

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

**Seventy-fourth Session
May 11, 2007**

The Joint Subcommittee on Public Safety/Natural Resources/Transportation of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order at 8:07 a.m. on Friday, May 11, 2007. Chair Dean A. Rhoads presided in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

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

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Laura Freed, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Robin Hager, Program Analyst
Mark Krmpotic, Senior Program Analyst
Mark Stevens Assembly Fiscal Analyst
Michael Archer, Committee Secretary

CHAIR RHOADS:

We will open the hearing with Budget Account (B/A) 210-4660.

INFRASTRUCTURE

TRANSPORTATION

Transportation Administration – Budget Page NDOT-1 (Volume III)
Budget Account 201-4660

LAURA FREED (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Based on the Highway Fund authorizations in The *Executive Budget*, staff previously projected the Highway Fund balance to be \$164.7 million by the end of fiscal year (FY) 2008-2009. Staff subsequently reviewed the previous ending fund

balance projection, and now expects that the Highway Fund will end FY 2008-2009 with a balance in excess of \$150 million.

The closing Highway Fund balance shown in the Nevada Department of Transportation (NDOT) chart on page 2 of the "Joint Subcommittee on Public Safety, Natural Resources & Transportation Closing List, May 11, 2007" ([Exhibit C](#)) is \$48,390,915. The difference between that ending fund balance projection and staff's projection is staff included estimated reversions of \$38 million in its calculations for each of the 2007, 2008 and 2009 fiscal years. By including these reversions, the total ending Highway Fund balance for FY 2008-2009 would be \$162.4 million.

Furthermore, the Governor has recommended the sale of \$135 million in bonds in FY 2007-2008. This will be the last in a series of bond issues which began in FY 2000-2001 and will bring the NDOT to its \$1 billion previously presumed bond capacity. If the bond sale is approved, the yearly bond debt payment will be \$89.5 million in FY 2007-2008 and \$94.2 million in FY 2008-2009.

This FY 2007-2008 bond sale is planned for a 20-year repayment schedule. According to the NDOT, if no additional bonds were sold, the bond payment would continue to be over \$80 million a year until FY 2012-2013. If new bonds are sold during the 2009-2011 biennium, the annual bond payment would be closer to \$100 million each year until FY 2012-2013.

The land and building improvements expenditure category in this budget account contains both Highway Fund and bond expenditure authority. When bond proceeds are received, they are recorded in B/A 201-4660. The revenue is then moved to B/A 201-4663, which is not currently part of the *Executive Budget*. This practice of transferring bond revenue and expenses distorts the Highway Fund balance. The *Executive Budget* does not fully reflect FY 2005-2006 or FY 2006-2007 bond revenues because the revenues have either have already been recorded in B/A 201-4663 and shown as zero or omitted in the amount of unspent bond revenue balanced forward to the next fiscal year. The funding recorded in this budget account does not reflect all possible funding available to be spent on construction projects because some of those projects are financed with revenues located in B/A 201-4663. As a result, the \$470 million budgeted in the land and building improvements category for each year of the 2007-2009 biennium is not the amount of Highway Fund that will be spent on construction projects.

To better account for the funding of highway construction projects, staff recommends B/A 201-4663 be included in the Authorizations Act. Staff recommends the Subcommittee issue a Letter of Intent directing the agency and the Budget Division to include B/A 201-4663 in the *Executive Budget* in future biennia.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO INCLUDE B/A 201-4663 IN THE AUTHORIZATIONS ACT.

SENATOR BEERS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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MS. FREED:

Decision unit E-250 recommends 19 additional positions over the biennium. Seventeen of these positions appear reasonable to staff. The NDOT states that structural and design personnel located in Carson City must often travel to Las Vegas to provide construction support, stakeholder coordination and other needed expertise. The agency believes creating two new positions in Las Vegas would alleviate some, but not all, of the travel expenses. Staff notes ongoing travel costs are less expensive than ongoing payroll costs.

