Coffman, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, (LCB) presented an overview of BA 4204.

Ms. Coffman stated BA 4204 had two major closing issues. The first major closing issue was base-line funding for the regional plan. The Executive Budget recommended \$200,000 in each year of the 2007-09 biennium to implement the fourth phase of the Agency's 20-year regional plan and threshold update, which was known as Pathway 2007. Ms. Coffman said the implementation of Pathway 2007 originated in 2001, and Nevada had provided \$200,000 each year for the past six years of the program. The fourth phase requested funding of \$200,000 for four working elements: (1) place-based community planning; (2) environmental documentation/alternative analysis; (3) update of Tahoe Regional Planning Agency (TRPA) regulations and plans; and (4) adaptive management system implementation. Ms. Coffman said California had already base-lined its \$400,000 share for the regional plan update. The Agency had indicated that the work elements would be ongoing for the next 20 years. Ms. Coffman pointed out that recent budget reductions recommended by the Governor reduced General Fund for the Pathway 2007 regional plan to \$133,598 in FY 2008 and \$181,552 in FY 2009.

Ms. Coffman said the Subcommittee might wish to approve Nevada's one-third share of \$200,000, and replace \$67,000 of that funding with Department of Motor Vehicles (DMV) pollution control funding. Ms. Coffman said the plan appeared reasonable to LCB staff because the Pathway 2007 program regulated the thresholds that monitor air quality. There were currently nine thresholds that Pathway 2007 monitored, and three of those thresholds pertained to air quality. If the use of DMV pollution control funds was approved, the Subcommittee might wish to consider issuing a letter of intent specifying that the use of the funds for the Pathway 2007 regional plan was limited to the 2007-09 biennium. Ms. Coffman stated any future budget recommendations to use the funding for the same purpose should be continued to be presented as an enhancement unit in The Executive Budget.

Ms. Coffman said the second major issue in BA 4204 was base budget discrepancies. During a Subcommittee hearing on March 9, 2007, the Agency

indicated the Nevada contribution was short approximately \$100,000. The Subcommittee instructed staff to work with the Agency as well as the Budget Division to resolve the issue. As a result, the Budget Division, the Agency, and LCB staff agreed and determined that California's contribution was overstated in The Executive Budget by \$355,216 in FY 2008 and \$646,722 in FY 2009. In addition, federal funds in The Executive Budget were understated by \$273,948 in FY 2008, and \$703,706 in FY 2009. Ms. Coffman said that in order to properly reallocate Nevada's share, staff applied the various revisions noted and recalculated Nevada's one-third share. The adjustments would increase Nevada's General Fund contribution by \$81,268 in FY 2007-08 and reduce the General Fund contribution by \$59,984 in FY 2008-09 to arrive at Nevada's one-third share. The corrections realigned TRPA's funding sources, according to Ms. Coffman, as well as satisfying Nevada's one-third support of the TRPA.

Chairman Rhoads stated he would entertain a motion from the Subcommittee.

ASSEMBLYMAN PARKS MOVED TO APPROVE BASELINE FUNDING FOR THE FULL \$200,000 PARTICIPATION IN EACH YEAR OF THE BIENNIUM AND REPLACE \$67,000 OF GENERAL FUND APPROPRIATION WITH FUNDS FROM THE DEPARTMENT OF MOTOR VEHICLES POLLUTION CONTROL ACCOUNT LIMITED TO THE 2007-09 BIENNIUM.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED. (Senator Titus and Assemblyman Hogan were not present for the vote.)

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Ms. Coffman continued with her presentation and indicated that the Governor recommended cost-of-living adjustments (COLA), as well as fringe benefit adjustments for the TRPA. Typically, California had not funded its two-third share for COLA and fringe benefit adjustments and Nevada had provided one-time bonuses to the TRPA if California did not fund its two-thirds share. Ms. Coffman said the Subcommittee might consider approving maintenance unit 304 (M304) contingent upon California's funding its two-thirds share. Ms. Coffman said that if California failed to fund its two-thirds share of COLA and fringe benefit adjustments, the Subcommittee might wish to consider allowing the TRPA to provide employees with a one-time bonus with Nevada's share of funding for salary increases.

Chairman Rhoads stated he would entertain a motion from the Subcommittee.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNIT M304.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hogan was not present for the vote.)

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ASSEMBLYMAN PARKS MOVED APPROVAL OF ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$81,268 IN FY 2007-08

AND A REDUCTION IN GENERAL FUND APPROPRIATIONS OF \$59,984 IN FY 2008-09 TO SATISFY NEVADA'S ONE-THIRD SUPPORT OF THE TAHOE REGIONAL TRANSPORTATION AGENCY AS RECOMMENDED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hogan was not present for the vote.)

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Ms. Coffman requested clarification regarding the motion to approve decision unit M304 and asked if the motion approving decision unit M304 included the approval of a one-time bonus for the TRPA employees if California did not fund its two-thirds share and Mr. Parks replied that it did.

Ms. Coffman explained that decision unit E860 recommended a transfer of \$50,000 from BA 3173, Division of Environmental Protection, over the 2007-09 biennium for contract work. The transfer would be a one-time expenditure for the 2007-09 biennium and would not be needed in the future. Ms. Coffman said the recommendation appeared reasonable to staff.

Chairman Rhoads said he would entertain a motion.

SENATOR BEERS MOVED APPROVAL OF DECISION UNIT E860 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hogan was not present for the vote.)

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Senator Titus requested that she be placed in the record as voting against reopening the Department of the Military Budget to fund the Project Challenge program. She further commented regarding decision unit E351 that it was not right to take money from the DMV's pollution control budget when Douglas County refused to perform smog checks. Senator Titus said Douglas County should be performing smog checks because Lake Tahoe was in that county.

DEPARTMENT OF WILDLIFE
WILDLIFE ADMINISTRATION (101-4452)
EXECUTIVE BUDGET PAGE WILDLIFE-1

Eric King, Program Analyst, Fiscal Analysis Division, LCB, presented an overview of BA 4452. Mr. King said the budget account had four major issues. The first major issue was the recommendation to establish two new biologist 4 positions. The Executive Budget recommended \$251,959 in FY 2008, composed of \$115,979 of General Funds and \$135,980 of federal funds, and in FY 2009, \$221,943, composed of \$100,971 of General Funds and \$120,972 of federal funds.

