

**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 28, 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 8:10 a.m., on Wednesday, February 28, 2007, in Room 3137 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/](http://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](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**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

**SENATE COMMITTEE MEMBERS PRESENT:**

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

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Gary Ghiggeri, Senate Fiscal Analyst  
Mark Krmpotic, Senior Program Analyst  
Laura Freed, Program Analyst  
Robin Hager, Program Analyst  
Linda Blevins, Committee Secretary  
Patti Adams, Committee Assistant

Chairman David Parks called the Subcommittee to and informed those present the first order of business would be the review of Budget Account (BA) 4660 for the Nevada Department of Transportation (NDOT).



**DEPARTMENT OF TRANSPORTATION**  
**TRANSPORTATION ADMINISTRATION (201-4660) – NDOT-1**

Ms. Susan Martinovich, Director, NDOT, introduced Mr. Robert Chisel, Assistant Director of Administration, and Ms. Felicia Denney, Chief of Financial Management, to assist with the presentation of BA 4660 for NDOT. Mr. Chisel began the review of the Department budget request of \$1.398 billion for the biennium. The handout, [Exhibit C](#), outlined the projected fiscal balance as of June 30, 2009, showing the projected balance with and without the Interstate 15 (I-15) Project and \$170 million General Fund appropriation.

Senator Beers questioned whether the columns labeled "General Fund Appropriation" and "Other Highway Fund" were synonymous with "Public Safety Programs" and "Capital Programs." Mr. Chisel advised they were not. The numbers on the exhibit assumed the \$170 million one-shot from the surplus requested in the Governor's Budget for NDOT for the construction of the I-15 from the "Spaghetti Bowl" north. If the \$170 million was appropriated to NDOT for the three year project, NDOT would receive the \$170 million immediately. Mr. Mark Stevens, Assembly Fiscal Analyst, advised the Subcommittee there was going to be an Assembly bill for the appropriation. It was Mr. Stevens' recommendation the \$170 million not be transferred to the Highway Fund until it was needed to pay the contractor. The General Fund would then receive the interest on the appropriation.

In response to a question from Senator Beers, Ms. Martinovich replied that a cost-benefit analysis had not been prepared for the project; however, an outside analysis was completed for all projects to determine whether those projects were suitable for the Blue Ribbon Task Force. The state Transportation Board of Directors created the Blue Ribbon Task Force to study future highway projects in Nevada. Further discussion followed between Senator Beers and Ms. Martinovich regarding the advantages of a cost-benefit analysis for the NDOT projects. According to Ms. Martinovich, NDOT was considering reinstating the cost-benefit analysis program. The program would be one of the functions of a new position requested in the budget.

Referencing [Exhibit C](#), Mr. Chisel confirmed to Chairman Parks the projections were through June 30, 2009. Chairman Parks asked if there was a severe downturn in the economy would the revenues fall below \$105 million. Mr. Chisel explained the revenues used were a projection done by the Department of Motor Vehicles (DMV) and reviewed by NDOT. The revenues appeared to be conservative projections. According to Mr. Chisel, it was difficult to predict what the impact of gasoline prices would be. When the price of diesel fuel increased, for instance, there was no decline in revenue for the Highway Fund.

Ms. Martinovich also provided a booklet entitled "State of Nevada Transportation Facts and Figures" ([Exhibit D](#)) for the information of the Subcommittee.

Assemblywoman McClain posed two questions: Did the new figures include reversions from the current year; Was the \$50 million dollar increase for the current fiscal year? Mr. Chisel confirmed the work program was for FY 2007 for an additional \$116 million of capital outlay, but NDOT was increasing federal revenue for a net effect of approximately \$75 million. That was calculated into the \$49 million ending balance or the \$110 million ending balance. Only budgeted reversions were part of the calculations. Ms. Felicia Denney, Chief of

Financial Management, interjected that the budgeted reversion was approximately \$12 million per fiscal year. All assumptions were that every penny of every budget was spent.

When Ms. McClain questioned whether NDOT was anticipating an increase in federal highway funding, Mr. Chisel advised that was correct and as of this date NDOT had received approximately \$215 million in federal revenue. The projection was \$272 million for the fiscal year. There was a large increase in redistribution of \$43 million.

Additionally, Ms. McClain inquired whether NDOT could obtain waivers from the federal government so that the money could be used for highway construction only, rather than for such things as bike trails and sound walls. Public perception was that the decorative sound walls were wasteful of tax dollars. Ms. Martinovich provided the explanation that the federal monies were allocated for specified items. Projects required certain mitigation efforts. One example was sound walls. When NDOT was doing a capacity improvement project, and decibel readings determined the project met a certain criteria, a sound wall was required. What the sound walls looked like, however, was decided by each individual state and entity. As a result of community input, it had been determined communities wanted decorative sound walls. Often other entities paid for the decorative sound walls. One example was the US-95 corridor in Las Vegas where the decorative sound walls were paid for by the water district. In regards to getting waivers, NDOT worked closely with the Federal Highway Administration (FHWA) and strongly urged them to put money towards the pavement; however, there were categories with set-aside money dedicated to funding specific areas.