E-250 Working Environment and Wage – Page NDOT-5

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE THE APPROVAL OF 17 NEW POSITIONS AS RECOMMENDED BY THE GOVERNOR IN B/A 201-4660, BUT NOT APPROVE THE TWO PROFESSIONAL ENGINEERS FOR LAS VEGAS.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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MS. FREED:

The NDOT wishes to upgrade an engineering technician positions to be division administrator of the Project Management Division. This appears reasonable to staff.

The Governor also proposes to reclassify an engineering technician III to be assistant chief of the Division of Right-of-Way in Carson City to oversee encroachment permitting, roadway exchanges/disposals, surplus property disposal, and the Integrated Right-of-Way Information Network (IRWIN). This does not appear reasonable. The recent historical data does not show a significant increase in the number of encroachment permits processed.

Furthermore, the department states the public's interest in acquiring NDOT surplus property has grown. Yet, the past three years of data do not demonstrate the NDOT has had a significant increase in the number of surplus property determinations.

A need for additional staffing to oversee the IRWIN was not contemplated when the system was approved by the Legislature. The proposed new assistant chief

position would manage the IRWIN system. Because the IRWIN system is not scheduled to be completed until the second quarter of FY 2008-2009, the new position seems to be premature. Staff would recommend deferring the reclassification of an existing position to an assistant chief for the Division of Right-of-Way until the 2009 Legislature when the IRWIN system is expected to be complete.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE AN UPGRADE OF ONE ENGINEERING TECHNICIAN POSITION TO DIVISION ADMINISTRATOR OF THE PROJECT MANAGEMENT DIVISION AS RECOMMENDED BY THE GOVERNOR IN B/A 201-4660, BUT TO DEFER UNTIL THE 2009 LEGISLATURE THE RECLASSIFICATION OF AN ENGINEERING TECHNICIAN POSITION TO AN ASSISTANT CHIEF FOR THE RIGHT-OF-WAY DIVISION.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. FREED:

In the other budget closing items, the Governor recommends a onetime General Fund appropriation in excess of the spending cap to support widening part of Interstate 15 in Las Vegas from 6 to 10 lanes. The total funding for the project is \$216.2 million, with a onetime appropriation of \$170 million contained in Assembly Bill (A.B.) 544.

ASSEMBLY BILL 544: Makes an appropriation to the Department of Transportation for highway improvements. (BDR S-1225)

If this bill is approved, staff recommends establishment of a new budget account within the General Fund and an amendment to A.B. 544 with language requiring the Office of the State Controller to allocate funding only as required to make contractor payments on the project.

The NDOT has built \$4.4 million into its Base Budget for seasonal help. The amount spent in FY 2005-2006 was \$3.9 million. Staff seeks approval to adjust seasonal pay amounts to \$3.9 million in both years of the upcoming biennium to match the FY 2005-2006 base amount.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE APPROVAL TO ADJUST THE SEASONAL PAY AMOUNTS TO \$3.9 MILLION IN BOTH YEARS OF THE BIENNIUM.

SENATOR BEERS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. FREED:

During the 2005 Legislative Session, it was suggested that all of the operating enhancements and equipment for the State's three aircraft be located in the Base Budget. However, no formal vote was taken on this matter, so the intent of the Senate Committee on Finance and the Assembly Committee on Ways and Means is not clear. As a result of the Subcommittee's direction at an earlier hearing, staff moved the scheduled inspections and maintenance and nonroutine maintenance for these three aircraft into decision module E-740. Staff would further suggest the Subcommittee issue a Letter of Intent directing the agency to keep aircraft operating expenses in the Base Budget and budget-scheduled inspections and maintenance, as well as nonroutine repairs, maintenance and rehabilitation, budgeted in an enhancement unit with each aircraft's nonroutine expenses budgeted in a separate line item.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE APPROVAL TO MOVE THE SCHEDULED INSPECTIONS AND MAINTENANCE AND NONROUTINE MAINTENANCE FOR THE STATE'S THREE AIRCRAFT INTO DECISION MODULE E-740 AND REMOVE THOSE EXPENSES FROM THE ADJUSTED BASE BUDGET RECOMMENDED BY THE GOVERNOR IN B/A 201-4660; AND TO ISSUE A LETTER OF INTENT DIRECTING THE AGENCY TO BUDGET AIRCRAFT OPERATING EXPENSES IN THE BASE BUDGET, WITH SCHEDULED INSPECTIONS AND MAINTENANCE, AS WELL AS NONROUTINE REPAIRS, MAINTENANCE AND REHABILITATION BUDGETED IN AN ENHANCEMENT UNIT, WITH EACH AIRCRAFT'S NONROUTINE EXPENSES BUDGETED IN A SEPARATE LINE ITEM.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Staff also recommends the elimination of \$72,647 from the adjusted Base Budget in each year of the biennium for building expenditures associated with the Traffic Management Center in Las Vegas Valley. These requested expenditures cannot be substantiated.

Staff recommends all other decision units in this budget be approved as recommended by the Governor. Staff also seeks approval to make technical adjustments to the 800 MHz radio system cost-allocation revenue based on the closing of other budget accounts.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE ELIMINATION OF \$72,647 FROM THE ADJUSTED BASE BUDGET IN EACH YEAR OF THE BIENNIUM FOR

THE TRAFFIC MANAGEMENT CENTER IN THE TRAFFIC MANAGEMENT CENTER BUILDING IN LAS VEGAS; TO APPROVE ALL OTHER DECISION UNITS IN B/A 201-2660 AS RECOMMENDED BY THE GOVERNOR WITH STAFF ADJUSTMENTS; AND APPROVE STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE 800 MHZ RADIO SYSTEM COST-ALLOCATION REVENUE BASED ON THE CLOSING OF OTHER BUDGET ACCOUNTS.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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SENATOR BEERS:

Is the one-shot appropriation of \$170 million in A.B. 544 for construction projects in addition to the \$307 million in FY 2007-2008 and \$299 million in FY 2008-2009?

Ms. FREED:

Yes. As the line item details on pages 9 and 10 of [Exhibit C](#) indicate, this is also in addition to planned bond expenditures of \$163 million in FY 2007-2008 and \$171 million in FY 2008-2009.

SENATOR BEERS:

Will closing this budget preclude the NDOT from using the \$170 million one-shot General Fund appropriation and available federal funding for a different highway project?

Ms. FREED:

No. Closing this budget does not preclude other legislative direction vis à vis the project listed in the bill. That project is in a separate bill.

SENATOR RHOADS:

We will close the hearing on B/A 201-4660 and open the hearing on B/A 101-3774.

PUBLIC SAFETY

PEACE OFFICERS STANDARDS AND TRAINING

Peace Officers Standards & Training Commission – Budget Page POST-1
(Volume III)

Budget Account 101-3774

ROBIN HAGER (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Governor recommends court assessments of \$256,599 over the 2007-2009 biennium to establish a Professional Development program and add 1 employee

development manager and 1 administrative assistant position. The program will be multifaceted and focus on developing increased levels of professionalism and leadership.

Staff inquired as to whether the universities and community colleges could fulfill this training need. The Peace Officers Standards and Training (P.O.S.T.) Commission responded that none of the courses offered are targeted to the law enforcement community.

The Executive Budget does not propose a registration fee for participation in the Professional Development Program. The Subcommittee may wish to consider the establishment of a registration fee for participants of the Professional Development Program. This would be similar to the Certified Public Manager Program offered by the Department of Personnel which charges \$300 for each level completed in the Certified Public Manager curriculum. Six levels are required to receive a Certified Public Manager certificate. If this amount were charged for each participant of the Professional Development Program, approximately \$36,000 in registration fees would be received each year and offset court assessment funding. Establishment of the Professional Development Program appears reasonable.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE PROFESSIONAL DEVELOPMENT PROGRAM AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774 AND CHARGE A FEE OF \$300 FOR EACH LEVEL OF CERTIFICATION.