The two new biologist 4 positions and associated costs would be stationed in Fallon and Elko and be assigned regional responsibilities for management, enhancement, and protection of non-hunted/fished wildlife and development of wildlife diversity programs. Mr. King said the agency had indicated the positions were needed to reduce the workload of an existing biologist 4 position that had statewide responsibilities and was stationed in Las Vegas. Those statewide responsibilities included supervision of eight biologist 3 positions throughout the State. Both of the requested positions would also assist in the implementation of the state's wildlife action plan, which was an action plan to conserve state wildlife and identify activities for species of greatest concern. Mr. King said the Governor, as part of overall General Fund reductions, had recommended postponing the hiring of one of the biologist 4 positions until FY 2009, in addition to reducing other expenditures in this budget account. The overall recommendation from the Governor was to reduce General Funds by \$174,067 in FY 2008, and approximately \$6,600 in FY 2009. Mr. King said those reductions in General Funds would also result in the reduction of federal funds of \$403,000 in FY 2008 and approximately \$25,200 in FY 2009. The Department indicated that the reduction would affect sensitive species management activities performed by the Wildlife Diversity, Habitat, Fisheries, and Conversation Education bureaus.

Mr. King said that other than the impact of reductions in the decision unit that would establish or postpone one of the biologist 4 positions, the other reductions would be posted against reserves, which indicated there would be no immediate reduction in those services for planned activities for the sensitive species management.

Chairman Rhoads said the Legislature was receiving mail regarding wildlife diversity and asked whether the program would be affected in any way by postponing the hiring of one of the biologist 4 positions. Mr. King replied that postponing the hiring of a biologist 4 would affect the wildlife diversity program by providing fewer resources for the Department to implement those activities during FY 2008. Chairman Rhoads wondered if the two new positions remained in the budget whether wildlife diversity would continue to be managed as it was currently. Mr. King replied that the program would continue to be managed as it was, but the full amount of the biologists' activities would be postponed until after FY 2009.

Senator Beers commented that as he understood the issue, the wildlife diversity program was being expanded and the question was whether to expand by two positions in FY 2008, or one position in FY 2008 and one position in FY 2009. Mr. King said that was correct. Senator Beers further commented that the correspondence he had received was concerned about a rumor that the diversity program was being moved to Conservation and Natural Resources and out of the Department of Wildlife. Senator Beers asked whether Mr. King had seen a proposal to move the program, and Mr. King replied that he had not.

Senator Beers asked how many positions were included in the wildlife diversity program at the present time, and Mr. King replied that he did not know.

Ken Mayer, Director, Department of Wildlife, responded that there were seven employees in the wildlife diversity program. He continued that the other concern was federal funding that would be "left on the table" without the match.

Chairman Rhoads asked whether the two new positions would be funded with General Funds. Mr. Mayer replied there was General Funds and federal funds, a three-to-one match.

Senator Beers asked whether there was a limit to the match, and Mr. Mayer replied there was a limit within the allocation to the state of Nevada. Senator Beers asked what the limit was, and Mr. Mayer said it was approximately \$1 million. In response to a question from Senator Beers, Mr. Mayer said the State was receiving approximately the full allocation. Mr. Mayer added that if the federal funding was not matched, the funds reverted to the federal government to be used by other states.

Senator Titus commented that perhaps she did not understand, but it seemed that the State was currently receiving the money, but if the new positions were not added the State would not receive more funding, although Nevada was close to the cap. She requested clarification.

Doug Hunt, Deputy Director, Department of Wildlife, explained that the Department was almost at the cap for the current year allocation. There would be an increase in the allocation from the state wildlife grants in the upcoming federal fiscal year, and the Department was trying to capture those additional dollars with new positions and equipment.

Senator Titus asked how sure the Department was that those federal dollars would be available. Mr. Hunt replied that they could not be 100 percent sure, but they were confident based upon information from the federal aid people at the United States Fish and Wildlife Service.

Senator Titus asked whether the Department would have to have the new positions to receive the federal funding. Mr. Hunt replied the Department would have to spend the money because it was a reimbursement program, and it appeared as if the new positions were the best and most efficient way to accomplish that and capture the additional dollars.

Senator Titus asked whether those positions were needed other than as a means to capture federal dollars. Mr. Hunt replied that the positions were needed because the Department did not have adequate statewide supervision. Also, the new statewide action plan required additional positions to be implemented to bring it to an adequate level.

Senator Beers asked who designed the statewide action plan. Mr. Hunt replied that it was a joint effort by the Department of Wildlife, the Nature Conservancy, the Audubon Society, and a number of other supporting groups. Mr. Hunt said it had been a process advertised all over Nevada with requests for input from the public. It was a requirement of Congress to have a plan in place before additional funds were allocated to the State. The team that put the plan together had been complimented by the United States Fish and Wildlife Service as having the number one or two quality of action plan in the nation, according to Mr. Hunt.

Mr. Mayer commented that for decades one of the things the Department had been striving for was a way to fund the nongame programs throughout the nation. Historically, sportsmen had sponsored nongame programs. Mr. Mayer said this was the first time in his career he had seen federal funding available to implement a wildlife action plan.

Senator Beers commented that he was a little confused about the funding match. The Department had mentioned a three-to-one match level, but the figures presented appeared to be approximately a one-to-one match. Mr. Hunt replied that was correct, the current federal dollars were a three-to-one match, but the new funding in federal FY 2008 was a one-to-one match. The current funding was three-to-one match which would carry over into the state's FY 2008 and then become a one-to-one match in the future.

Mr. Mayer said there was a movement in Congress to attempt to change the funding back to a three-to-one match.

Chairman Rhoads stated he would entertain a motion from the Subcommittee.

SENATOR BEERS MOVED APPROVAL OF DECISION UNIT E350
AS RECOMMENDED BY STAFF WITH THE PROVISION THAT
GENERAL FUNDS WOULD REVERT IF CONGRESS RESUMED THE
THREE-TO-ONE MATCH INSTEAD OF THE ONE-TO-ONE MATCH.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED WITH SENATOR TITUS VOTING NO.

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Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, requested clarification of the motion. He asked whether the motion included the Governor's recommendation to postpone the establishment of one of the biologist positions until FY 2009 and reduce General Fund expenditures by \$180,624 during the 2007-09 biennium. Senator Beers said that was correct and was included in the staff recommendation.

Senator Titus requested clarification of the motion and said, as she understood it, the motion had been to establish one new biologist position, postpone one new biologist position, and reduce General Fund expenditures by \$180,624.

Mr. King said the funding that would support the postponement of the biologist position was \$59,437 of General Fund in the first year of the biennium and federal funds of \$59,437. The other reductions that would be made as a result of the Governor's recommendation would be applied against reserves, approximately \$70,000 of General Funds.

Senator Titus asked whether the funds were coming from the reserves of the Department of Wildlife or whether programs were being cut. Mr. King replied that the Department was not specifically reducing expenditure line items for the reduction, but applying those reductions to reserves. Mr. King explained reserves were available for future work programs, and there was no specific activity recommended for reduction.