Chairman Parks requested additional information regarding the work program NDOT had presented to the Interim Finance Committee (IFC) in March 2006. Mr. Chisel explained that the work program was an enhancement to the capital outlay previously mentioned, which consisted of approximately \$116 million in additional capital outlay and additional federal revenue. The net effect on the Highway Fund was \$76.527 million. The work program had been submitted and was included in the calculations for the projected Highway Fund balance as of June 30, 2009.

Addressing the issue of bonds as requested by Chairman Parks, Mr. Chisel informed the Subcommittee that NDOT was requesting permission to sell \$135 million in highway improvement bonds in FY 2008. The bond was projected to sell at a 5.5 percent rate and was the final scheduled bond in the series that began in FY 2000. The proceeds totaled approximately \$1.0 billion for the six bonds in the series.

An analysis based on the current programs funded through the Highway Fund, determined that over the next four years an additional \$200 million to \$250 million of bond sales raised without adverse effects on the programs. Anything over \$250 million could affect the program because of the increase in bond payments. The capital outlay could not be reduced too much because it was necessary to obligate the federal funds. Less capital outlay translated to less federal funds. With respect to bond payments, Mr. Chisel stated the projections were \$89 million for FY 2008 and \$94 million for FY 2009 and would level out with the \$135 million bond. The bond sold in FY 2000 was a ten-year bond with payments of \$8 million per year. According to Mr. Chisel, the additional \$250 million bond would increase annual payments by

approximately \$10 million for 20 years. Chairman Parks requested the bond information be provided to staff for review.

Mr. Chisel advised the Subcommittee the capital outlay account without the I-15 General Fund money was \$470 million per year of the biennium, including bond and federal spending. Approval of the \$170 million would increase that number by \$67 million or \$68 million per year of the biennium. Senator Beers noted that expenditures of \$470 million on highway construction projects per year for the next eight years would amount to \$3.8 billion. He questioned whether the deficit list was in addition to the \$3.8 billion in capital projects. Ms. Martinovich responded to Senator Beers' question by explaining that the \$3.8 billion was for future identified super-projects. The \$470 million was for current projects which did not include the I-15 widening, I-515 project, or other projects of that type, but included design and right-of-way acquisitions. In response, Senator Beers commented that looking forward eight years, it appeared by spending \$470 million per year on capital projects, the projects currently in progress would be completed and new projects could be moved into the queue. Ms. Martinovich concurred and further apprised the Subcommittee that the \$470 million was not to be sustained over the long term, but would decrease because the bond monies that NDOT was obligated for would be increasing. The Department identified all of the capacity projects and other project needs, such as the super- and mega-projects, those identified by the Blue Ribbon Committee, routine maintenance, and preservation projects over the next ten years, for a projected cost of \$11 billion. Given current revenue sources, NDOT projected a shortfall of \$3.8 billion for that period.

Senator Beers added that because a cost-benefit analysis had not been completed since 1995, the \$11 billion in planned projects could easily change. Ms. Martinovich agreed and pointed out the projects would be prioritized based on need, pre-construction issue completion, federal assistance categories, and benefit versus cost to the State.

Senator Beers asked whether NDOT had a list of projects spanning the next four years with associated costs for each project. Ms. Martinovich noted those projects were included in the Statewide Transportation Improvement Plan (STIP) document approved by the Transportation Board every year. The STIP outlined future projects by county and by funding categories, such as interstate maintenance, national highway system funding, enhancement funding, bridge funding, and others. The plan laid out an annual work program and a three year plan outline which included projects under right-of-way acquisition, the National Environmental Policy Act (NEPA), and long-range project plans. It was necessary for NDOT to work on all projects simultaneously to maintain flexibility. There was no prior notice of federal money availability, amounts, or categories under which the State could expend federal money. Some issues that could delay a project were NEPA problems, right-of-way acquisition delays, and other difficulties. When a delay occurred, NDOT was ready to begin work on another project while the problem was being resolved. For example, Nevada was able to obtain an additional \$43 million in excess federal funds available at the end of the federal fiscal year because there was a project ready to be put out for construction. States that were not ready lost the money. A report would be supplied to the Subcommittee outlining future projects.

Assemblywoman McClain recommended the report include additional funding information and contributions from the local regional transportation commissions. Chairman Parks additionally recommended the report include the \$470 million project expenditures for FY 2008 and FY 2009 as well as

projections for the subsequent biennium. Ms. Martinovich agreed to provide the information but reminded the Subcommittee the report would not be in project order. Chairman Parks added that the report should reflect dollars generated from gas tax dollars as well as dollars generated from bond proceeds.

Senator Beers inquired how the actual gas tax receipts compared to projections, and how those projections were calculated. Mr. Chisel explained the revenue projections were actually received from the Department of Motor Vehicles (DMV) for the revenue items. Each item was reviewed and projections made. The projections were reviewed by NDOT and used for calculations. The growth of dollars was not reflective of an increase in cost, but an increase of the number of licensed drivers and miles driven in the State. The projections had been accurate over the years.

Senator Beers then asked whether DMV had done a long-term projection for gas tax receipts. Mr. Chisel responded the projections were only for two years. For the long-term projections of 20 years to 25 years, NDOT used a 3 percent to 4 percent per year growth factor depending on the revenue and expenditure line items. Chairman Parks recommended Mr. Chisel include updates on projections in the previously discussed report to be prepared for the Subcommittee.