SENATOR TITUS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The Executive Budget recommends court assessments of \$150,000 in FY 2007-2008 to fund a job task analysis and study of physical-fitness standards for peace officers. This cost estimate was provided from companies that complete physical-fitness validation studies.

The establishment of physical-fitness standards may be justified given the potential liability to the State if the existing standards were ever legally challenged. Staff recommends the approval of funding for the physical-fitness standards study with the recommendation that funding be placed in an isolated category to be used only for the physical-fitness standards study.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FUNDING FOR A PHYSICAL-FITNESS STANDARDS STUDY AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774 WITH THE RECOMMENDATION THAT FUNDING BE PLACED IN AN ISOLATED CATEGORY TO BE USED ONLY FOR THE STUDY.

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ASSEMBLYMAN GRADY SECONDED THE MOTION.
ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The *Executive Budget* recommends \$975,820 in FY 2007-2008 and \$1.7 million in FY 2008-2009 in court assessments to construct an Emergency Vehicle Operations Course (EVOC) adjacent to the Northern Nevada Correctional Facility in Carson City.

Does this Subcommittee wish to approve the funding for the EVOC subject to the approval by the Joint Subcommittee on Higher Education and Capital Improvements?

ASSEMBLYMAN PARKS:

Will this be funded entirely out of court assessments?

Ms. HAGER:

The court assessments are projected to be \$25.6 million in FY 2007-2008 and \$27.7 million in FY 2008-2009. The P.O.S.T. receives a portion of that. There is available funding according to these court-assessment projections.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE FUNDING FOR THE EVOC AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774 SUBJECT TO APPROVAL OF THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION AND CAPITAL IMPROVEMENTS.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

A computer network specialist position was recommended for elimination by the Information Technology Review Committee. Services will now be provided by the Department of Information Technology (DoIT) in lieu of an in-house position. The DoIT cost projection is \$119,584 over the 2007-2009 biennium and will be paid with court assessments.

Based upon the outline of duties submitted by the P.O.S.T. Commission and DoIT, staff would recommend \$119,584 in court assessment fees be allocated for DoIT services over the 2007-2009 biennium.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ELIMINATE THE COMPUTER NETWORK SPECIALIST

POSITION AND APPROVE \$119,584 IN COURT ASSESSMENT FEES FOR DoIT SERVICES OVER THE 2007-2009 BIENNIUM AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR BEERS WAS ABSENT FOR THE VOTE.)

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Ms. HAGER:

The P.O.S.T. Commission request for in-state travel funds in the Base Budget for the upcoming biennium has increased by 80 percent when compared to FY 2005-2006. The P.O.S.T. does not need all five staff members at the quarterly P.O.S.T. Commission meetings to accomplish its mission. Staff recommends reducing the number of employees who will attend the quarterly P.O.S.T. Commission meetings by two positions. Approval of this recommendation would decrease the in-state travel expense in the Base Budget by approximately \$995 in each year of the 2007-2009 biennium.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE REDUCING THE NUMBER OF EMPLOYEES WHO WILL ATTEND THE QUARTERLY P.O.S.T. COMMISSION MEETINGS BY TWO POSITIONS AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

In decision unit E-125, the Governor recommends additional in-state travel for P.O.S.T. staff to attend quarterly meetings held throughout the State.

E-125 Equitable, Stable Tax Structure – Page POST-3

Staff has reviewed this recommendation and has determined funding to attend these meetings already exists in the Base Budget and recommends the elimination of the funding in this decision unit.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE ADDITIONAL IN-STATE TRAVEL TO ALLOW P.O.S.T. STAFF TO ATTEND QUARTERLY MEETINGS HELD THROUGHOUT THE STATE, AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774, AND TO ELIMINATE FUNDING FOR THIS EXPENDITURE IN DECISION UNIT E-125.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

Decision unit E-175 requests court assessment fees in the amount of \$6,794 over the 2007-2009 biennium be allocated for three employees to attend the International Association of Directors of Law Enforcement Standards and Training (IADLEST) conference in Indiana in FY 2007-2008 to prepare for hosting the conference in Nevada in 2009.