Mr. King stated the second major item in BA 4452 was the reclassification of an administrative aid to an administrative service officer (ASO) 3 recommended in decision unit E805. The Governor recommended the use of reserve funding of \$50,363 in FY 2008 and \$55,206 in FY 2009 for the reclassification. The administrative officer 3 would become the chief financial officer for the Department and would report directly to the Director's Office. Mr. King said the position would be responsible for all the Department's financial activities and budget preparation. The Department was also proposing to move nine existing

fiscal staff from the Operations Bureau to a new business management services section managed by the reclassified ASO 3. Mr. King stated the Department had indicated an ASO 2 and an ASO 1 were currently responsible for the financial management of the Department and were overwhelmed. Based upon the information provided by the Department, the recommendation to reclassify the administrative aid position to an administrative services officer 3 appeared reasonable to staff, according to Mr. King. Staff recommended approval of decision unit E805.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNIT
E805 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King explained that the third item was decision unit E355, a recommendation to establish a new administrative services officer (ASO) 2 position. The Governor recommended the use of reserve funds of \$74,370 in FY 2008 and \$75,022 in FY 2009 to create the new ASO 2 position that would report to the ASO 3 in decision unit E805. Mr. King said the ASO 2 would augment nine existing positions and assist with the day-to-day financial management of the Department. The existing nine staff positions included the ASO 2, an ASO 1, an accountant technician, a purchasing technician, and five accounting assistants. Mr. King said the new ASO 2's primary duties would include budget activities including monitoring and tracking of expenditures, development of work program revisions, and providing advice and assistance to line bureau staff regarding their bureau's allocated portion of the agency's financial resources. The Department indicated that the ASO 2 position would have its duties distinguished from those of the existing ASO 2 because it would manage the state funds in the agency's budget. Mr. King stated that because of the limited amount of state funds in the Department's budget, and because those funds were used to match federal aid monies, the distinction that the position would be responsible for state funds did not appear material to staff. Staff also noted that with the addition of this position, and the addition of the ASO 3 recommended in decision unit E805, the Department's financial staff would increase by 22 percent, from 9 full-time equivalent (FTE) to 11 FTE positions. Information that adequately described how the recommended new position's duties would relate to the Department's existing ASO positions had not been provided, according to Mr. King. Mr. King said based upon information provided by the Department, the recommendation to establish a new ASO 2 position did not appear justified.

Assemblyman Grady asked whether the new position was an area where the Department had been criticized because it did not have the proper procedures in place through the budget, and the position was requested to satisfy budget problems. Mr. King replied that was correct, and the legislative Audit Division had performed an audit of the Department and concluded it needed to review the financial structure and arrive at a recommendation. The audit had not made a specific recommendation with regard to the new position.

ASSEMBLYMAN GRADY MOVED APPROVAL OF DECISION UNIT
E355 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King explained that the fourth closing issue in BA 4452 was the recommendation by the Governor to move an executive assistant to the director from the classified to unclassified service. The recommendation also would move the chief pilot position from classified to unclassified service. The Governor recommended \$36,214 in FY 2008 and \$34,437 in FY 2009 to accomplish the movement of the two positions to unclassified service, according to Mr. King.

Mr. King stated with regard to the executive assistant to the director, the Department indicated that the recommendation was an effort to be consistent with the plan adopted during the 2005 Session that moved all executive assistant positions to unclassified service. Mr. King said the recommendation appeared reasonable to staff.

ASSEMBLYMAN PARKS MOVED APPROVAL OF MOVING THE
EXECUTIVE ASSISTANT TO THE DIRECTOR TO UNCLASSIFIED
SERVICE FROM CLASSIFIED SERVICE AS RECOMMENDED BY
STAFF.

SENATOR BEERS SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King said the Department had indicated it was having significant difficulty recruiting and filling the chief pilot position, which had been vacant since March 2005, due to the uncompetitive wage paid to the position. Staff noted that the current total wages and benefits for the chief pilot position were recommended in the budget as a grade 41, step 1 amount of \$76,429 per year. The recommendation was to move the chief pilot's position to unclassified service with salary and benefits increasing to \$109,978 annually. Mr. King further noted that the Department of Transportation (DOT), which also had a classified chief pilot position, was paid at grade 41, step 10, and in FY 2008 that position's salary was recommended to be \$108,020. The difference in salary and benefits between the unclassified position that was recommended by the Department of Wildlife and the classified position within the DOT was \$1,958, a difference of less than 2 percent. Mr. King noted that approving the movement of the Department's chief pilot position to unclassified service would create chief pilot positions in both classified and unclassified service. In addition, the recommended salary for the Department of Wildlife's chief pilot's position would be approximately 2 percent more. The difference was not seen by staff to be significant in the recruitment efforts that had proven unsuccessful to fill the position.

Mr. King said that staff would recommend that the chief pilot position not be moved to the unclassified service, but that an adjustment be made to the Department's operating budget to increase the salary of the classified position to a grade 41, step 10, to give the Department the resources to pay approximately the same amount as the DOT classified position.

SENATOR TITUS MOVED APPROVAL AS RECOMMENDED BY STAFF TO KEEP THE CHIEF PILOT POSITION FOR THE DEPARTMENT OF WILDLIFE IN CLASSIFIED SERVICE AND INCREASE THE BUDGETED SALARY TO A GRADE 41, STEP 10.

SENATOR BEERS SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King explained that decision unit E353 requested an increase in license and fee revenue of \$40,951 in FY 2008 and \$43,554 in FY 2009 for the establishment of a one-day family fishing license. An amendment to Assembly Bill 573, had changed the license to a "group" fishing license.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNIT E353 AS RECOMMENDED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King explained that decision unit E354 recommended an increase of license or revenue fees of \$4,000 during the 2007-09 biennium, because of the reduction of the nonresident antlerless elk tag fee from \$1,200 to \$500. The intent of the tag fee reduction was to encourage out-of-state hunters to purchase elk tags. Assembly Bill 573 included provisions to reduce nonresident antlerless elk tag fee from \$1,200 to \$500.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNIT E354 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King explained that in decision unit E250 the Governor recommended \$29,362 in FY 2008 for supervisory staff training for the Department of Wildlife. The Department indicated it preferred the training take place every two years; however, because of staff vacancies and other work priorities, the training had not taken place in FY 2006. Mr. King noted that approximately \$1,100 in funding for refreshments had been indicated, and that was not an allowable cost. Staff had made a technical adjustment to remove the expense from the decision unit. Mr. King said the recommendation appeared reasonable, and staff would recommend approval of the decision unit with the adjustment noted.

ASSEMBLYWOMAN KOIVISTO MOVED APPROVAL OF DECISION UNIT E250 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King said in decision unit E360, the Governor recommended \$4,150 to establish a host fund for the National Wildlife's Federal Aid Coordination Conference that would be hosted by the Department in FY 2008. Mr. King said the recommendation appeared reasonable, and staff recommended approval of the decision unit as submitted by the Governor.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNIT
E360 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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In decision units E710 and E720 the Governor recommended the use of reserve funds of \$167,397 FY 2008 and \$122,251 in FY 2009 for new and replacement equipment. Mr. King said the equipment included personal computers, laptops, CADD workstations, printers, routers, servers, port switches, plotter, surge protectors, and various types of desktop software. The recommendation appeared reasonable, and staff recommended approval of E710 and E720 as submitted by the Governor.