Ms. Martinovich needed clarification from Chairman Parks for the report the Subcommittee had requested. She provided that the report would show programs in the design phase. Chairman Parks explained it was important to have overlapping projects, those that were under construction, outlined in the report. Ms. McClain asked when the report would be ready for the Subcommittee. Ms. Martinovich stated the report was available on the NDOT website and would be produced and provided to the Subcommittee by the end of the week.

In response to an inquiry from Senator Titus, Ms. Martinovich advised the Pahrump Project was on schedule. There were some utility issues and problems with the Bureau of Land Management (BLM), but they had been resolved. The widening phase was going forward within the next two months. Also, NDOT was working on a mountain phase for widening and was aware of the urgency for that corridor.

Senator Titus recognized the difficulty of raising the \$3.8 billion to cover the projected shortfall and inquired whether NDOT had planned to create a committee to research the problem. Ms. Martinovich noted the Governor had indicated there would be no new taxes, so NDOT must explore alternatives. The Department provided staff support for the Blue Ribbon Committee which was extremely helpful in developing strategies to provide funding for the \$3.8 billion. Strategies included changing the depreciation schedule and indexing the fuel taxes, among other things. Beyond that there were creative suggestions regarding the public-private partnerships and possibility of developing toll roads. Those efforts addressed single projects as opposed to addressing the overall funding needs. Other suggestions were the possibility of providing a survey of water rights or adding fees such as room tax or other tourist fees. Senator Titus suggested the possibility of selling highway rights to billboard companies. Ms. Martinovich stated that was definitely an option but because of the Lady Byrd Johnson Act and federal requirements along the interstate rights-of-way, billboards were not allowed in all areas.

Referencing an earlier question from Senator Titus regarding the convening of a new committee to study the problem of raising the \$3.8 billion shortfall,

Assemblyman Hogan asked the question be readdressed. Ms. Martinovich responded that the group the Governor was convening was a public-private partnership advisory group. Ms. Martinovich was in the process of gathering names of individuals to solicit interest in the group. The group would be an advisory committee formed to hear the recommendations of NDOT's consultant and other experts and make final recommendations to the Transportation Board. The group was being established.

Ms. McClain commented moving General Fund money to the Highway Fund was not allowed. All agencies should be advised that budget changes should be made correctly and in a timely fashion.

Chairman Parks reiterated that the report for the Subcommittee would list the individual projects currently in progress and projects that would affect the FY 2008 budget as well as projects extending out to FY 2011. Ms. Martinovich confirmed the report would be provided immediately.

Chairman Parks noted that Budget Account (BA) 4663 was not in front of the Subcommittee at this time, but the account would need to be reviewed later by the Subcommittee. Mr. Chisel advised that BA 4663 flowed through BA 4660. The expenditures for the bond payment would come out of the \$470 million being requested and would be transferred to the bond fund.

A discussion ensued between Senator Beers and Mr. Chisel regarding errors in the base budget. The Department planned to sell \$135 million in highway revenue bonds to finance the highway construction program in FY 2008. The enhancement decision unit showed only \$40 million, and the balance was under the base budget. The Department had no objection to placing the entire amount in the enhancement decision unit. Further, Senator Beers asked whether NDOT objected to bringing the Bond Construction account into The Executive Budget and adding a second highway construction expenditure category to record bond expenditures and other Highway Fund expenditures separately. Mr. Chisel expressed the tracking mechanisms set up in the NDOT financial system for projects in the construction payment system made it easier for NDOT to track the projects and the dollars spent when the money went through BA 4660 and then was transferred out to the other account. Only money earmarked for the bonds was expended in the bond fund. Mr. Chisel hesitated to set up a different system. Senator Beers then asked whether adding a second construction expenditure category to separate the project authority between Highway Fund and bond expenditures could be done subsequent to the NDOT tracking. Mr. Chisel voiced no objection and would work with staff.

Moving to the next item, Mr. Hogan questioned the addition of 19 Full-Time Equivalent (FTE) positions and requested a summary of the Department's needs. Ms. Martinovich advised the Subcommittee that the proposed super-projects required extensive right-of-way acquisitions. From one-quarter to one-third of the total project amount was related to right-of-way. Projects were assigned to multiple right-of-way agents to provide overlap. The Right-of-Way Information Network (IRWIN) project, an electronic repository of all the Department's property assets and pending transactions, was not yet completed in phases. Right-of-way documents were in the process of scanning and nearing completion. The next phase for permits and utilities should be completed within the next two years.

Chairman Parks asked whether there were sufficient staffing efficiencies relative to the IRWIN project. According to Ms. Martinovich there were sufficient

staffing efficiencies because of computerized business practices. Reorganization would assure staff was used efficiently.

In response to a question from Chairman Parks regarding the engineering position in District 1, Ms. Martinovich explained the position was for an individual with a structural background specializing in bridges. The Department was attempting to build up the office in Las Vegas to provide the technical expertise that was currently only available at headquarters. Chairman Parks inquired whether the position at headquarters performing the engineering duties could be transferred to Las Vegas. Ms. Martinovich noted that was an option being considered.

