

**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
February 13, 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 David R. Parks at 8:03 a.m., on Tuesday, February 13, 2007, in Room 2134 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits 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).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Mr. David R. Parks, Chair
Mr. Tom Grady
Mr. Joseph Hogan
Mrs. Ellen Koivisto
Ms. Kathy McClain
Ms. Valerie E. Weber

SENATE COMMITTEE MEMBERS PRESENT:

Senator Bob Beers
Senator Dean A. Rhoads
Senator Dina Titus

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Gary Ghiggeri, Senate Fiscal Analyst
Mark Krmpotic, Senior Program Analyst
Robin Hager, Program Analyst
Christine Bashaw, Committee Secretary
Patti Adams, Committee Assistant



Chairman David R. Parks stated that the Department of Motor Vehicles (DMV) would speak on the budgets for the Real ID and the Department of Public Safety.

DEPARTMENT OF MOTOR VEHICLES
REAL ID (201-4746)
BUDGET PAGE DMV-10

Virginia Lewis, Director, Nevada Department of Motor Vehicles, stated that her entire management team was present as Real ID affected almost the entire Department. Ms. Lewis referred the Subcommittee to [Exhibit C](#) which listed the requirements of the Real ID and the decision units required to fund the program. [Exhibit C](#) also identified whether the costs were continuing and provided a summary of the costs of the Real ID.

Ms. Lewis read from a prepared statement, [Exhibit D](#).

Most of you have heard about the Real ID Act during my presentation to the full money committees either in November or just recently during the budget overview for the Department. Additionally, there has also been a lot of play with the media, likely because this federal legislation affects over 2 million individuals in Nevada. That makes for good headlines.

By the way of a brief refresher, Congress passed the REAL ID Act as part of the Emergency Supplemental Appropriations Act for Defense, Global War on Terrorism and Tsunami Relief.

Simply stated, the Act creates national standards for the issuance of driver licenses and ID Cards.

This is what we know today:

- The Act is not a federal mandate, however, should states choose not to issue a Real ID compliant card, their driver licenses and ID cards will not be acceptable at the federal level. Those individuals will not be able to board commercial airline, enter federal buildings or apply for federal benefits such as social security.
- The Act becomes effective May of 2008.
- At this point Congress has not allocated adequate funds to all jurisdictions to fund the \$11 billion cost to implement this Act.
- The cost of Nevada is projected to be \$66 million over the next four years.
- All we have is the Act as currently written. It lacks the detail necessary to truly understand the total impact.
- The draft regulations were officially sent to Office of Management and Budget (OMB) by the Department of Homeland Security on January 2, 2007.
- We are told that the best case scenario for publication of the final rules will be in July of this year.
- With luck we will see the draft rules in March when the 90 day public comment period begins.

Budget Account 4746 has been established to carry out the requirements of the Real ID Act and is funded with Highway Funds. The Governor has indicated that there will be no fee increases to cover the costs of this federal law.

The Department has submitted a budget BDR to exempt the costs associated with the implementation of the Real ID Act from the requirements of NRS 408.235(4) which addresses the 22 percent cap of Department expenditures of Highway Fund monies.

This budget was developed based on the requirements of the Act as we understand them; assumptions and conversations with the Department of Homeland Security. Through this budget we have attempted to balance our commitment to efficiently provide service to the motoring public as well as securing the necessary resources to ensure the spirit of the Act is upheld. This Department remains committed to improving the security of the drivers license and ID cards and the integrity of the issuance process.

The requirements of the Act are as follows:

- A person's full legal name shall be included on a Real ID credential.
- States shall incorporate "Physical security designed to prevent tampering, counterfeiting or duplication of the document for fraudulent purposes".
- Individuals will be required to show evidence of lawful presence in the United States before being issued a Real ID credential and to limit the validity to their length of stay.
- States will be required to verify the validity of the identification documents with the issuing agency.
- The Act requires us to document the applicant's address of principal residence.
- States will be required to employ technology to capture digital images of identification documents so that documents can be retained in electronic storage in a transferable format.
- The Act requires States to subject each person applying for a driver license or ID card to mandatory facial image capture.
- States will be required to provide electronic access to all other states to information contained in the states' databases.
- States will be required to limit the validity of a driver license or ID card not to exceed 8 years.
- All persons authorized to manufacture or produce driver licenses or ID cards will be required to undergo appropriate security clearance requirements.
- All states will be required to ensure the physical security of the locations where driver licenses are produced and the security of the document material and papers which cards are produced.
- All states will be required to establish fraudulent document recognition training programs for all employees engaged in the issuance of driver license and ID cards.

Senator Dean Rhoads had a question regarding numerous states that were considering legislation against the Real ID Act and wondered whether Ms. Lewis

knew what effect this legislation might have. Ms. Lewis responded that, recently, there had been many states that had voiced their concerns over the implementation of the Real ID Act, including the lack of flexibility, funding from the federal government. She believed there was opposition building because most Legislatures were in session and faced with budgets for Real ID from their DMVs. Some states had passed non-binding resolutions, but she did not know whether any states were not going to comply with the Act. Ms. Lewis believed there were appeals for help to Homeland Security and that the federal rules would be reasonable and funding would be provided.

Senator Bob Beers commented that he thought Maine proclaimed they were not going to comply and had read in a Nevada newspaper that the Chairmen of both transportation committees of the Legislature were working on a resolution that would have Nevada say no as well.

Chairman Parks questioned why there was a separate budget account for Real ID since there was no federal funding to be added. Ms. Lewis stated that in 2005 Congress had allocated \$40 million for Real ID, and at that point, the estimates were about \$100 million for all jurisdictions to implement Real ID, which was not close to the \$11 billion needed. The Department had not pursued any federal money because, in the absence of the details of the Act, it was not clear what the money could be used for. The DMV was a Highway-funded agency, and the decision was to fund the Real ID budget from that source.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E276 Implementation Team

FY 2008 — \$569,615 FY 2009 — \$528,909

This decision unit represents the Implementation Team for the Real ID. The requirements of the Act affect just about every division in the Department. The Team will be responsible for the coordination, implementation and oversight of the requirements of the Act as well as the management of this budget.

The decision unit includes three FTE to be located in Carson City:

Management Analyst III
Management Analyst II
Administrative Assistant

In addition, \$310,000 is requested for a contract Project Manager. We have submitted a request for a supplemental appropriation in the Director's Office in the amount of \$79,360 for this contract to begin in April instead of July 1. We believe it is critical to start the planning and coordination for all the components of this project. We hope the draft federal rules will be available in April thereby allowing the project manager to have the necessary details to begin.

Training funds are requested for the Team to attend informational summits to understand the details of the rulemaking and to learn how other jurisdictions are implementing the requirements of the Act. We anticipate American Association of Motor Vehicle

Administrators (AAMVA) will hold regionalized Real ID meetings as well.

Chairman Parks questioned why Ms. Lewis wanted the project manager to be a contracted employee. Ms. Lewis replied the position would not be retained after the re-enrollment. Chairman Parks further questioned whether the three positions for the implementation team would be hired through internal recruitment. Ms. Lewis responded that the best compositions of an implementation team would be staff that understood what the Real ID was about. However, she was not sure there was someone on the outside that could walk in the door and have this knowledge.