Mr. King addressed decision unit E730 in which the Governor recommended \$54,009 in FY 2008 for facilities maintenance projects. The projects included replacing HVAC units and ducts in residences and water well maintenance at the Mason Valley Wildlife Management Area, installation of a central HVAC pad mount system and insulation of a bunkhouse roof at the Kirch Wildlife Management Area, hydraulic controls for the Eagle Valley dam, and yard and parking lot maintenance at the Department's headquarters building in Reno. Mr. King said E730 appeared reasonable, and staff recommended approval as submitted by the Governor.

Decision unit E813 recommended the use of reserve funding of \$46,062 in FY 2008 and \$47,455 in FY 2009 for an unclassified staff salary adjustments to correct salary inequities that resulted from the addition of step 10 to the classified employee's salary schedule. Mr. King said the Unclassified Salary Subcommittee would review the recommended salary increases in the decision unit.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNITS
E710, E720, E730, AND E813 AS RECOMMENDED BY THE
GOVERNOR.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King stated staff had made one technical adjustment in BA 4452 to decrease by \$179,085 in FY 2008 and \$141,217 in FY 2009 funding that would be transferred to this account from the Wildlife Boating Program budget account 4456 and the Wildlife Obligated Reserve budget account 4458. When the budgets for the Boating Program and the Obligated Reserve were reviewed, staff noted that the amounts that would be transferred from those accounts to BA 4452 were less than the amounts indicated. Mr. King said the revenue adjustment had been made in BA 4452 to comport with the amounts that were in BA 4456 and BA 4458.

DEPARTMENT OF WILDLIFE
WILDLIFE-BOATING PROGRAM (101-4456)
EXECUTIVE BUDGET PAGE WILDLIFE-15

Eric King, Program Analyst, Fiscal Analysis Division, LCB, stated there were no major closing issues in BA 4456. In decision unit E250 the Governor recommended reserve funding of \$27,852 in FY 2008 and \$21,324 in FY 2009 for increases to Out-of-State and In-State travel for training of game wardens. The training activity was postponed in FY 2006 to address concerns about the balance of reserves in the account. In addition, Mr. King said there had been staff turnover that had contributed to the need for the training. The recommendation appeared reasonable to staff, and staff recommended approval of the decision unit as submitted by the Governor.

SENATOR BEERS MOVED APPROVAL OF DECISION UNIT E250
AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

MOTION PASSED UNANIMOUSLY.

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Mr. King said decision unit E710 recommended the use of reserve funding of \$549,249 in FY 2008 and \$407,186 in FY 2009 for replacement equipment, including 8 boats, 13 outboard motors, a logging recorder, boat trailers, desktop computers, an electronic total station and data collector used for topographic site surveying, laptop computers, software, printers, surge protectors, a fax machine, a projector, radios, sirens, and light bars. Mr. King stated the recommendation appeared reasonable, and staff would recommend approval as submitted by the Governor.

Mr. King explained that decision unit E720 recommended the use of reserve funding of \$2,350 in FY 2008 for the purchase of a geographic information system data collector and geographic positioning system unit with software. The recommendation appeared reasonable to staff, and staff recommended approval of the decision unit as submitted by the Governor.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNITS
E710 AND E720 AS RECOMMENDED BY THE GOVERNOR.

SENATOR BEERS SECONDED THE MOTION.

Senator Titus commented that in many of the budgets heard today, reserve funding was being used, and she was concerned that it could create a problem that would eliminate sufficient reserves.

Mr. King replied that reserves were being reduced, but fiscal staff was cognizant of reserve levels to ensure there was a reasonable amount remaining at the end of the year.

MOTION PASSED UNANIMOUSLY.

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Mr. King explained that staff had made three technical adjustments in BA 4456, the first of which was to align expenditure and revenue authority for the gifts and donations that the Department received from Clark County. The annual gift from Clark County was used to purchase equipment to enhance boating safety and had been recorded in the base budget incorrectly. Mr. King said revenue had been reduced by \$3,887 and expenditures increased by \$6,467 to balance revenue and expenditures.

The second technical adjustment was to reduce federally funded boating-access projects by \$31,968 in FY 2009. The Department had indicated \$31,968 had been an amount determined by projects that would be completed in FY 2008, not in FY 2009.

Mr. King said the third technical adjustment reduced federal boat aid revenue by \$15,099 in each year of the 2008-09 biennium based upon information provided by the Department. The apportionment of federal funds to the State would be less than the amount recommended in The Executive Budget.

Mr. King stated no motions were necessary from the Committee regarding the technical adjustments.

DEPARTMENT OF WILDLIFE
WILDLIFE-TROUT MANAGEMENT (101-4454)
EXECUTIVE BUDGET PAGE WILDLIFE-20

Eric King, Program Analyst, Fiscal Analysis Division, LCB, explained there was one major closing item in BA 4454, decision unit E894. The decision unit recommended \$400,000 of General Fund for the construction of a Lake Mead Power Substation needed to isolate the hatchery from power that supplied water pumps that served water to the city of Henderson. On February 6, 2007, the Budget Division submitted a budget amendment that modified the Governor's original recommendation to change the funding source from General Funds to reserve funds. Mr. King said that based on questions from Fiscal staff, the Department indicated there were two additional proposals, or alternatives, that could be used to isolate the hatchery from the power that supplied the water pumps. The two alternatives, which would eliminate the need for a substation, included running a power line to the hatchery. Mr. King stated cost estimates had not been provided for the power-line installation alternatives. Mr. King also noted that the \$400,000 estimate for the construction of a power substation was indicated to be a preliminary estimate. Based upon information provided by the Department that indicated there were alternatives to the construction of a power substation, and there was only a preliminary cost estimate provided for construction, staff recommended that the \$400,000 to construct the power substation not be approved. Mr. King said whatever amount was needed for the alternative selected would be available to the Department in the reserve category after submission of a work program to the Interim Finance Committee (IFC) for consideration.

SENATOR TITUS MOVED TO DENY APPROVAL OF DECISION UNIT E894 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED.

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Mr. King explained in decision unit E351, the Governor recommended the use of reserve funds in the amount of \$76,020 in FY 2008 for repair and maintenance projects for the Lake Mead Hatchery. The projects resulted from retention of a series of raceways that were not funded for renovation in the hatchery refurbishment program. Mr. King said the individual projects included the installation of a supplemental oxygen system, epoxy sealing of raceways, and asphalt sealing. The recommendation seemed reasonable to staff, and staff recommended approval of the decision unit as submitted by the Governor.