Moving ahead to Enhancement Unit 805 (E805), position reclassifications, Chairman Parks advised that an enhancement request was not received. Mr. Chisel clarified the Enhancement Unit was for reclassifying an engineering technician 3 to a division administrator. The division administrator would function as a division head for project management. Additionally a reclassification was requested to move an engineering technician 3 to an assistant chief for the Right-of-Way Division. This was a large reclassification put into the enhancement unit as a budgetary item. These changes were part of the previously discussed reorganization.

Chairman Parks expressed concern regarding the need for maintaining a chief of project management position with the scaling back of highway construction programs to protect the Highway Fund balance. Ms. Martinovich indicated there were projects for which NDOT was still receiving funding. It was important to have projects ready when funds were available as in the earlier example.

Turning to the base budget issues, Chairman Parks was concerned that there was a \$500,000 increase recommended and questioned why it was not an enhancement unit. Mr. Chisel was unclear of the reasons for placing the increase in the base budget and would work with staff to make corrections as necessary.

Chairman Parks next discussed the airplane operations. The Subcommittee was aware that NDOT operated three airplanes which were getting older and required additional maintenance. Mr. Chisel confirmed that was the case. The Department maintained three aircraft, one of which was shared with Nevada Highway Patrol (NHP), a Cessna 210 which was donated to NDOT two years ago. There was also a Citation Jet 551 with nearly 8,000 flight hours and a Commander 840 with approximately 5,000 flight hours. The Department was requesting \$933,000 in FY 2008 and \$869,000 in FY 2009 for maintenance and operation of the three aircraft. In FY 2008 one of the larger items scheduled was a replacement of the hot sections on the jet engines. The engines were overhauled two years ago, but the hot sections needed to be repaired and replaced. Responding to Chairman Parks' inquiry, Mr. Chisel said NDOT did not have the 10,000 flight-hour overhaul in the budget. That overhaul would probably occur in the next biennium, but replacing the aircraft was preferable.

Ms. McClain asked whether it was cost effective to maintain the aircraft rather than use commercial flights. Mr. Chisel explained the hourly rate for operations was \$200 per hour per seat which was less than the cost to fly commercial. The cost savings in employee time was also a consideration. In addition, many locations were not available for commercial flights, such as Ely, Winnemucca,

Round Mountain, or Lovelock. The planes had been a tremendous asset to the State during times of disasters such as fires or floods when it was necessary to transport the Governor, executive staff, or response teams to a remote location. Ms. McClain further inquired whether the planes were available to other state employees. Mr. Chisel responded that the plane was available to all state agencies and legislative staff.

The last item for this BA was the Traffic Management Center (TMC). Chairman Parks noted the expenses were budgeted to increase by 84 percent over the FY 2006 numbers. Mr. Chisel stated the TMC was a joint operation between Freeway and Arterial System of Traffic (FAST), a consortium of NDOT and the local Las Vegas entities, and the Department of Public Safety (DPS). The costs had increased because, as a new building, much of the equipment previously under warranty had to be covered by maintenance agreements.

Senator Rhoads pointed out that NDOT had indicated a need to scale back or cancel highway projects to protect the Highway Fund balance and inquired whether there was a list of those projects. Ms. Martinovich stated she could not give a specific list of projects that would be cut back. The report that would be provided to the Subcommittee would contain some of that information. The challenge was to have the ability to use appropriate funds for projects. Therefore, some projects may be pushed back and some projects pushed forward to maximize funding.

Mr. Grady commented that Carson City had put money toward phases of the I-580 freeway project and asked whether that freeway construction was now on the delay list. Ms. Martinovich stated the Carson City freeway, Phase II-A, was under advertisement and bids would open in May 2007. Carson City had committed \$35 million of gas tax money towards that project. However, the subsequent phase of the project could be delayed by contractors not being available to meet the proposed schedule.

Chairman Parks closed the hearing on BA 4660 and opened the hearing on BA 4713.

**DEPARTMENT OF PUBLIC SAFETY**  
**NEVADA HIGHWAY PATROL (201-4713)—PUBLIC SAFETY-73**

Chairman Parks advised Colonel Christopher Perry, Chief, Nevada Highway Patrol (NHP), the Subcommittee wanted to focus on additional staffing requests for the Patrol. Colonel Perry stated the overview ([Exhibit E](#)) for the Patrol was completed during the previous meeting of the Subcommittee, and he was open for questions from the Subcommittee.

Chairman Parks asked Colonel Perry to provide an update to the Subcommittee on staff turnover. The turnover problem, according to Colonel Perry, appeared to subside significantly since the 2005 Legislative Session. The NHP had maintained the majority of staff that had been recruited and trained.

Chairman Parks pointed out the overtime paid in FY 2006 exceeded \$1 million, and \$1.2 million was requested for FY 2009. Colonel Perry commented that when he took command in June 2006, the overtime budget appeared to be excessive. A self-audit was performed, and in October 2006, a plan was put into place to reduce the overtime.