Assemblywoman Kathy McClain wanted to know whether the Project Manager would be through with the job by May 2008. Ms. Lewis replied no, and explained that funding for the Project Manager continued through the 2007-2009 biennium. Ms. McClain questioned whether the position would continue for one additional year. Ms. Lewis explained that, if the Project Manager started in April 2007, the contract would include three months of FY 2007, and FY 2008 and 2009. At that point, continuation of the position would be evaluated and a new budget built for the 2009–2011 biennium. Ms. McClain wondered whether \$155 per hour was standard, and Ms. Lewis replied yes.

Ms. McClain and Chairman Parks questioned whether a time-line had been established for the Real ID Act or was DMV waiting for the Project Manager. Ms. Lewis stated that the time-line was exactly where a Project Manager would start, and there should be draft Real ID rules by that time. Ms. Lewis noted that there was an implementation date of May 2008, and that each one of the decision units had a time frame.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E279 Bandwidth

FY 2008 — \$84,463 FY 2009 — \$506,964

The Real ID Act requires states to employ technology to capture digital images of identification documents so that images can be electronically stored in a transferable format.

This decision unit funds the installation and ongoing monthly costs for the T-1 and fiber necessary to broaden the bandwidth between offices to support enhanced network capacity to transmit images. As our business processes become more complex so does the demand for greater communication capacity in the field office. T-1 lines are needed for our Laughlin, Tonopah, Yerington, and Mesquite offices. Fiber is necessary for the five metropolitan offices due to the higher volume of documents imaged and transferred among offices and between the jurisdictions around the country.

Chairman Parks noted that it appeared that The Executive Budget was understated by \$73,000 for the statewide loop, and wondered whether an adjustment would be submitted. Ms. Lewis replied that she would be working with the Budget Division to submit the adjustment.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E280 Training Component

FY 2008 — \$258,473 FY 2009 — \$184,294

The Real ID Act requires states to establish fraudulent documents recognition training programs for all employees engaged in the issuance of drivers' licenses and ID cards.

All employees are required to successfully complete 12 hours of level one basic instruction. In addition, all supervisors and managers are required to take an additional 12 hours of level two advanced fraud document training. All employees are required to attend annual 4 hours re-certification training.

This decision unit requests 2 Training Officers and the associated costs. Funds are also requested for the per diem and travel for Field employees to travel to the training locations in Carson City and Las Vegas. We estimate that over 721 employees and 106 Supervisors and Managers need to be trained prior to the implementation date of May 2008.

Funds are also requested to travel to AAMVA headquarters in Arlington, Virginia for the Training Officers to be certified in Fraudulent Document training.

I would note here that Nevada currently teaches 20 hours of fraudulent document recognition training in the new hire academy. We are hopeful that our curriculum will meet or exceed the regulation standards thereby reducing the overall number of employees that need to be trained before May of 2008.

Chairman Parks questioned whether the existing 20 hours of training was satisfactory for Real ID. Ms. Lewis explained that once the federal rules came out on what was required, she hoped that amount of training was adequate because her Department had a good fraud document training curriculum for new hires.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E281 Background Checks

FY 2008 — \$48,576 FY 2009 — \$8,514

The Act requires states to subject all persons authorized to manufacture or produce driver licenses and ID cards to appropriate clearance requirements. This assumes a state and federal criminal background check and credit check must be completed on all affected employees.

Funds are requested for all existing employees and ongoing backgrounds based on a 17.59 percent turnover rate.

Ms. McClain said she assumed that the current employees would not have to go through the background check. Ms. Lewis explained that background checks were implemented in 1997, but credit checks were not done. Employee background and credit checks were one of the requirements for the Real ID act so, depending on the federal rules, the Department would have to examine the records of current employees and identify those who would need background checks. All current employees would probably need credit checks, and new employees would need both a background and a credit check. Ms. McClain hoped that the DMV would not be risking the loss of employees to background checks. Ms. Lewis replied that was a question which had been discussed: if a background or credit check on a current employee comes back not favorable, what actions would be taken? Ms. Lewis hoped that some federal directions would be given to the Department, regarding how an unfavorable background check would be handled, and how it would affect their employee.

Senator Dean Rhoads asked whether there were plans for more office space. Ms. Lewis commented, as she moved through the budget, that she would discuss re-enrollment and how field offices were affected by Real ID. The Department had not proposed additional buildings and thought re-enrollment would be within a fixed timeframe, and once it ended, the Department would be back to business as usual. Ms. Lewis recommended that they expand hours of service to get the public through the Real ID program.

Ms. McClain questioned what would happen when it was time to renew a Real ID, would DMV be able to use the Internet for renewals or would renewals have to be done in person. Ms. Lewis hoped that alternative technology could be used rather than in-person visits.

Chairman Parks wanted to further discuss the space requirements. He stated that Ms. Lewis had indicated keeping existing facilities open 13 hours per day including Saturdays. Ms. Lewis answered that, currently, four DMV offices in Las Vegas and one in Reno had Saturday operations. For Real ID, the Department was looking to expand the workday. Chairman Parks noted Real ID could put an added burden on individuals who were at an office for non-drivers license related issues. Chairman Parks questioned whether a separate facility or temporary structure might be needed. Ms. Lewis said DMV had not looked at alternative locations. She said that the Department would have to get creative, whether by expanding office hours, processing Real ID on certain days only, or opening on Sundays, once there were federal rules to follow. The Department needed to educate registration customers and other customers that there were alternatives. Ms. Lewis commented that, as she goes through the budget, there would be alternative technology requested to address the processing of new car sales in Nevada.

Chairman Parks summed up that DMV had not ruled out any options. Ms. Lewis answered that this was correct, and she did not want to minimize the size of re-enrollment, because it would be massive. However, Ms. Lewis hoped that Homeland Security would listen to the one issue states had been most vocal about, and that was to extend the five year re-enrollment period. If the period was extended to ten years, Nevada would be fine. If just the extension of the re-enrollment period was included in the federal regulations, it would take a huge weight off states.

Ms. McClain questioned whether expanding the time-frame was something the other states were pursuing. Ms. Lewis answered that, when states completed the national survey, it was one of the items that was predominate in the

document given to Homeland Security. The greatest cost of Real ID buried in the \$11 billion was the cost for additional facilities and staff if the 5 year re-enrollment period was kept. Ms. McClain wanted to know whether Ms. Lewis thought Homeland Security would listen to the states. Ms. Lewis responded that former Assemblyman Perkins had been to a National Conference of State Legislatures (NCSL) Conference where he met with Homeland Security and was not very optimistic about the re-enrollment period. Ms. Lewis, however, hoped, with the noise that the states were making and with rule-making being looked at by the Office of Management and Budget (OMB), that Homeland Security would listen to the states.

Assemblywoman Ellen Koivisto wanted to know whether people who did not qualify for the Real ID or did not want one would be able to drive. Ms. Lewis responded that there was a provision in the law that said DMV could continue to issue a credential, but it would not be Real ID compliant. The document would have to say not for identification purposes. Ms. Lewis continued that there were people who do not care about flying, federal assistance, or entering a federal building but just wanted to drive legally.