In decision unit E352, the Governor recommended the use of reserve funding in the amount \$91,500 in FY 2008 for repair and maintenance projects for the Mason Valley Hatchery. Mr. King said the projects included removal and replacement of the cooling tower apron to protect against the further erosion of the substrate; installation of 1,140 lineal feet of rain gutter to protect against soil erosion next to rearing ponds; installation of lightning arrestors; and routine maintenance funding for two of five wells that provide the hatchery with water. Mr. King said the recommendation appeared reasonable, and staff recommended approval of the decision unit as submitted by the Governor.

SENATOR BEERS MOVED APPROVAL OF DECISION UNIT E351 AND DECISION UNIT E352 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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DEPARTMENT OF WILDLIFE
WILDLIFE OBLIGATED RESERVE (101-4458)
EXECUTIVE BUDGET PAGE WILDLIFE-24

Eric King, Program Analyst, Fiscal Analysis Division, LCB, explained that BA 4458 contained no major closing issues.

In decision unit E350, the Governor recommended the use of reserve funding of \$199,515 in FY 2008 and \$213,905 in FY 2009 to fund wildlife projects such as maintenance and construction of water guzzlers and other wildlife habitat enhancements, as well as Operation Game Thief activities that were anticipated to exceed base-budget expenditure amounts. Mr. King said the recommendation appeared reasonable, and staff recommended approval of the decision unit as submitted by the Governor.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNIT E350 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Mr. King explained that in decision units E710 and E720, the Governor recommended the use of reserve funding of \$24,215 in FY 2008 and \$27,685 in FY 2009 for new and replacement equipment for the Operation Game Thief program including a digital camera and lens, two surveillance camera systems, two global positioning tracking systems, and a body wire kit. The recommendation appeared reasonable, and staff recommended approval of the decision units as submitted by the Governor.

SENATOR BEERS MOVED APPROVAL OF DECISION UNIT E710
AND DECISION UNIT E720 AS RECOMMENDED BY THE
GOVERNOR.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Mr. King explained that staff had made one technical adjustment to BA 4458, reducing the revenue authorization by \$211,593 in both years of the biennium. The Department historically received mining assessments in the Wildlife Management account. The Department would like to receive those funds directly into this budget account; therefore, a revenue ledger was created. The Department failed to remove the revenue ledger used to transfer the assessments from the Wildlife Administration budget account, and as a result, revenue was being duplicated.

Chairman Rhoads asked how the amount of the mining assessment had been determined. Mr. King said he believed an agreement was in effect, but was not certain how the amount had been originally determined.

Chairman Rhoads recessed the meeting at 8:38 a.m. and reconvened at 8:39 a.m.

PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION
COMMISSIONER FOR VETERANS' AFFAIRS (101-2560)
EXECUTIVE BUDGET PAGE-VETERANS 1

Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, presented an overview of BA 2560.

Mr. Peri said there were no major closing issues in BA 2560. There were 32 full-time equivalent (FTE) employees in the current fiscal year, and no new positions were recommended for the next biennium.

The first closing item concerned budget reductions and additions. In response to the Governor's request for all agencies to reduce recommended General Fund appropriations in the 2007-09 biennium, the Budget Division had submitted several revenue adjustments that affected the budget, according to Mr. Peri.

The first adjustment requested a reduction in the revenue anticipated from Cemetery/Internment Fees of \$54,000 in FY 2008 and \$54,600 in FY 2009.

Mr. Peri said the second revenue adjustment requested a reduction in Administration Fee revenue of \$17,800 in FY 2008 and \$26,000 in FY 2009. These fees were charged to residents' accounts for whom the agency acted as the legal guardian. Both potential adjustments were brought to the Subcommittee's attention by the agency at the March 9, 2007, hearing. Mr. Peri said staff had reviewed the calculations and assumptions and had confirmed the accuracy of the recommended revenue adjustments. The remaining adjustment sought to eliminate several equipment expenses recommended in decision unit E710 for the Boulder City Cemetery. The reductions proposed to eliminate \$7,500 in miscellaneous equipment costs and \$6,800 for a new utility hauling vehicle, both in FY 2008. The net increase to the General Fund by the recommended adjustments was \$57,500 in the first year of the biennium, and \$80,600 in the second year of the biennium.

ASSEMBLYMAN PARKS MOVED APPROVAL OF THE
RECOMMENDED REVENUE ADJUSTMENTS AS RECOMMENDED
BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, stated the budget included recommended funding to accommodate significant water rate increases at the Boulder City Cemetery. The large increases had resulted in an increase from actual expenditures for water and sewer utilities in FY 2006 of \$16,203 to the recommended budgetary amounts in the next biennium of \$147,703 in FY 2008 and \$147,903 in FY 2009. Mr. Peri said this represented an increase for water charges of approximately 600 percent, from FY 2006 to FY 2008. In addition, 15 acres were added to the maintained property of the cemetery, which also contributed to the increased costs.

Mr. Peri noted for information purposes that during the agency's overview hearing, the Director mentioned that the agency had paid Boulder City \$200,000 to assist in completing its wastewater treatment plant with the intent of providing the cemetery with wastewater. The cemetery had been plumbed to accept the wastewater, but none had been delivered. In response to questions directed to the agency, the agency's response indicated those funds were provided and used by Boulder City to study the potential to provide treated wastewater and to make changes to the treatment plant. Mr. Peri said the results of the study indicated the wastewater retained the smell of raw sewage and was not appropriate for use at the cemetery. Staff had reviewed the documentation and calculations for the recommended water rate increase and agreed with the recommended amounts.

Assemblyman Parks stated he was concerned about two issues. The first was that funding had been provided to create the water line, and also he wondered whether the smell of raw sewage would continue. Mr. Parks said his second concern was that since 15 more acres were being developed, could the cemetery use treated wastewater along with irrigation water to reduce the cost.

Tim Tetz, Executive Director, Office of Veterans' Services, responded that the \$200,000 and the need to eliminate the smell of the wastewater was the last step in the wastewater treatment. He said Boulder City had not taken the final step to make the wastewater treatable and usable. Until Boulder City could be pressured into taking the final step, a mixture of wastewater and irrigation water was not possible, according to Mr. Tetz.

Senator Beers asked whether there was a written interlocal agreement in place between the cemetery and Boulder City.

Mr. Tetz said there had been a ten-year agreement made when the cemetery had been established. The agency had given Boulder City \$200,000 to place the cemetery on the wastewater system to keep the rate at 25 cents per 1,000 gallons of irrigation water. That agreement had expired July 1, 2006, and the rate had increased to \$1.74 per 1,000 gallons.

Senator Beers asked whether the agreement had stated that Boulder City would provide the cemetery with treated wastewater in suitable form at some time in the future and further questioned whether the matter had been discussed with the Nevada Attorney General.

Mr. Tetz replied that the Attorney General's Office was aware of the agreement and was working with Boulder City to arrive at a compromise on this matter, as well as access to the new expansion.