Major Brian Sanchez, Nevada Highway Patrol, explained NHP had put into place practices to review the management of the overtime process. According to Major Sanchez, NHP recognized the overtime submitted in the budget request was excessive and was trimmed by \$1.0 million before submittal. Major Sanchez advised discretionary overtime had been reduced for training, meetings, and travel. A report reviewing number of overtime hours used, cost, and causes for the overtime was prepared at regular intervals and delivered to Colonel Perry ([Exhibit F](#)). The southern command in Las Vegas initiated self-reviews of overtime accrued. The program began in the dispatch unit where, over a six-month period, more than \$250,000 could be expended for overtime. Lt. Joseph Wingard, NHP, oversaw an overtime review of that unit and had cut the overtime dramatically. Since that time, Major Phillip Tilt, NHP, had begun a review of the overtime for the traffic unit. The overtime was broken down by codes for areas such as training, investigations, and accidents. The managers were able to see where the money was being expended, and the burden of responsibility was placed on the commander for each area. With those practices, NHP was hoping to see a reduction in overtime. Projections showed an overtime savings of 9.5 percent.

Chairman Parks noted that even with the new positions, there was a significant increase in overtime rather than the expected decrease. Colonel Perry responded that law enforcement agencies would always have overtime that could not be projected for such things as late-in-shift crashes, late-in-shift arrests, and call-backs for court. The discretionary overtime should see a dramatic reduction, possibly even be eliminated. Unfortunately, when more people were on the roads, the possibility of crashes, arrests, and court appearances increased. Colonel Perry reiterated NHP was seeking alternatives for controlling the overtime and keeping it at a minimum. Chairman Parks advised staff would be working with NHP on the overtime issue.

Assemblyman Hogan recommended NHP consider overtime as a performance indicator. Overtime was an expensive issue and merited attention at that level. Another observation made by Mr. Hogan was that nearly all of the performance indicators were flat. Indicators had either reached perfection or had not changed. Colonel Perry appreciated the comments and stated NHP could include overtime as a performance indicator.

Chairman Parks moved to the reclassification of troopers to other positions. Colonel Perry commented he understood the concern the Subcommittee had over the reclassifications. The Subcommittee was considering 60 new officer positions, and since FY 2001 NHP had reclassified 27 positions. The combining of BA 4728 with BA 4713 created a net loss of five positions for the period FY 2001 to FY 2005. Colonel Perry assured the Subcommittee that the reclassifications would not occur at the line-level. The 60 new troopers would be assigned to the road. Chairman Parks inquired whether the new officer positions would require new supervisory positions. Colonel Perry confirmed that would be the case, and those were built into the staffing study included with [Exhibit E](#). There were 78 full-time positions, 18 of which were ancillary personnel with the balance being trooper positions. As a point of interest, Colonel Perry advised that a committee was being formed to review the administrative and operational issues of NHP. It was anticipated that in the 2009 Legislative Session, NHP would be presenting the Subcommittee with a report on the administrative and operational problems challenging NHP. Chairman Parks pointed out that staff would be reviewing the need for additional supervisory and command positions.

Continuing, Chairman Parks requested information regarding positions assigned to administrative duties. Chairman Parks expressed concern that sworn officers were performing administrative activities. Staff would be contacting NHP regarding those concerns.

Chairman Parks next addressed the turnover in NHP and requested information on the vacant positions. Colonel Perry stated that after the last Subcommittee meeting, he had reviewed the vacancy report. There were 26 statewide vacancies, 10 in the southern command, 11 in the northern command and 5 in the central command. Those numbers had shifted slightly since that time as two troopers transferred from the southern command to the northern command. Senator Beers noted three trooper positions had been vacant for a year.

Mark Krmpotic, Senior Program Analyst, advised that staff had looked at the information from the Human Resources Data Warehouse within the previous 24 hours and noted that four positions were vacant over a year. Those were position control numbers (PCN) 727, 559, 669, and 615. Colonel Perry stated that was probably an issue with NHP personnel as they were not filling the oldest vacancies first. Mr. Krmpotic noted there were a total of 34 vacant NHP officer positions.

Chairman Parks further noted there were currently dispatcher positions vacant for one year or longer. Colonel Perry explained the dispatcher position in Elko had been vacant for two years, and NHP had not been able to recruit for the position. It had been opened three separate times without success.

Senator Beers requested Colonel Perry look into whether the older vacancies were a result of accounting issues. Senator Beers also discussed with Colonel Perry the issue of the NHP radios. Colonel Perry stated the radio situation was still unsatisfactory. Upgrades were in progress, but it was a time-consuming process. Further discussions ensued, after which Senator Beers and Chairman Parks agreed the issue should have been discussed with the Department of Transportation at an earlier Subcommittee meeting.

Chairman Parks and Senator Beers discussed the disposition of the existing radio equipment, if it was replaced. Several local agencies had indicated an interest in acquiring the equipment. Chairman Parks noted it was imperative the locals be able to communicate effectively with federal agencies. Senator Beers advised he had introduced a bill to provide the equipment to a local government consortium on the assumption NHP would not be using it. Colonel Perry would provide to Senator Beers a list of what VHF equipment NHP was currently utilizing.

Chairman Parks closed the hearing on BA 4713 and opened the hearing on BA 3673 and BA 3674.