E-175 Increase Non-Gaming Business – Page POST-4

In decision unit E-225, the Governor recommends \$50,000 in court assessments in each year of the 2007-2009 biennium to fund the Crimeline Law Enforcement Training Program. Staff would recommend placing this funding in a separate category to facilitate tracking and monitoring of the funds.

E-225 Eliminate Duplicate Effort – Page NDOT-5

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE A TOTAL OF \$6,794 IN COURT ASSESSMENT FEES OVER THE 2007-2009 BIENNIUM TO ALLOW THREE EMPLOYEES TO ATTEND TO THE IADLEST CONFERENCE IN INDIANA IN FY 2007-2008; AND \$50,000 IN COURT ASSESSMENTS IN EACH YEAR OF THE 2007-2009 BIENNIUM TO FUND THE CRIMELINE LAW ENFORCEMENT TRAINING PROGRAM, AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774, AND TO PLACE THIS FUNDING IN A SEPARATE CATEGORY TO FACILITATE TRACKING AND MONITORING.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

Decision unit E-227 recommends \$5,000 in each year of the 2007-2009 biennium to fund honorariums to volunteers who are role players for training. Staff would recommend placing this funding in a separate category to facilitate tracking and monitoring of the funds.

E-227 Eliminate Duplicate Effort – Page POST-4

Decision unit E-326 requests an additional \$10,000 in each year of the 2007-2009 biennium to pay instructors who volunteer their time to teach at the academy. The Base Budget already includes \$10,000 for instructors in each year

of that biennium. Staff recommends placing both the Base Budget and decision unit funding in a separate category to facilitate tracking and monitoring of the funds.

E-326 Services at Level Closest to People – Page POST-6

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE \$5,000 IN EACH YEAR OF THE 2007-2009 BIENNIUM TO FUND HONORARIUMS TO VOLUNTEERS WHO ARE ROLE PLAYERS FOR TRAINING, AND PLACE THIS FUNDING IN A SEPARATE CATEGORY TO FACILITATE TRACKING AND MONITORING; TO APPROVE AN ADDITIONAL \$10,000 IN EACH YEAR OF THE 2007-2009 BIENNIUM TO PAY INSTRUCTORS WHO VOLUNTEER THEIR TIME TO TEACH AT THE ACADEMY, AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774; AND TO PLACE BOTH THE BASE BUDGET AND DECISION UNIT FUNDING IN A SEPARATE CATEGORY TO FACILITATE TRACKING AND MONITORING.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR BEERS WAS ABSENT FOR THE VOTE.)

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Ms. HAGER:

Decision unit E-327 requests \$20,990 from court assessments over the 2007-2009 biennium for additional training for staff.

E-327 Services at Level Closest to People – Page POST-6

Training expenditures in the Base Budget increased from \$2,123 in FY 2005-2006 to a projected \$5,500 in each year of the 2007-2009 biennium. As training for the Cooper Institute for Aerobics Research (CIAR) is also included in the Base Budget, staff would recommend \$1,366 be eliminated.

With the elimination of the computer network specialist position, staff recommends \$1,927 for scheduled training be removed from this decision unit.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE \$20,990 FROM COURT ASSESSMENTS OVER THE 2007-2009 BIENNIUM FOR ADDITIONAL TRAINING FOR staff, AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774; TO ELIMINATE \$1,366 FROM DECISION UNIT E-327 FOR CIAR TRAINING; TO ELIMINATE \$1,927 FROM DECISION UNIT E-327 FOR SCHEDULED TRAINING OF THE ELIMINATED COMPUTER NETWORK SPECIALIST POSITION; AND TO PLACE THE FUNDING IN A SEPARATE CATEGORY TO FACILITATE TRACKING AND MONITORING.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR BEERS WAS ABSENT FOR THE VOTE.)