SENATOR BEERS MOVED APPROVAL OF THE RECOMMENDED AMOUNTS TO ACCOMMODATE WATER RATE AND USAGE INCREASES AT THE BOULDER CITY VETERANS' CEMETERY AS RECOMMENDED BY STAFF.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

Assemblyman Grady commented that the State should demand the \$200,000 from Boulder City, if the money was used for the study, and the cemetery could not use the wastewater.

THE MOTION PASSED UNANIMOUSLY.

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, stated decision unit E710 recommended a total of \$218,500 in General Fund support over the 2007-09 biennium for replacement equipment for the Boulder City and Fernley cemeteries. Mr. Peri said that amount was prior to reductions that had been recommended and approved in the previous revenue adjustments. The equipment that was recommended for the Fernley Cemetery included a small dump truck, a utility vehicle, a riding mower, and miscellaneous hand tools in FY 2008 at a cost of \$48,800 and similar equipment in FY 2009 at a cost of \$38,050. For the Boulder City Cemetery the recommendation included a small dump truck, two utility vehicles, a riding lawn mower, and hand tools in FY 2008 at a cost of \$60,600. In FY 2009, the equipment included a small dump truck, a utility vehicle, a riding mower, and hand tools at a recommended amount of \$55,050, according to Mr. Peri. Mr. Peri stated that staff had reviewed the equipment replacement schedule and determined the recommended equipment items were reasonable.

Decision unit E710 also included \$2,500 in FY 2008 and \$5,500 in FY 2009 in operating costs in the equipment category for both cemeteries which had been recommended for additional costs to repair and operate the new equipment. Staff did not believe that sufficient justification had been provided for those amounts and recommended elimination, according to Mr. Peri.

ASSEMBLYMAN PARKS MOVED APPROVAL OF DECISION UNIT E710 AS RECOMMENDED BY STAFF.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, said decision unit E711 recommended a total of \$121,642 over the biennium for replacement computers, software, and office equipment. The recommended amount would provide for the replacement of 7 executive desk units, 4 secretarial desk units, 12 replacement personal computers, 6 laptop computers, 11 inkjet printers, 4 flat panel monitors, surge protectors, and software upgrades. Mr. Peri said the recommended items appeared reasonable and in compliance with the Department of Information Technology's (DoIT) equipment replacement schedule. Staff requested approval to make any necessary adjustments to reflect revised prices obtained from State Purchasing.

ASSEMBLYWOMAN McCLAIN MOVED APPROVAL OF DECISION UNIT E711 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for the vote.)

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, said decision unit E806 recommended salary increases for the unclassified Director and Deputy Director positions. The director's salary would increase from \$82,742 authorized in FY 2007 to \$108,395 in FY 2008, and the deputy director's salary would increase from \$66,830 authorized in FY 2007 to \$88,532 in FY 2008. Mr. Peri said during previous hearing and in response to a request for additional information, the director indicated that that two staff members' salaries exceeded the director's salary and several staff members' salaries exceeded the deputy director's salary.

Mr. Peri stated any final decisions regarding the recommended salaries in The Executive Budget would be made by the Unclassified Salary Subcommittee. While the Joint Subcommittee might choose to approve decision unit E806, the final approval would be made by the Unclassified Salary Subcommittee and included in the unclassified pay bill.

ASSEMBLYWOMAN KOIVISTO MOVED APPROVAL OF DECISION UNIT E806 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, stated the agency was currently legislatively authorized for 32 FTE positions. In reviewing the budget, staff noted there were 33 FTE positions in the system, including a temporary administrative assistant that appeared to have been established in FY 2000. Mr. Peri said this information was informational as the agency had reviewed the situation and provided additional information indicating the reasons for the creation of the temporary position. The current review of the Data Warehouse revealed the temporary position had been eliminated and was no longer an issue, according to Mr. Peri.

Mr. Peri presented two informational items for the Subcommittee's review. The first item was the new Trinity Team. During previous hearings, the agency testified that Nevada's per capita compensation and pension benefits received by veterans of \$997 was below the national average of \$1,243. Mr. Peri said the agency was asked what additional resources might be required to increase Nevada's per capita amount and, additionally, what resources would be required to establish a rural office in Elko. The agency provided a response which estimated the General Fund cost to establish an additional Trinity Team would be \$130,962 in FY 2008 and \$170,783 in FY 2009. Mr. Peri stated that team would consist of two veteran's services representatives and an administrative assistant, plus associated travel, operating, equipment, training, and information services costs. Staff noted that detailed backup had not been provided. Mr. Peri said that if the Subcommittee recommended adding this item, staff would obtain and review detailed information and costs related to the request and report any substantial differences in costs to the Subcommittee.

Mr. Peri said the second informational item was an agency reorganization. At the March 9, 2007, Subcommittee hearing, the agency testified it would like consideration for a reorganization that was not included in The Executive Budget. The reorganization proposed to transfer an existing administrative services officer 1 (ASO) from the Commissioner's budget (BA 2560) to the Veterans' Home budget (BA 2561). Additionally, an existing accountant 2 would be transferred from the Veterans' Home to the Commissioner's budget and was proposed to be reclassified as a personnel analyst. Mr. Peri said an existing veterans' services representative 1 was requested to be reclassified to a veterans' services representative 2. The agency indicated the fiscal impact to the Commissioner's budget would be an increase of General Fund support of \$5,970 in FY 2008 and \$3,427 in FY 2009. In the Veterans' Home budget the impact would be a decrease of \$18,862 and \$16,452, respectively, in each year of the 2007-09 biennium. Mr. Peri said the overall impact was a reduction of General Fund support of \$25,917 over the 2007-09 biennium. Mr. Peri also said staff had not entered the requested changes into the budget system and could not verify the accuracy of the agency's figures. If the Subcommittee chose to approve the reorganization, staff would input the changes and report any substantial differences in the fiscal impact to the Subcommittee.

In response to a question from Assemblywoman McClain, Mr. Peri said no information had been included in the closing packet for the Subcommittee regarding gifts and donations. There was a revenue item in BA 2560 entitled

Gifts and Donations which had been in the account for several years. In the latest budget reduction list provided by the Budget Division, the Gifts and Donations revenue had been included, and it had been suggested that those revenues be removed from the budget for the next biennium and replaced with General Fund. Mr. Peri said this item had not been brought to the attention of the Subcommittee in prior hearings and had not been discussed. Staff had chosen not to include it as a closing item. Mr. Peri said that after discussing the matter with the agency, he had reviewed figures included in the state accounting system for the current biennium. In FY 2006 the agency collected \$31,680 in gifts and donations in the Commissioner's Account 2560. Mr. Peri said the agency had indicated that the existing statute required the money collected from gifts and donations be transferred to the Cemetery Gift Account. Of the \$31,680 collected in FY 2006, \$1,375 had been transferred to the Commissioner's Account. The remaining \$30,305 was retained in the Gifts and Donations Account and it was assumed had been expended on cemetery-related expenses, according to Mr. Peri. In FY 2007, a similar analysis performed year-to-date, revealed that \$19,635 had been collected in gifts and donations, and of that amount, \$1,280 had been transferred to the Cemetery Gift Account. The remaining \$18,355 that had been retained in the Commissioner's Account was assumed to have been expended on cemetery-related expenses as the intent of the gifts and donations was to support any activities in either the Boulder City or Fernley cemeteries. Mr. Peri said staff's opinion, which had been verbally conveyed to the agency, was because it appeared that the majority of the funds had been expended in the Commissioner's Account, staff recommended that if the revenue was removed, expenditures should be removed as well.