**DEPARTMENT OF PUBLIC SAFETY**  
**EMERGENCY MANAGEMENT DIVISION (101-3673)—PUBLIC SAFETY-43**

**EMERGENCY MANAGEMENT ASSISTANT GRANTS (101-3674)—PUBLIC SAFETY-51**

Mr. Frank Siracusa, Chief, Division of Emergency Management (DEM), provided the Subcommittee with an overview of Budget Account (BA) 3673 and BA 3674 ([Exhibit G](#)). The mission of DEM, as stated by Mr. Siracusa, was to

coordinate the efforts of the State, its political subdivisions, private and volunteer organizations, and tribal nations in reducing the impact of disasters by planning, developing, implementing, and maintaining programs for mitigation, preparedness, response and recovery.

Mr. Siracusa reviewed the performance indicators for BA 3673. For the current biennium the number of performance indicators was reduced from 9 to 4 for simplification purposes. The first performance indicator for "statewide or local emergencies receiving assistance and/or support" reflected all incidences with which DEM dealt. The fourth performance indicator of "disaster support functions conducted/performed" was similar to the first performance indicator but indicated the number of agencies within the State that were utilized to support a particular incident.

Mr. Siracusa advised that BA 3674 was merely a pass-through account for the federal grants. The first performance indicator showed the number of audits reviewed and completed by DEM. The second performance indicator showed the annual work plans or the emergency operations plans reviewed for state agencies, local governments, and tribal agencies.

Assemblywoman McClain inquired whether the positions previously approved by the Legislature to manage the grants were still necessary as federal funding had decreased. Mr. Siracusa responded that DEM had not determined the grants were being eliminated. The trend was that federal grant dollars, particularly Homeland Security Grant dollars, were decreasing significantly from federal fiscal year (FFY) 2004 to FFY 2007. He further explained that while there was a reduction in the grant dollars, the overall responsibility for the management of the grants, both fiscally and programmatically, was not reduced. Ms. McClain asked whether a certain percentage of the federal grants was used for administration. Mr. Siracusa acknowledged that was true. Five percent of the grant was set aside for management of the grant program. Although the grant dollars were reduced, there were additional programs within the grant which had unique requirements necessitating considerable management.

Ms. McClain did not understand the justification for retaining the employees when the funds had been reduced. Mr. Siracusa further explained that the grant programs, for example the 2007 Homeland Security Grant Program for which DEM was preparing an application, included the overall state dollars as well as the specific grant dollars for Clark County, and had a three-year performance period. The years were overlapped for each grant resulting in several grants active at the same time.

Chairman Parks commented that as far as BA 3673, the staffing levels were a major concern. The Subcommittee requested Mr. Siracusa meet with staff to discuss the issues regarding the grant requirements.

According to Chairman Parks, the major issue for BA 3674 was the Homeowners Disaster Assistance Program (HDAP). Mr. Siracusa provided a brief overview, stating that HDAP was passed during the 2005 Legislative Session. The HDAP required DEM to provide grants to private homeowners whose homes were damaged or destroyed as a result of an emergency or disaster. When DEM was informed the program was adopted, emergency regulations were developed to manage the program. Temporary regulations were established and were being used for permanent regulation development. That information would be provided to staff.

Chairman Parks wanted to know the status of the reimbursement for services provided to Louisiana and Mississippi. In response, Mr. Siracusa noted that Nevada was a signature state to the Emergency Management Assistance Compact (EMAC). This was an interstate, national compact that allowed each state to request from other states resources such as personnel in the event of a Governor's declaration of emergency within that state. With the catastrophes of Hurricane Katrina and Hurricane Rita, the states of Mississippi and Louisiana reached out to all 50 states requesting assistance. The Division, being the point of contact for EMAC in Nevada, reached out to the local government officials, especially law enforcement and fire, and facilitated the response to those states. Emergency Management Assistance Compact was a new program for Nevada, resources were deployed to Mississippi and Louisiana that amounted to \$1.3 million to \$1.4 million in state costs. According to Mr. Siracusa, the agreement under EMAC, at that time, was that Nevada must reimburse the local governments first and then seek reimbursement from Louisiana and Mississippi. Claims were paid to the local governments. Delays in the reimbursement from Louisiana and Mississippi caused DEM to go into default, and the payment was taken from HDAP. Mr. Siracusa apologized for the unfortunate and unintentional problem which had since been corrected. To date, Nevada had recovered nearly \$1 million, and the final claims had been submitted to Louisiana and Mississippi for the balance of \$356,503. Mr. Siracusa was confident the balance would be forthcoming.

Chairman Parks closed the hearing on BA 3673 and BA 3674 and opened the hearing on BA 3743.

**DEPARTMENT OF PUBLIC SAFETY**  
**DIVISION OF INVESTIGATIONS (101-3743) – PUBLIC SAFETY-96**

John Douglas, Chief, Investigation Division (NDI), provided [Exhibit H](#) to the Subcommittee and presented an overview of Budget Account (BA) 3743. The performance indicators for NDI were updated for the first time in ten years. Pages 4 and 5 of the exhibit listed both the old and new performance indicators.