Assemblywoman Valerie Weber asked whether there would be a grace period for those who are trying but are unable to comply by the expiration date of their licenses. Ms. Lewis was not able to answer the question but hoped there would be a regulation for that. She continued that there would be many cases where people could not comply with Real ID because of lack of documents, but she hoped that there would be some guidance and leeway provided in the federal rules.

Ms. McClain asked about the five clearinghouses in the nation and Ms. Lewis said she would be covering that later.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E282 Physical Card Security

FY 2008 — \$853,231 FY 2009 — \$5,267,850

The Act requires states to incorporate physical security designed to prevent tampering, counterfeiting or duplication of the document for fraudulent purposes. This decision unit assumes the federal regulations will likely specify a uniform security configuration that prescribes, at a minimum, a polycarbonate cardstock and laser engraving of the variable data on all driver licenses and ID cards.

We have been provided an estimate cost of \$7 per card for these security features, over and above our current cost of \$2.08. We currently charge the customer \$2.25 per card to cover our contractual cost. This decision unit requests Highway Fund money to offset the difference.

Decision Unit E283 System Queries

FY 2008 — \$3,953 FY 2009 — \$23,716

The Act requires states to verify the validity of an applicant's identification documents with the appropriate issuing agency.

The systems referenced in the requirements include:

- SSOLV — Social Security On-line verification
- SAVE — (Systematic Alien Verification of Entitlements) verifies lawful presence and length of stay in the US. Nevada currently has web based access to SAVE which is utilized on an as needed basis. We will need to integrate it into the DMV application to meet the requirements of the Act.
- EVVER — Electronic Verification of Vital Events Records
- Department of State — database of passport information
- DRIVERS — all driver database similar to CDLIS (commercial driver license information system)

Funds are requested for queries into the only two electronic systems currently available, SSOLV and SAVE. We are assuming the requirement will only apply to those electronic systems that are functional.

Decision Unit E284 Public Education Campaign

FY 2008 — \$193,147 FY 2009 — \$350,540

I cannot begin to tell you how critical it will be to talk to the public, early and often and educate them about the requirements of the Real ID Act. The public needs to understand the law, how it affects them, and what they will be required to do at the time of their renewal of their driver license.

This decision unit requests funds for the initial letters to all holders of a driver license or ID card, informational notification at the time of renewal, point of purchase cards, TV and radio spots and office posters.

Chairman Parks stated that there was, currently, a public education program and asked whether a separate program for Real ID would be created. Ms. Lewis replied that the DMV base budget contained approximately \$100,000 for a public education campaign, which had been used over the past two bienniums to encourage people to use the Internet rather than visit a DMV office. This campaign would be especially critical with re-enrollment to educate customers that there were alternatives to an office visit. This public education campaign was now talking about Real ID.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E285 Expanded Fraud Efforts

FY 2008 — \$632,833 FY 2009 — \$953,520

As I have testified to in the past, with the enactment of the Real ID Act, a "Real ID credential will be a gold passport to everything in life." Across the country there are huge concerns over increased employee fraud as well as a new level of sophistication in counterfeit cards and breeder documents.

This decision unit requests funds for staff for the Compliance Enforcement Division to enhance their investigative resources for the increase in fraud in the metropolitan offices.

Twelve positions are requested:

- 8 Investigators — requested to compliment the existing fraud resources to ensure adequate coverage at the 6 metro offices
- 2 Supervising Investigators — regional span of control
- DMV Technician IV — specialist in DMV processes with a law enforcement perspective
- Administrative Assistant — to provide clerical support

Senator Rhoads asked how much fraud was present with the current systems. Ms. Lewis commented that fraud was a huge issue for every state DMV. The Fraud Unit, which was established approximately three years ago, had a caseload bigger than could be handled. There were more than 2,000 different types of fraud cases. Senator Rhoads felt that, with the Real ID, fraud would be at a minimum because of the new sanction that would be applied. Ms. Lewis maintained that the DMV was very concerned with the fraud existing in the system today. She explained that for years Nevada accepted a driver license from another state at face value but learned that some other states had lenient requirements. In 2001, Nevada quit accepting drivers' licenses at face value and required additional documentation. Chairman Parks summarized that with Real ID the fraud would be an increasing problem. Ms. Lewis agreed.

Ms. Lewis continued reading from her prepared statement concerning fraud efforts.

The positions will:

- Be on-sight at the metro office to handle escalated situations with customers and provide the peace officer facet to diffuse situations.
- Be fraud experts whom the window technicians can use as a resource when fraudulent identification documents are detected.
- Handle the increased workload resulting from the requirements of the Act. The existing Fraud Investigators are challenged to handle the current workload.

Decision Unit E286 Re-enrollment

FY 2008 — \$3,920,524 FY 2009 — \$8,111,660

The Act requires states to be compliant with the provisions of the Act by May 11, 2008 in order for the driver license or ID to be accepted by a federal agency for an official purpose.

In building this decision unit, we assume:

1. All driver licenses and IDs, including renewals, require and in-person visit to a DMV office to prove who they are and that they are in this country legally.

2. Due to the new requirements, transaction times for renewals will be equivalent to the original issuance transaction time.
3. All driver licenses and ID card holders must be compliant with the Real ID Act by May 11, 2013. This represents a five year re-enrollment period. In Nevada, we would have a four year re-enrollment period due to our renewal cycle.

The metropolitan offices are currently operating at full capacity to meet existing demands. Additional staff is requested to maintain our present level of service while incorporating the additional transaction volumes mandated under Real ID. There are over 110,000 customers who currently renew their driver license over the Internet, by mail, or on the Kiosk. During the re-enrollment period those customers will be back in our offices, impacting the wait times. Between the ongoing growth in Nevada and Real ID, service levels will be greatly compromised. We cannot dismiss the fact that there will be a significant increase in the number of repeat visits to the field offices whether customers are unprepared to do business with us under the new requirements.

This decision unit proposes to extend the office hours in the metropolitan offices, to include Carson City to minimize the impact of the Real ID Act.

The decision unit requests funds for:

- 15 Supervisors
- 147 Technicians
- 6 accounting positions for Administrative Services
- Contract monies for additional security guards in the metropolitan offices

I would like to note here that the metropolitan offices will be slightly reconfigured to establish a Real ID triage area. All customers requesting any driver's license or ID transactions will be routed to this area where their documents will be authenticated, scanned, and photo and signature captured, before being queued into the system for completion of the transaction. This triage area would likely be staffed with 4 to 6 employees and represents a function currently not captured on our staffing formula.

Staffing breakdown:		Sups
Carson City	21	2
Galletti	23	2
Flamingo	19	2
Sahara	37	4
Decatur	30	3
Henderson	<u>17</u>	<u>2</u>
	147	15
		Total: 162

Chairman Parks questioned whether Ms. Lewis had considered construction and remodeling costs to accommodate the added activity. Ms. Lewis replied that the Department was looking at the metropolitan offices and how to change things, mostly electrical, but nothing on remodeling for Real ID.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E287 Real ID Call Center

FY 2008 — \$446,141 FY 2009 — \$558,358

We anticipate thousands of customers with questions on the requirements of the Real ID Act. In fact, it might be fair to say that all 2 million holders of a driver license or ID card will have a question. Even with the communication efforts through the public education campaign or the Real ID website, many customers will need or want to talk to experts to guide them through the process.