Mr. Peri said another option was to remove gift and donation authority from BA 2560 and replace it with General Fund in the amount of \$35,000 in FY 2008 and \$36,750 in FY 2009.

ASSEMBLYWOMAN McCLAIN MOVED TO REMOVE
RECOMMENDED REVENUE AUTHORITY IN BA 2560 AND
REPLACE IT WITH GENERAL FUNDS IN THE AMOUNT OF
\$35,000 IN FY 2008 AND \$36,750 IN FY 2009.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for
the vote.)

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Chairman Rhoads asked staff if the figures for the new Trinity Team of \$130,962 in FY 2008 and \$170,783 in FY 2009 were General Funds, and Mr. Peri replied that was correct.

ASSEMBLYWOMAN McCLAIN MOVED APPROVAL OF FUNDING
THE NEW TRINITY TEAM.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for
the vote.)

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Assemblyman Grady asked who would be responsible for reporting donations for the Gift and Donation Fund when General Funds were used. Mr. Peri replied that the authority recommended by the Governor in BA 2560 would be removed. Mr. Peri said his understanding was that according to statute, any gifts and donations that were made for improvements would have a restricted donations form providing the donor with the ability to designate what the donation was to be used for.

Assemblywoman McClain commented that gifts and donations would still be received but would not be a revenue item for BA 2560, and Mr. Peri concurred.

Steve Abba, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, requested clarification regarding the Trinity Team issue and asked whether it had been the Subcommittee's intention to add it as an item for special consideration or add it to the budget. Clarification was needed for accounting purposes.

Chairman Rhoads asked what staff would recommend. Mr. Abba explained that the options were placing the Trinity Team on the add-back list, as had been discussed in numerous committees, or approve the General Fund costs for the Trinity Team as part of a closing action of the Subcommittee. Both subcommittees would then report that action back to the full committees.

Ms. McClain commented that if the new Trinity Team was placed on the add-back list, it would probably not be created and Chairman Rhoads agreed.

Ms. McClain stated for purposes of clarification that the motion she had previously made approved General Fund costs for the Trinity Team.

Mr. Peri asked the Subcommittee to reconsider the vote on decision unit E806, the unclassified salary increases. He said Senator Beers had expressed concern that the motion and approval regarding E806 had not been proper. Mr. Peri reiterated that the Unclassified Salary Subcommittee would review the matter, and salaries would be recommended and included in the unclassified pay bill subject to approval by the entire Legislature. The Subcommittee had voted to approve decision unit E806, and Mr. Peri said perhaps that was not proper at the present time and requested reconsideration.

Chairman Rhoads called for a motion to rescind the action on decision unit E806.

ASSEMBLYWOMAN McCLAIN MOVED TO RESCIND THE
APPROVAL OF DECISION UNIT E806.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for
the vote.)

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, explained that the Veterans' Home budget reflected increased funding, primarily in the base budget, to accommodate a projected census of 175 residents in each year of the 2007-09 biennium. Mr. Peri said that figure compared to an average daily census of 162 in FY 2006 and 170 year-to-date in FY 2007.

Mr. Peri stated the major closing issue in BA 2561 was the recommendation for five new positions. Enhancement unit 250 (E250) recommended one occupational therapist 2. The recommended General Fund amount for salary and associated costs totaled \$74,968 in FY 2008 and \$81,487 in FY 2009. In the current biennium those services were being provided by a contract therapist, and the agency had indicated it would be more economical to establish a state position, according to Mr. Peri. Cost comparisons indicated that in FY 2006, \$63,848 was expended for contract services, and the estimated costs for a full-time contract therapist would be \$124,800. Staff verified that the contract expenses incurred in the base year of \$63,848 were removed from the base budget. Mr. Peri said the other item the Subcommittee should be aware of was that the position was recommended to begin in July 2007. The recommended new position appeared reasonable to staff.

Mr. Peri said decision unit E251 recommended two new activities therapy technician 2 positions at a General Fund cost of \$66,590 in FY 2008 and \$95,731 in FY 2009. The positions were recommended to meet new guidelines from the Centers for Medicare and Medicaid Services (CMS) which required long-term care facilities to offer more individualized programming in an effort to promote a more homelike environment. Mr. Peri said the positions were recommended to begin October 1, 2007. No contract services expenses were incurred in FY 2006 for those services. Mr. Peri stated the new positions appeared reasonable to staff.

Enhancement unit 254 (E254) recommended two new licensed practical nurse 2 positions at a General Fund cost of \$1,510 in FY 2008 and \$36,591 in FY 2009. The low amount of General Fund recommended was due to a reduction in overtime expenses of \$185,251 over the biennium, which was not visible in The Executive Budget. According to Mr. Peri, contract nursing costs had also been reduced by \$43,296 in each year of the 2007-09 biennium. The positions, which would begin on October 1, 2007, were recommended to accommodate the projected increase in the census figure and allow the Veterans' Home to become less dependent on contract labor. Mr. Peri stated that the new positions appeared reasonable to staff.

ASSEMBLYWOMAN McCLAIN MOVED APPROVAL OF DECISION
UNITS E250, E251, AND E254 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for
the vote.)

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, explained budget reductions and additions. Mr. Peri said in response to the Governor's request for all agencies to reduce recommended General Fund appropriations in the 2007-09 biennium, the Budget Division submitted several revenue adjustments that affected the base budget. The first adjustment

reflected an increase in the daily Veterans' Administration per diem rate from \$67.71 per day to \$71.42 per day, resulting in additional revenue of \$157,564 in FY 2008 and \$361,381 in FY 2009. Mr. Peri said the second adjustment proposed an increase in FY 2008 in the number of Medicaid-eligible residents, resulting in an increase of \$164,700 in additional Medicaid revenue. No adjustment was recommended for FY 2009. According to Mr. Peri, the final adjustment projected a decrease in the anticipated revenue to be collected from client charges, which totaled \$57,096 in FY 2008, with no adjustment identified for FY 2009. Staff had reviewed the calculations and assumptions and agreed with the recommended adjustments. The net decrease to the General Fund was \$265,168 in FY 2008 and \$361,381 in FY 2009.

SENATOR BEERS MOVED APPROVAL OF THE BUDGET
REDUCTIONS AND ADDITIONS AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for
the vote.)