In response to a question from Chairman Parks regarding the ten sworn positions requested in Enhancement Unit 251 (E251), Mr. Douglas explained that Nevada had the dubious distinction of being number one in the nation in methamphetamine (meth) usage. The Governor listed meth investigations as a priority for his administration. The addition of ten detectives to attack the problem would be a major addition to the narcotics unit to assist in the dismantling of clandestine labs and disrupting the drug trafficking within the State.

Senator Rhoads recognized the ten positions would be used to form two teams of five persons on each team. One team would be based in Las Vegas and one team would be based in Carson City. Senator Rhoads requested information on the incorporation of these teams with the current narcotics task forces. Mr. Douglas responded that those teams would be responding to requests from the task forces for assistance. The teams would also search for clandestine labs in the rural areas of the State.

Chairman Parks was interested in obtaining information regarding any gaps between the availability of local task forces and NDI. It was important to the Subcommittee that the teams work aggressively in cooperation with other law enforcement agencies throughout the State. Mr. Douglas responded that when the operational plans for a meth investigation or raid were put together, the

teams would not go out until they had made contact with the local task forces. The teams worked in conjunction with the task forces, not independently.

Assemblywoman McClain expressed concern regarding the movement of a specifically legislated narcotics control unit into the investigation unit. It appeared the transfer of program expenses representing the salary and support costs of 18 classified positions (12 sworn law enforcement positions and 6 non-sworn positions) to BA 3743, would jeopardize narcotics investigations. According to Ms. McClain, the positions were originally allocated for rural investigations, and it was unclear how NDI would be able to account for dollars spent for rural investigations if the positions were moved to BA 3743. Mr. Douglas explained the importance of moving the positions into BA 3743. With the current position budget locations, some officers could only perform narcotics investigations and were unable to assist officers or citizens in other capacities. This created a problem when officers, located near a non-narcotics incident, could not respond because they were paid from a narcotics-only budget account [BA 3744].

Ms. McClain further questioned whether there were federal funds, such as the Justice Assistance Grant (JAG), to replace what was funded with General Fund money. Tina Tomasco, Administrative Services Officer, responded that the JAG funds were only available on a year-to-year basis and were not included in the base budget. If JAG funds were awarded to NDI, a work program change would be made to accept the money. Responding to an inquiry from Ms. McClain, Ms. Tomasco advised that NDI currently had \$14,240 in JAG funds available.

Assemblyman Grady inquired whether the officers requested in E251 were in addition to the officers requested by Nevada Highway Patrol (NHP). Mr. Douglas answered they were different officers. The Highway Patrol criminal interdiction program had jurisdiction only on the highways. The Investigations Division worked in concert with NHP.

With respect to the Rural Methamphetamine Summit in Winnemucca, Chairman Parks asked what additional knowledge was obtained from that summit. According to Mr. Douglas, as a result of the summit, NDI was able to gather information confirming the extent of the methamphetamine problem in rural Nevada. The problems in the rural areas were not just an offshoot of the metropolitan drug problem. The scope of the problem in the rural areas led to the request for additional detectives to conduct investigations in those areas. Chairman Parks pointed out that, from a budgetary perspective, the Subcommittee was not getting a grasp of what the gaps were as far as state and local law enforcement efforts. Chairman Parks asked staff to work with NDI on clarification of that issue.

In answer to a question from Senator Rhoads, Mr. Douglas advised there was ample work for the task forces in the rural areas. The task forces would respond when requested but would also perform rural investigations.

Phillip A. Galeoto, Director, Department of Public Safety, added clarification regarding the two teams NDI was proposing to form. The intent was to supplement what the Legislature had funded throughout the years for narcotics interdiction and investigation. There were areas of the State that did not receive narcotics interdiction unless an extraordinary event occurred. Areas that had large task forces, which the legislature had assisted in funding, had requested additional officers for each task force. DPS had proposed to send

personnel specifically assigned to deal with the meth problem to locations where the problem was significant. Continuing, Director Galeoto noted that the unit would respond to invitations for participation for interdiction and investigation, but would also support the day-to-day operations and investigations. Significant funds were requested to keep the teams mobile, flexible, and immediately available to work in whatever part of the State was necessary.

Chairman Parks recommended staff meet with NDI to review additional funding for each task force for overtime and training expenses requested in the budget.

Responding to a question from Chairman Parks regarding the types of duties highway-funded investigators performed, Mr. Douglas explained there were three highway-funded investigators at NDI. Two investigators were assigned to Las Vegas and assisted the Highway Patrol in investigation of crimes occurring on the highways. The third investigator position was vacant because of the recent retirement of the officer. Chairman Parks advised staff would follow up with questions and closed the hearing on BA 3743.

**DEPARTMENT OF PUBLIC SAFETY**  
**NARCOTICS CONTROL (101-3744)—PUBLIC SAFETY-111**

Moving to BA 3744, Chairman Parks pointed out the major issue was the reorganization and transfer of positions. As previously indicated by Ms. McClain, the 2005 Legislative Session approved General Fund dollars for the limited purpose of continuing the narcotics-control task forces. The Subcommittee was concerned the commingling of funds in combining the two budget accounts would prohibit the accountability of dollars expended for narcotics task forces. Ms. Tomasco explained that an organizational code was used to track the spending of every dollar. In BA 3744 there were organizational codes set up for the Tri-Net task force for Elko, Ely, Winnemucca, and Mesquite. These codes provided for the accountability necessary. The combining of the budgets would allow the agency to use funds more efficiently.