This decision unit requests funds to establish a call center to respond to calls specific to Real ID. These employees will be the “experts” on the requirements of the law and details of the federal rulemaking. They will be prepared to deal with the exceptions, the most common being those individuals who were never issued a birth certificate.

The phone room will be staffed with 8 Technicians and 1 Supervisor. The decision unit includes funds for the costs associated with this staff, telephones, computer equipment and an 800 phone line. \$64,000 is also requested to remodel an area in the Carson City warehouse to house this Call Center.

Senator Rhoads recalled that DMV already had a call center. Ms. Lewis answered that there was a centralized call center in Carson City, staffed with approximately 14 technicians. Looking at the volume of calls handled on a daily basis, there was no way that the current call center could handle the increased volume the Real ID would create. Ms. Lewis asked the Subcommittee to recall the \$300 million tax rebate; DMV had staff strictly answering calls on just the rebate. Without that specialized group, the impact on the other call center would have been devastating.

Chairman Parks wanted to return to the previous decision unit [re-enrollment] and questioned how DMV would go about hiring and training 162 new employees beginning January 2008. Ms. Lewis revealed that when the number of employees needed to handle re-enrollment was determined, she questioned the training staff on how to train 162 employees. The training staff laid out a training schedule and, although it would be challenging, believed the training could be accomplished. Ms. Lewis surmised that the most difficult questions were whether that many people could be hired.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E288 — Regulation Development

FY 2008 — \$11,290 FY 2009 — \$3,040

This decision requests funds for travel to Las Vegas for regulation workshops and hearings as well as regulation review by LCB.

The Department has submitted a BDR that will allow us to adopt the details of the federal rulemaking for Real ID in regulation.

Decision Unit E289 — Reserve — Contingency Fund

FY 2008 — \$1,043,763 FY 2009 — \$1,595,798

Once we begin implementing the requirements of the Real ID Act there will likely be costs we never anticipated. As I have said, this budget was developed from the requirements as we understand them today, assumptions and information gleaned from discussions with DHS.

This decision unit establishes a contingency fund to allow the Department to approach IFC during the biennium should those unforeseen costs arise. The funds requested are based on 10 percent of the expenditures in the budget.

This budget may have underestimated the full impact of Real ID. Costs could escalate significantly whether federal regulations differ substantially from the recommendations used to for the baseline assumptions.

We are asking for wording in the Appropriations Act to balance forward unused portions of the reserve into FY 2009.

Chairman Parks questioned whether this would be part of the IFC contingency fund. Ms. Lewis replied that IFC had a Highway Contingency Fund for agencies that were highway funded, including DMV and Highway Patrol. This request was in addition to other money in that fund. She saw this reserve as an amount specific to Real ID issues that could only be accessed through IFC.

Ms. Lewis continued reading from her prepared statement.

Decision Unit E586 Technology Component

FY 2008 — \$3,662,400 FY 2008 — \$240,517

Many of the requirements of the Act require extensive programming efforts to the DMV computer application. We have identified 23,000 hours of programming efforts for the requirements involving full legal name, interfaces with other systems, card design, lawful presence, verification of eligibility and address of principal residence. However, until the technical specifications are provided to the states, the total impact of programming efforts will not be known.

Funds are requested for 2 ISS 3 (Information System Specialists) and contract programmers to be dedicated to the necessary changes to the application. We anticipate the majority of the programming hours in FY 2008 in preparation for the implementation in May of 2008.

\$3,136,500 is requested in the first year to allow for 20,910 contract hours at \$150/hour. I again request that the unused balance of contract monies be balanced forward into FY 2009.

In responding to the national survey, our IT staff identified the following programming hours for Real ID requirements:

Full Legal Name	4,400
Interfaces with other systems	1,800
Card Design	1,470
Lawful Presence	2,230
Verification of Eligibility	9,280
Address of Principal Residence	3,150
Database	<u>1,480</u>
	23,810
2 ISS 3 at \$1,450 per year	<u>2,900</u>
# of contract hrs needed	20,910

This decision unit also requests funds for the requirement of scanning, storage and retrieval of breeder identification documents. The Act requires states to retain copies of the identification documents for a minimum of seven years or images of source documents for a minimum of 10 years.

The TIR requests the framework for that environment. \$181,246 is requested in FY2008 for the two (2) SCSIs for the interface to the servers, 2 servers (one for redundancy), and 26 scanners. \$42,000 is requested in FY2009 for the ongoing maintenance.

Chairman Parks wanted an explanation on how she arrived at the programming hours. Ms. Lewis answered that they took the national survey and went through the requirements, looked at the system, and determined what would be required from an Information Technology (IT) perspective. The assumption was then made concerning how many productive hours two ISS positions would produce in a year. Those hours were subtracted from the total programming hours to determine the 20,910 contract hours. Chairman Parks wondered where Ms. Lewis was going to find that many programmers. This was a concern for Ms. Lewis, and she stated that it was challenging to find skilled programmers now. The programmers would probably come from the Bay area or a larger city where the pool of programmers might be greater. The Project Manager may be asked to find some programmers.

Senator Rhoads asked how would a person obtain a replacement birth certificate, and Ms. Lewis explained procedures to acquire a replacement and said the person should start immediately.

Assemblyman Tom Grady hoped Ms. Lewis and her national colleagues would "use the Real ID Act as a poster child for unfunded mandates." He asked what would happen after monies had been invested in the Real ID but then it gets delayed. Ms. Lewis stated that she had not heard that implementation would be delayed, just the re-enrollment time frame. Ms. Lewis continued that, if federal rules said Real ID did not have to start until 2009 or 2010, everyone would be in a tight spot as budgets had been passed.

Assemblyman Joseph Hogan questioned whether a valid U.S. passport was acceptable as documentation for the Real ID. Ms. Lewis explained that recently Colorado had stopped accepting the passport as a form of identification. Colorado discovered that the Department of State was not applying the strict requirements that were to be imposed for the Real ID; therefore, Ms. Lewis was unsure whether a passport was a valid identification. Although Ms. Lewis was

not sure what the federal government would do, she hoped the same standards set for Real ID would apply to the Department of State.

Mr. Hogan wanted clarification on whether Congress had the authority to delay the implementation date. Ms. Lewis believed Congress could delay implementation, but that changing the re-enrollment period belonged to Homeland Security.

Senator Beers stated that, though not an opinion from the LCB Legal Division, the Research Division at LCB spoke with Kim Johnson, a coordinator for the Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, who confirmed that the Real ID Act did not affect the validity of the U.S. passport. She also confirmed that it would be up to individual federal agencies whether to accept a U.S. passport for identification purposes. The coordinator further speculated that federal agencies could, separately from Real ID, implement regulations to refuse to accept passports; however, she believed that this was unlikely. Senator Beers continued that LCB staff contacted National Conference of State Legislatures (NCSL), and Molly Ramsdell, Senior Committee Director, Washington, D.C. and Matt Sundeen, Program Principal, Denver, confirmed that the information the Real ID Act does not affect the validity of U.S. passports was true. The NCSL staff cautioned that, although unlikely, the federal rule making process, which has yet to occur, could include a refusal to accept U.S. passports for identification purposes. Senator Beers commented that the source of the problem was the passport office.