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, referred to decision unit E805 which recommended the creation of a new certified nursing assistant (CNA) 2 classification at a General Fund cost of \$88,556 over the biennium. The recommendation would increase the salary of eight FTE positions approximately 15 percent from a grade 22 to a grade 25. Staff reviewed the CNA positions in the account which showed there were 83 FTE approved, with 77 filled, for a 93 percent occupancy factor. The agency acknowledged the high occupancy factor, but indicated there had been a 38 percent turnover. The proposal would assist in retention, which would result in lower advertising and training costs.

Senator Titus commented that this salary adjustment did not seem in keeping with other requested salary adjustments that had not been approved or had been postponed. She pointed out that if approved, eight employees would be receiving an increase of 15 percent at a time when other employees were receiving increases of much less. Mr. Peri responded that this increase was somewhat of a reclassification. Of the 83 CNA positions the increase would affect 8 positions by moving them from a grade 22 to a grade 25. The agency's intent was to provide a career ladder for the classification and an incentive to remain in the positions and be promoted up to that level.

Senator Titus said she had heard in so many budgets that if salaries could be raised, Nevada would be more competitive, and she wondered why this classification would be singled out when it was not being done in other budgets.

Assemblywoman McClain commented that in this instance people in the CAN positions were required to drive to Boulder City, for very low paying jobs. She said the upgrade might be an incentive to get people to work there.

Senator Titus said she appreciated that, but was in favor of the rural area differential (RAD) being increased as an incentive for employees to drive to outlying areas.

ASSEMBLYWOMAN McCLAIN MOVED APPROVAL OF DECISION UNIT E805 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for the vote.)

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, stated decision unit E425 recommended \$22,671 in General Fund support in each year of the biennium for increased training funds, including updates to manuals and the purchase of clinical training tools and supplies. Mr. Peri explained that together with increases recommended in the base budget, the total for training expenses would increase from \$34,582 expended in FY 2006 to \$58,942 in FY 2008, which was a 70 percent increase, and to \$53,342 in FY 2009, a 54 percent increase over FY 2006. Mr. Peri said as a comparison, year-to-date in FY 2007, out of \$51,002 available, \$13,989 had been recorded in expenditures. The agency had provided a prioritized list of 23 proposed training offerings over the biennium, which were primarily medically and clinically related. The agency also provided additional information which indicated that lower expenditures in FY 2006 and year-to-date in 2007 were primarily due to turnover and fewer key employees being able to attend training offerings.

ASSEMBLYWOMAN McCLAIN MOVED APPROVAL OF DECISION UNIT E425 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for the vote.)

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, said the next item for the Subcommittee's consideration was an increase for In-State Travel from \$8,317 expended in FY 2006 to \$20,931 in each year of the 2007-09 biennium, an increase of 152 percent. Mr. Peri noted that while \$14,091 was authorized in FY 2007, as a point of comparison, recorded year-to-date expenditures totaled \$9,088. Information provided by the agency suggested that actual and year-to-date costs in the current fiscal year were lower because of turnover in key positions. Included in this amount were 12 trips for the Commissioner to travel from Reno to the Boulder City Veterans' Home. Mr. Peri stated there were a total of 24 trips provided and budgeted for the Commissioner during the next biennium, 12 trips in BA 2561 and 12 trips in BA 2560. Mr. Peri said the Subcommittee should note the Executive Director position was not included in BA 2561, but in BA 2560, and if approved, funding should be moved to the Commissioner's account.

Senator Titus remarked that while she would vote for the In-State Travel increase, she wondered why the Veterans' Commission was located in Reno instead of Las Vegas when most of the veterans were in southern Nevada. Senator Titus further stated that while it was too late in this session, she wanted to consider moving the Commission to Las Vegas in the 2009 session.

SENATOR TITUS MOVED APPROVAL OF THE IN-STATE TRAVEL INCREASE AND MOVING THE EXECUTIVE DIRECTOR'S TRAVEL TO BUDGET ACCOUNT 2560 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Parks was not present for the vote.)

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, explained that the base budget recommended an increase for Out-of-State Travel from \$2,500 expended in FY 2006 to \$7,700 in each year of the 2007-09 biennium, a 208 percent increase. As a point of comparison, while \$9,350 was authorized in FY 2007, only \$1,887 in expenditures had been recorded year-to-date. Mr. Peri said the Subcommittee should note that the recommended amounts also included \$3,930 each year for the Veterans' Home administrator to attend two National Association of State Veterans' Homes conferences. The administrator was currently functioning in an advisory capacity to that Association, which paid all expenses related to attendance by that individual at the conferences. Mr. Peri said the agency indicated the administrator would continue to serve in that advisory capacity in the upcoming biennium, therefore staff recommended the elimination of the \$3,930 budgeted for that purpose each year.

ASSEMBLYMAN HOGAN MOVED APPROVAL OF OUT-OF-STATE TRAVEL EXPENSES AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED.

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, explained that decision unit E814 recommended a two-grade increase for all nursing positions at a total cost of \$741,561 over the 2007-09 biennium funded with General Fund salary-adjustment revenue. The recommended increase would be the same as the two-grade increase recommended in The Executive Budget of the 2005-07 biennium and approved by the 2005 Legislature for all nursing positions. Mr. Peri said staff would recommend a technical adjustment to E814. Staff had removed duplicate positions included in the E814 decision unit.

ASSEMBLYWOMAN KOIVISTO MOVED APPROVAL OF DECISION UNIT E814 WITH TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

THE MOTION PASSED.

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, explained two technical adjustments to the Subcommittee. In a technical adjustment to decision unit E814, duplicate positions were removed, which reduced the need for General Fund salary adjustment funds by \$38,522 in FY 2008 and by \$41,480 in FY 2009. Mr. Peri said the second technical adjustment eliminated call-back pay included in the base budget. Those expenses were normally not budgeted. The adjustment resulted in a reduction of General Fund of \$368 in FY 2008 and \$382 in FY 2009. Mr. Peri requested approval of the technical adjustments by the Subcommittee.

ASSEMBLYWOMAN McCLAIN MOVED APPROVAL OF TECHNICAL
ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED.

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Larry Peri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, said the final item for the Subcommittee had been presented in BA 2560 at the March 9, 2007, Subcommittee hearing. The agency had requested consideration for a reorganization that had not been included in The Executive Budget. Mr. Peri said the Subcommittee had approved the reorganization that had been detailed in BA 2560, and he was requesting similar approval in BA 2561.

SENATOR BEERS MOVED APPROVAL OF THE REORGANIZATION
AS RECOMMENDED BY STAFF.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED.

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Chairman Rhoads adjourned the meeting at 9:30 a.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
Committee Secretary

APPROVED BY:

Senator Dean Rhoads, Chair

DATE: _____



Assemblyman David R. Parks, Chair

DATE: _____

EXHIBITS			
Committee Name: <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Public Safety/Natural Resources/Transportation</u>			
Date: <u>May 1, 2007</u>		Time of Meeting: <u>7:40 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Guest Sign-in sheet