Chairman Parks asked whether legislators would be able to obtain data reports upon request. Ms. Tomasco responded that would not be a problem. Ms. McClain inquired whether NDI would be able to report to the legislators how many hours the officers worked on narcotic issues as opposed to other issues. Ms. Tomasco informed Ms. McClain that information was available upon request.

Addressing a question from Senator Beers regarding which account the ten new positions would fall under, Ms. Tomasco answered it would most likely be BA 3744, as it was the narcotics control budget.

Chairman Parks closed the hearing on BA 3744 and opened the hearing on BA 3800.

**DEPARTMENT OF PUBLIC SAFETY**  
**PAROLE BOARD (101-3800)—PUBLIC SAFETY-191**

Ms. Dorla M. Salling, Chairman, Board of Parole Commissioners, provided a brief description of the functions of the Parole Board ([Exhibit I](#)) to the Subcommittee. Chairman Parks advised Ms. Salling the Subcommittee needed to discuss the two major issues of the Supreme Court ruling and the caseload projections.



Regarding the Supreme Court ruling, Ms. Salling provided a brief summary. The Parole Board was involved in litigation to require the Parole Board to adhere to the Nevada open meeting law. It was the contention of the plaintiff that, as a Board, the Parole Board should be subject to all the ramifications of the open meeting law. In the past, the Attorney General's Office had repeatedly indicated that the Parole Board was an arm of the judiciary and, although the meetings were held in public, the Parole Board was not required to follow all of the open meeting laws. Ms. Salling further explained the caseload of the Parole Board was quite large, and the Board would require significant time and money to adhere to the open meeting law. The Supreme Court ruling said the Parole Board was subject to the open meeting law. The Attorney General's Office appealed the ruling and the Parole Board currently had a stay in the ruling. The Governor's office had submitted a bill to clarify and exempt the Parole Board from the open meeting law. The last two sessions the Parole Board had submitted legislation to clarify that point. Those bills were not passed. Pending legislation, Assembly Bill (A.B.) 61, would subject the Parole Board to the open meeting law and allow inmates to have representation at the hearings. There would be a significant fiscal impact to the Parole Board of over \$3.0 million should the Supreme Court ruling stand.

Ms. Salling submitted [Exhibit J](#) to the Subcommittee. The exhibit described the financial impact of A.B. 61 on parole hearings. According to the exhibit, there was also an impact on the Attorney General's Office and the Public Defender's Office.

Senator Beers asked whether A.B. 61 was a bill from the Governor's office. Ms. Salling responded it was not. Responding to a question from Senator Beers as to what the Governor was proposing, Ms. Salling believed the Governor intended to clarify that the Parole Board would continue to hold meetings openly but not be subject to the open meeting law. Senator Beers questioned whether the budget had been prepared as if the Parole Board would not be subject to the open meeting law. Ms. Salling answered the budget had been prepared the same as in the past and did not accommodate the Supreme Court ruling.

In answer to Senator Beers' inquiry regarding the projections for an increased number of parole hearings, Ms. Salling stated the budget was prepared prior to the projections. Ms. Salling confirmed the Parole Board would not be able to accommodate the projected caseload with the requested budget. The projections were not received in time to reassess and recalculate the needs of the Parole Board. Ms. Salling advised the Subcommittee that the Parole Board was assessing the projections and making calculations based on the projections but had not prepared an updated budget request. Ms. Salling had requested a meeting with the Governor to determine what the next step for the Parole Board would be.

Discussion followed between Chairman Parks and Senator Beers regarding when the Parole Board could present a revised budget request. The Parole Board must also prepare a budget that took into account the passage of A.B. 61. Chairman Parks recommended alternatives be presented to staff by March 2, 2007, and a course of action presented by March 9, 2007. Chairman Parks advised Ms. Salling to meet with staff and present the revisions as soon as possible.

Chairman Parks moved on to the Nevada Offender Tracking Information System and asked Ms. Salling whether she was involved in the program. Ms. Salling advised she was a member of the oversight committee and had been involved since the inception of the program. A module was being developed for the

Parole Board which interfaced with the Department of Corrections. According to Ms. Salling, the system was to be operational by the first of May 2007.

There being no further questions or public comments, the Subcommittee was adjourned. Budget Account 3675 was rolled over to a future meeting.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Linda Blevins  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Assemblyman David R. Parks, Chair

DATE: \_\_\_\_\_

\_\_\_\_\_  
Senator Dean A. Rhoads, 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>February 28, 2007</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A	-----	Agenda
	B	-----	Attendance Roster
	C	S. Martinovich, NDOT	Projected Highway Fund
	D	S. Martinovich, NDOT	Facts & Figures Booklet
	E	C. Perry, NHP	Budget Requests
	F	C. Perry, NHP	Overtime Comparisons
	G	F. Siracusa, DEM	Overview
	H	J. Douglas, NDI	Budget FY2008-FY2009
	I	D. Salling, Parole Board	What is Parole PowerPoint Presentation
	J	D. Salling, Parole Board	Impact of AB 61