Senator Dina Titus questioned whether, after the Real ID was completed, residents would be safer, whether the terrorists who flew into the World Trade Center on September 11, 2001 had U.S. driver licenses. Ms. Lewis answered that she believed some of the terrorists had Florida and Virginia driver licenses. Senator Titus doubted whether the Real ID Act would keep terrorists from getting driver licenses.

Chairman Parks asked Ms. Lewis to finish with her closing remarks.

In closing I would make the following comments:

1. I appreciate the Subcommittee's patience with this budget request. We all have unanswered questions. I hope we have more information from the draft rules prior to the closing of the budgets in April.
2. I ask for assistance from the Legislature to quickly consider and approve the supplemental request for a contract Project Manager for Real ID.
3. Overall Nevada is in relatively good shape on many of the requirements of the Real ID Act.
 - We are on line with social security;
 - We utilize digital driver license technology;
 - We provide fraudulent document training to our new hires;
 - Our standards for proof of identification compliment the Real ID requirements;

- Background checks are a condition of employment for new hires;
 - And lastly we do not have a legacy computer system but rather a sophisticated system that will need to be enhanced to accommodate the technology components of the Act.
4. We are asking for fiscal flexibility similar to what has previously been given to the Department. I am asking for the ability, with IFC's approval, to move funds from one year of the biennium to another, with the ability to balance forward unused monies at the close of FY 2008.
5. And lastly, implementation of the Real ID Act will be the number one priority for the Department. Its impact on the motoring public in Nevada is unprecedented. We ask for your consideration of this budget request to carry out the requirements of the Act.

Ms. Lewis stated that she would be glad to answer any questions the Subcommittee had.

As no one had any questions, Chairman Parks closed the hearing on BA 4746 then called to open the hearing on BA 4706.

DEPARTMENT OF PUBLIC SAFETY
DIRECTOR'S OFFICE (201-4706)
BUDGET PAGE PS-1

Phil Galeoto, Director, Nevada Department of Public Safety (DPS) introduced Mark Teska, Division Administrator, Administrative Services, DPS. Mr. Galeoto began with the Director's Office Budget ([Exhibit E](#)) and the changes to the Statutory Authority on page 2 of the exhibit, and the mission statement on page 3 of the exhibit. Mr. Galeoto noted four performance indicators on page 4 of the exhibit:

- Media requests
- Training sessions for Public Information Officers (PIO)
- Internal control auditing
- Division Chief meetings

Continuing, on page 5 of the exhibit, Mr. Galeoto cited the current organization chart, which would be addressed later and a change discussed.

Mr. Galeoto continued on page 6 of the exhibit with the topic of the enhancements [E259 and E325] that refer to the Honor Guards. He continued that DPS was developing a statewide Honor Guard that would consist of 39 members. The purpose of the Honor Guard was to provide services regionally in both northern and southern Nevada without moving personnel or impacting staffing requirements. Mr. Galeoto said the demand for the Honor Guard had increased significantly, and he wanted to make sure it was a professional group and responsive statewide. Mr. Galeoto explained that the significant increase in the budget was a one-time need to provide standard uniforms assigned to members of the Honor Guard to wear and maintain as long as they remained a member. The uniforms would be purchased up front, and replacement uniforms would be on a rotation basis. In fiscal year (FY) 2008, the cost would be

\$35,967, and in FY 2009, the \$9,222 would be used to fit replacement personnel, not for new uniforms. Uniforms cannot be traded: they must fit and be tailored. The Honor Guard was involved in a number of ceremonies last year including ten funerals, five memorial services, and ten other special events.

Mr. Galeoto referred to page 7 of the exhibit and the necessary expenses for travel [E250] associated with the Department's Deputy Director position that had been unfilled in FY 2006. He continued with costs for replacement computers [E710] and the equity adjustments to unclassified salaries [E813].

Mr. Galeoto finished on page 8 of the exhibit with a recommended organization chart which reclassified the Department's Deputy Chief of Staff from classified to unclassified service [E811] and changed the job title to Executive Officer to the Director. He intended to fill that position within 60 days.

Chairman Parks stated that there were several issues that the Subcommittee wanted to talk about. He questioned how Mr. Galeoto had arrived at the 39 Honor Guard members, and how the Honor Guard been had funded in the past. Mr. Galeoto stated that Mr. Teska would answer. Mr. Teska answered that in the past the Honor Guard represented only the Highway Patrol and was part of the Highway Patrol structure. Because of the DPS model approved last session, the Honor Guard would be open to all sworn personnel within the Department, thus the request for funds for a standard uniform for all members of the Honor Guard. Chairman Parks asked whether staff members from Parole and Probation could also be Honor Guards, and Mr. Teska answered yes.

Chairman Parks asked whether there were cases where private donations had been received to support the Honor Guard, and Mr. Teska replied there had been fundraising events in the past to help support the Honor Guard.

Chairman Parks asked for further justification for the 39 members and how the appointments would be allocated across the State. Mr. Galeoto stated the Department wanted the ability to staff and not draw from one particular unit so there would be a nominal impact on day-to-day operations. There would be 16 members from the north and 16 members from the south, the other positions were supervisory and command positions necessary to make sure the Honor Guard was able to function appropriately.

Assemblywoman McClain questioned why there were seven employees managing the Honor Guards. Mr. Galeoto went on to explain that these were not full-time positions but collateral assignments, and listed them as follows:

- Captain responsible for assignments.
- Lieutenant in the north.
- Lieutenant in the south.
- Two Sergeants in the north.
- Two Sergeants in the south.

Mr. Galeoto explained that often there were requests for Honor Guards in more than one location at the same time. These are DPS employees who do their normal jobs all the time. Ms. McClain understood, but wondered whether the officers would also be part of an event. Mr. Galeoto stated that a Lieutenant would not always be present. Ms. McClain had questions regarding the uniforms, and Mr. Galeoto explained that the uniform would be standardized, maintained by the Honor Guard member, and readily available for use.

Assemblyman Joseph Hogan wanted a clarification on what was meant by the term "internal control documents." Mr. Teska answered that inside the Director's Office was an auditor position, and there were requirements for all the divisions to maintain internal controls for fiscal accountability. This performance indicator recognized the need to evaluate various divisions on a periodic basis to insure internal controls were in place and test those controls to make sure that the systems were functioning properly. Mr. Hogan mentioned that Kim R. Wallin, State Controller, had in-depth experience in performance accounting and had offered her assistance to any department of State government that would like her to look at, evaluate, or consider additional performance measurements.

Chairman Parks stated that there were new performance indicators put forward since last session and wanted to know the reason for making a whole new set of indicators. Mr. Teska stated, that when the budget was being developed, there was a department evaluation of the performance indicators to see whether they were a true measure of what the divisions should be doing. As a result, changes were made to refine the performance indicators and measure them accurately.

Senator Beers requested that the performance indicators from the 2005–2007 budget be updated for this session and reported to the Subcommittee.

Chairman Parks expressed a concern over the certification of the indirect administrative cost allocation by the federal Department of Homeland Security (DHS) and asked whether the plan had been submitted to DHS for approval. Mr. Teska answered that the cost allocation plan had been submitted for certification. He had recently heard from DHS that the agency hoped to review the plan within a week and that the plan would be certificated by the end of the current fiscal year. Chairman Parks commented that since the Subcommittee was working on the budget now, the plan may be needed sooner. Mr. Teska replied that, based on the correspondence, he hoped the certification would be returned within a month but would not rely on that timeframe.

Senator Beers stated this was an issue from last session and questioned whether the request for certification had just been submitted. Mr. Teska answered that responsibility for certification was changed to DHS within the past couple of years. The original cost allocations were submitted to the previous agency, but after the responsibility transferred, DHS requested that all the paperwork for certification be resubmitted. As a result, DPS resubmitted the plan and the accompanying support documents to DHS several months ago.

In response to a question from Chairman Parks concerning decision unit E250, expenses for the Deputy Director position, Mr. Galeoto responded that he intended to fill that unclassified position and utilize those funds.

Chairman Parks questioned decision unit E811 and the reclassification shown on page 8 of the exhibit. Mr. Teska stated that the position was reclassified and had gone through State personnel and the Department of Administration with the stipulation that it would become an unclassified position. Chairman Parks asked whether that position had supervisory responsibility over four employees, and Mr. Teska replied that was correct.

Chairman Parks closed the hearing on BA 4706 and opened the hearing on BA 4714

DEPARTMENT OF PUBLIC SAFETY
ADMINISTRATIVE SERVICES (201-4714)
BUDGET PAGE PS-8

Mr. Mark Teska, Division Administrator, Administrative Services, Department of Public Safety (DPS) referred the Subcommittee to [Exhibit F](#). On page 5 of the exhibit, Mr. Teska explained decision unit E901, the transfer of two personnel-related positions from Highway Patrol to Administrative Services because the duties performed would be for the entire Department not just Highway Patrol.

Decision unit E902, Mr. Teska explained, was a transfer of positions from the Background Unit of the Training Division into the Administrative Services Personnel Unit because the background process was part of the hiring process that the Personnel Unit handled.

Mr. Teska referred to pages 6 and 7 of the exhibit which summarized some of the other decision units included in BA 4714. Mr. Teska continued on page 8 of the exhibit and explained the Division's proposed organization chart.

Assemblywoman Kathy McClain wanted confirmation that the equity adjustment for unclassified employees was due to the addition of one step to the classified employee salary schedule during the 2005 Legislative Session. Mr. Teska explained that it was not a decision unit that DPS submitted but came as part of the Governor's recommendations. Ms. McClain asked whether staff could provide the total cost of the salary adjustments. Mark W. Stevens, Assembly Fiscal Analyst, stated the total cost was approximately \$3.3 million.

Chairman Parks wanted to know how quality assurance would be performed if the Background Unit was transferred. Mr. Teska commented that there was a Hiring Board, which consisted of sworn individuals, that reviewed all the background investigations that came through the Background Unit. The Hiring Board evaluated what had been included in each background investigation to make sure that it was complete and accurate. The Hiring Board could also ask for additional information.

Chairman Parks wondered how Highway Patrol would be affected by the reassigning of the two positions. Mr. Teska stated this was a cost-allocated budget, and the positions would still provide the necessary level of service to the Highway Patrol after the transfers.

Senator Dina Titus stated that under the last administration there was a policy within DPS that an employee could transfer from one agency to another; she wondered whether this policy worked well and was going to continue. Phil Galeoto, Director, DPS, commented that sworn personnel often made those transfers, which were almost a requirement for promotion. Mr. Galeoto continued that he supported the policy, would continue it, and make it a part of leadership training. Senator Titus had heard that there was some dissatisfaction when an employee wanted to move up and someone had already transferred laterally. Mr. Galeoto saw the dissatisfaction as "growing pains" and the cost of doing business in a dynamic and professional organization.

Chairman Parks asked for comments on recruiting efforts because of the significant turnover. Mr. Teska asked Kimberley King, Personnel Officer III, DPS, to comment. Ms. King stated that there were about the same number of

applications in the first half of FY 2007 as for all of FY 2006. She continued that in 2006 DPS hired 72 officers compared to 35 hired so far in 2007. Chairman Parks asked whether Ms. King had percentages of what the turnover was. Ms. King did not have them in hand but would be able to provide turnover percentages to the Subcommittee. She had vacancy numbers, however, and as of yesterday, Nevada Highway Patrol (NHP) had 34 official vacancies and Parole and Probation (P&P) had 13 official vacancies.

Chairman Parks wanted to know whether Ms. King had the vacancies broken down by regions of the State and she answered that they were not broken down, but she noted DPS was heavily recruiting in southern Nevada.

Senator Bob Beers asked from what source Ms. King pulled the information, and she answered that it was pulled from the State payroll system. Senator Beers commented that he would ask the Personnel Department the rest of his question when they appeared before the money committee.

Assemblywoman Valerie E. Weber asked whether the qualifications for a sworn officer of the State were the same as those for the Las Vegas Metropolitan Police Department. She, also, would like the percentage of applicants who go through interviews. Ms. King stated that she had not done that sort of comparison, but said for FY 2006 there were 1,749 applicants, and of those, 782 applicants, after meeting minimum qualifications, passed the examination.

Ms. Weber commented that it was difficult to find qualified law enforcement personnel and there was a salary difference between the State and local jurisdictions. Ms. Weber wondered, long-term, how that affected budgets. Mr. Galeoto responded that this was a problem nationwide and continued that, typically, the largest agency that was the most aggressive recruiter and provided the best salary and benefits usually drew first from the pool of eligibles. The DPS, particularly Highway Patrol, had been successful through a very aggressive recruiting effort. Mr. Galeoto stated continued salary and benefit increases would allow DPS to compete directly with Las Vegas Metro.

Assemblyman Joseph Hogan stated that Nevada had a diverse population, and asked for a brief description of how the DPS achieves appropriate diversity within its workforce, particularly sworn officers. Ms. King answered that DPS had strived to increase the number of both women and minorities who submit employment applications and are hired. The DPS was targeting job fairs that are minority-based, and created recruitment posters and brochures showing the diverse population currently employed by the DPS. Mr. Hogan questioned whether DPS had goals, and Ms. King answered that DPS had a high number of white male applicants consistently, so the focus of recruitment remained on women and minorities.

Chairman Parks closed the hearing on BA 4714 and opened the hearing on BA 4707.

DEPARTMENT OF PUBLIC SAFETY
OFFICE OF PROFESSIONAL RESPONSIBILITY (201-4707)
BUDGET PAGE PS-16

Lieutenant Carl Johnson, Commander, Office of Professional Responsibility (OPR) referred to [Exhibit G](#), and noted the mission statement on page 2, a current organization chart on page 3, and performance indicators on page 4.

Lt. Johnson continued on page 6 of the exhibit that listed some of the major accomplishments which included the following:

- Developed and instructed Administrative Investigation class for supervisors.
- Developed and implemented a core policy and standard operating procedure for administrative investigations.
- Developed Administrative Investigations Manual.

Lt. Johnson referred to page 6 of the exhibit which highlighted the priority budget requests. He started with replacement of the case management system [E712]. The current OPR system was DOS based and was unable to compile much information and crashed often. Lt. Johnson talked about a system that OPR was interested in that was used by over 170 law enforcement agencies throughout the United States, including Reno Police Department.

David R. Parks, Chairman, was glad that Lt. Johnson was looking at off-the-shelf software that had a proven track record, and he asked for a comment on how a new system would make their operation more efficient. Lt. Johnson answered that with the current system, no parameters could be set to extract information, and explained that he had to physically count the information he wanted.

Lt. Johnson's second budget request was for a new sergeant position in Las Vegas, which does not have one currently. There were two investigators in Carson City, an Administrative Assistant, and Lt. Johnson. Whenever there was an investigation in Las Vegas, someone had to travel and set interviews for witnesses and subjects, but if something happened, additional scheduling and another trip had to be made. There could be phone interviews, but they were not as effective as face-to-face interviews, Lt. Johnson continued that another problem was the number of investigations in the Carson City office, which delayed travel to Las Vegas and the start of those investigations in a timely manner. There were certain circumstances where an investigation takes longer but, currently in OPR, the average investigation lasted from three to six months.

Ms. Weber commented that the number of interviews conducted by the OPR in Las Vegas was lower than the number in northern Nevada even though there were as many or more incidences in southern Nevada and that the reason for the new position in Las Vegas was, perhaps, that the figure for Las Vegas was not a true figure. Lt. Johnson concurred, and noted that better training of OPR investigators would result in a higher number of interviews in the Las Vegas area.

Assemblywoman Kathy McClain questioned whether the number of interviews were the same as the number of cases. Lt. Johnson clarified that each case could have several interviews; for instance, one case in Las Vegas required 25 interviews. Ms. McClain believed there would have been more cases in southern Nevada and wondered whether the south had fewer officers. Lt. Johnson did not have the breakdown, but believed Parole and Probation (P&P) had more officers in northern Nevada. However, he believed there were more employees in total in the south, but reiterated that the lack of training affects the numbers.

Senator Bob Beers stated that the total number of interviews went up a little from FY 2005 to FY 2006, while the number investigated went down, but the number referred went up by a small amount. Senator Beers suggested

transferring one or two of the positions from the north to the south. Lt. Johnson answered that, currently, there were more cases in the north, and though seemed logical to transfer positions, the position transfer would overwhelm the Carson City office. Currently, Lt. Johnson had three cases himself and, normally, the commander would not do investigations. Several months ago a trooper in Las Vegas conducted some low-level investigations for OPR, which offered some relief to do training.

Senator Beers stated that in FY 2006 there were 174 interviews conducted which he averaged to approximately 15 interviews per month. He noted that with 4 employees that resulted in 3.5 interviews per person per month. Lt. Johnson answered that the number of interviews per case could not be predicted. Senator Beers stated that because of the unpredictability some months there could be six interviews and other months there might be one. Lt. Johnson did not believe that one interview was realistic, but cases that the OPR investigated were high-level cases. Usually the cases that OPR investigates involved multiple witnesses and multiple subjects.

Lt. Johnson continued by pointing out the budget requests for additional formal training for new OPR Investigators [E251] that would be nationally recognized and for a leased copy machine [E713].

Chairman Parks referred to page 7 of the exhibit and questioned why some cases referred were not investigated. Lt. Johnson stated that OPR's goal was to investigate everything that came in to the office, letter, email, and phone calls. Some cases were referred elsewhere and put into the OPR's non-investigative file, so there are no cases that came into OPR that were not addressed.

Chairman Parks closed the hearing on BA 4707 and opened the hearing on BA 4738.

DEPARTMENT OF PUBLIC SAFETY
DIGNITARY PROTECTION (101-4738)
BUDGET PAGE PS-68

Colonel Christopher Perry, Chief, Nevada Highway Patrol, gave some brief personal history about himself and then referred to Budget Account (BA) 4738, ([Exhibit H](#)). He continued that a the Dignitary Protection Detail (DPD) was a statutory mandate of the Highway Patrol which provided security for the Governor and family, and 24 hour, 7 days a week security at the Governor's Mansion. The DPD, also, provided dignitary protection for visiting dignitaries from other states and countries.

Col. Perry referred to page 1 of the exhibit and the 6 performance indicators outlined. Senator Beers commented that the performance indicators did not give actual numbers so the Subcommittee could not get the feel for the workload. Col. Perry did not have those numbers but could provide them. He was trying to give an outline of what the DPD does which include:

- Assess all threats toward the Governor.
- Investigate and take appropriate action on threats.
- Provide interior security at the Governor's Mansion.
- Provide exterior security at the Governor's Mansion.
- Provide advance work and transportation to events for the primary dignitary to avoid late arrivals.

- Provide event security for primary dignitary.

Senator Dean A. Rhoads wondered whether Col. Perry would be providing protection for the upcoming Democratic Party Forum held in Carson City. Col. Perry replied that DPD had not been asked to participate; however, if asked, that would be a function of the DPD. Phil Galeoto, Director, DPS, commented that he had personally made the DPS available to Sheriff Kenneth Furlong to assist in any way that was needed.

Col. Perry continued with page 2 of the exhibit with base funding of \$1,073,951 for FY 2008 and \$1,111,855 in FY 2009, which supported the current five sworn positions.

Chairman Parks asked whether DPD maintained part of its detail in Las Vegas and, if so, what happened when the Governor was not there. Col. Perry explained that one full-time employee was in Las Vegas, and when the Governor, First Lady or a visiting dignitary was not in town, his responsibility was to follow up on the significant number of threats made. Chairman Parks questioned whether that was a full-time workload, and Col. Perry said yes it was.

Senator Rhoads questioned, if the Governor travels to Washington, DC, does his protection go with him. Col. Perry answered that two employees went with the Governor to provide the 24-hour protection that was needed, with 12 hours on and 12 hours off for each employee.

Senator Beers wanted to make sure the DPD had correlated the travel budget for this account with that of the Governor's travel budget as the Governor would be traveling to Washington more than the previous Governor. Col. Perry responded that every effort had been made to make those adjustments and noted the supplemental appropriations for Out-of-State Travel that would be discussed at another time.

Assemblywoman Kathy McClain commented that perhaps DPD could pull the requested supplemental money out of the overtime budget because employees were added last session to cut back on overtime, but the overtime budget was not reduced. Col. Perry explained that the previous Governor elected to keep only two of the positions full-time. He had only two employees traveling with him constantly, which always involved overtime. With five employees in place, overtime costs should be reduced. Ms. McClain then suggested that the overtime budget could be reduced, but Col. Perry wanted to leave the amount unchanged for now.

Chairman Parks wondered whether there was a problem with burnout from the long hours of service, and Col. Perry replied that employees lasted approximately two years before they transferred.

Mark Krmpotic, Senior Program Analyst, said that staff wanted it noted for the Subcommittee that there was a proposal to transfer the General Fund Appropriation from Highway Patrol to DPD: the General Fund appropriation had historically provided for officer overtime within the regular Highway Patrol account to cover dignitary protection. That expense had consistently been incurred over a number of years. Staff would recommend to the Subcommittee that the transfer not be approved in the Governor's recommended budget unless the agency could provide some solid justification to the contrary.

John Borrowman, Administrative Service Officer III, Nevada Highway Patrol (NHP) stated that there was a category within NHP where it received the General Fund Appropriation. When services were provided by NHP officers, that expense would then be journal-vouchered from the personnel category 1 into category 32 to account for non-highway activities. When there was a visiting dignitary, a Highway Patrol officer would provide those services and those expenses would be accounted for in a different category. The rationale behind the transfer was to consolidate all dignitary protection expenses into a single budget account rather looking at two different accounts. Chairman Parks believed that Staff would work with DPD on that request.

Chairman Parks wanted to know, if the Governor had an event in Las Vegas and was going to fly down for the day, would he be accompanied by one or two of DPD staff and then connect with the staff in Las Vegas. Col. Perry explained that with In-State Travel, if it were a commercial flight, the DPD staff would put the Governor on a plane in Reno, and he would be picked up by the Las Vegas staff who would be responsible until the Governor was back to the Reno airport.

Chairman Parks closed the hearing on BA 4736 and opened the hearing on BA 4713.

DEPARTMENT OF PUBLIC SAFETY
HIGHWAY PATROL DIVISION (201-4713)
BUDGET PAGE PS-73

Colonel Christopher Perry, Chief, Nevada Highway Patrol referred to [Exhibit I](#), page 3, which were new performance indicators based on the actuals for FY 2006 as follows:

- Urban Injury/Fatal Crash Response
- Urban Property Damage Crash Response
- Rural Injury/Fatal Crash Response
- Rural Property Damage Crash Response
- Urban Motorist Assist Response
- Rural Motorist Assist Response

Col. Perry stated that, because of the way the indicators were separated, they provided a completely different picture of how services were looked at and how time was spent. The rural areas had much greater distances to cover with fewer officers, while the urban areas had more officers with less distances to cover, but there was more traffic congestion. There was no way to look at these differences with combined performance indicator, so the performance indicators were split into six categories. Col. Perry went over the response times for FY 2006 on page 3 of the exhibit which were:

- Urban injury responded 72.98 percent of the time in less than 15 minutes.
- Urban property responded 81.75 percent of the time in less than 45 minutes.
- Rural injury responded 73.09 percent of the time in less than 20 minutes.
- Rural property responded 74.62 percent of the time in less than 45 minutes.
- Urban Motorist Assist responded 78.74 percent of the time in less than 30 minutes.
- Rural Motorist Assist responded 84.53 percent of the time in less than 60 minutes.

Assemblywoman Kathy McClain asked why there were all new performance indicators this year, and why NHP was not striving to improve the indicators over the biennium, especially when more staff was requested. Col. Perry responded that the performance indicators chosen were the most representative of what residents wanted to see, and NHP decided this was the best way to base the level of services. Col. Perry felt that these were defensible numbers and more accurate than before. Ms. McClain asked whether the performance indicators would be changed again next biennium, and Col. Perry replied they would remain the same while he was chief. Ms. McClain commented that last session's indicators were very different and wondered whether NHP could have used some of them and eased into the new ones. Col. Perry answered that he would provide some of the old indicators for the Subcommittee so there would be a tracking record. Ms. McClain would also like to see improved numbers in FY 2008 and FY 2009 rather than the actuals in FY 2007 because 60 new officers were being requested. Senator Dean A. Rhoads agreed with Ms. McClain and added that 60 more officers should make NHP more efficient. Col. Perry stated that more efficiency was what NHP was striving for and said that these levels provided a starting point. The NHP would continue to track the other indicators as well, and should be able to report to the Interim Finance Committee (IFC) what improved efficiencies were accomplished.

Senator Rhoads wondered whether there were statistics that showed how many state patrolmen in each state per 1,000 people, and, if so, where does Nevada rank. Col. Perry did not know of any official study, but as far as a ranking, Nevada's Full-Time Equivalent (FTE) figure was lower than both Arizona and Utah, which was a good comparison.

Ms. McClain was curious that when staffing studies were done was vacant land and stretches of highway with no towns being taken into account. Col. Perry believed those areas had to be taken into account to provide services or someone stranded could sit out there for days.

Chairman Parks stated that there would not be time to get to the Training Division on the agenda. In response to a question from Chairman Parks concerning the additional staffing, Col. Perry referred the Subcommittee to page 16 to 19 of the exhibit which summarized the staffing study that was requested last session. The 2005 Legislative Session authorized funding for a study to determine the appropriate number of personnel for the NHP. The University of Nevada, Reno (UNR) was commissioned to do the staffing study and the University of Nevada, Las Vegas (UNLV) was commissioned to do a public opinion survey. Highlights of both studies were in the handout. Col. Perry continued that UNR came up with a proposed formula for the NHP that used percentage changes across demographic indicators, which included population, registered vehicles, and licensed drivers, and percentage changes in total crashes, which included property, injury, and fatal accidents, and divided those percentages by the total number of the demographic and crash indicators to get the percentage of change in demand. This formula used 1999 as the base year for the staffing study, and indicated the need for 93 new positions. The NHP proposed the hiring of 60 additional DPS officers over the next biennium, which was the maximum number the division could train. Col. Perry added that this recommendation created 18 ancillary personnel support positions. This increased the FTEs by 14.5 percent over the biennium. The approximate cost for FY 2008 would be \$4.25 million and for FY 2009, \$8.78 million. Training would start with 20 employees in FY 2008 and 40 in FY 2009. There were 327 positions statewide in FY 1999, which fell to 324 in FY 2006.

Next, Col. Perry discussed the completed UNLV public opinion survey and had the Subcommittee refer to page 18 of the exhibit. He commented that he was alarmed by the results. After Col. Perry had contacted other agencies in the western United States, he learned that a 66 percent positive rating was normal. Only 52 percent of the participants believed that NHP had an adequate presence in the community. Col. Perry concluded that the requested funding would allow the NHP to continue to be a proactive agency providing public safety response to Nevada's growing communities. The NHP would continue to pursue the goals previously outlined. Chairman Parks responded that the Subcommittee would like a matrix that would show where the new officers were planned to be assigned, as well as the types of duties they would be performing. Col. Perry referred the Subcommittee to page 7 of the exhibit which showed:

- Northern Command, 122 current sworn officers to 137 with increase
- Central Command, 97 current sworn officers to 102 with increase
- Southern Command, 183 current sworn officers to 223 with increase

Ms. McClain stated that given the time-frame she did not want the NHP budget short-changed. She requested this budget be rescheduled, and Chairman Parks agreed.

With no public comment, Chairman Parks adjourned the meeting at 10:53.

RESPECTFULLY SUBMITTED:

Christine Bashaw
Committee Secretary

APPROVED BY:

Assembly Member David R. Parks, Chair

DATE: _____

Senator Dean A. Rhoads

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>February 13, 2007</u>		Time of Meeting: <u>8:03 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Ginny Lewis, DMV	Real ID Budget
	D	Ginny Lewis, DMV	Prepared Statement
	E	Phil Galeoto, DPS	Director's Office
	F	Phil Galeoto, DPS	Division of Administrative Services
	G	Lieutenant Carl Johnson, DPS	Office of Professional Responsibility
	H	Colonel Christopher Perry, DPS	Dignitary Protection
	I	Colonel Christopher Perry, DPS	Highway Patrol Division