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Ms. HAGER:

In decision unit E-328, the Governor requests \$8,000 in each year of the 2007-2009 biennium to paint, repair and equip 8 used vehicles for training purposes.

E-328 Services at Level Closest to People – Page POST-6

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE \$8,000 EACH YEAR OF THE 2007-2009 BIENNIUM TO PAINT, REPAIR AND EQUIP 8 USED VEHICLES FOR TRAINING PURPOSES, AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR BEERS WAS ABSENT FOR THE VOTE.)

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Ms. HAGER:

Decision unit E-330 appropriates \$995 in FY 2007-2008 and \$745 in FY 2008-2009 to send the P.O.S.T. Commission Chairman to regional IADLEST conferences in Seattle and Los Angeles.

E-330 Services at Level Closest to People – Page POST-7

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE \$995 IN FY 2007-2008 AND \$745 IN FY 2008-2009 TO SEND THE COMMISSION CHAIRMAN TO THE REGIONAL IADLEST CONFERENCES IN SEATTLE AND LOS ANGELES, AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR BEERS WAS ABSENT FOR THE VOTE.)

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Ms. HAGER:

In decision unit E-710, the Governor recommends funding of \$43,669 in FY 2007-2008 and \$40,732 in FY 2008-2009 to replace 6 vehicles, office furniture for the facilities manager and an administrative assistant, 7 personal computers, 4 printers and computer software. Staff made technical adjustments of \$2,146 over the 2007-2009 biennium to eliminate funding for duplicate monitors and antivirus computer software not needed in FY 2007-2008. Staff also reduced the funding by \$1,225 to purchase secretarial furniture, instead of an executive unit, for the administrative assistant. Staff seeks approval to make technical adjustments for revised computer hardware and software pricing.

E-710 Replacement Equipment – Page POST-7

Funding of \$20,232 over the 2007-2009 biennium is recommended in decision unit E-720 for 6 personal computers and 4 printers, an electronic whiteboard, a mountain bike, and 4 stationary bikes. Staff has made reductions of \$1,600 over the 2007-2009 biennium to eliminate 2 of the stationary bikes requested.

E-720 New Equipment – Page POST-8

In decision unit E-730, the Governor recommends \$20,055 from court assessments to fund the completion of the key card lock system and to supplement building maintenance requirements.

E-730 Maintenance of Buildings and Grounds – Page POST-8

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNITS E-710, E-720 AND E-730, AS RECOMMENDED BY THE GOVERNOR, IN B/A 101-3774 WITH STAFF ADJUSTMENTS, AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR BEERS WAS ABSENT FOR THE VOTE.)

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Ms. HAGER:

In decision unit E-805, the Governor recommends \$20,520 in FY 2007-2008 and \$21,682 in FY 2008-2009 in court assessment fees to reclassify 4 positions. Staff recommends the approval of the reclassifications based on increased responsibilities for each of the positions.

E-805 Classified Positions Reclassifications – Page POST-8

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Decision unit E-818 recommends the transfer of the information technology contract from DoIT to the Purchasing Division. This had no effects on the agency's budgets.

E-818 IT Contract Unit – Page POST-9

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNITS E-805 AND E-818, AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3774.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR BEERS WAS ABSENT FOR THE VOTE.)

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SENATOR RHOADS:

We will close the hearing on B/A 101-3774 and open the hearing on B/A 201-4715.

PUBLIC SAFETY

MOTOR VEHICLES

DMV - Automation – Budget Page DMV-22 (Volume III)
Budget Account 201-4715

Ms. HAGER:

In decision unit E-250, the *Executive Budget* recommends Highway Fund appropriations of \$80,190 in 2007-2008 and \$99,463 in FY 2008-2009 for 1 new information systems specialist (ISS) to support the Motor Carrier application development area of the Motor Vehicle Information Technology (MVIT) Division.

E-250 Working Environment and Wage – Page DMV-25

Two ISS positions were added to the MVIT Division of the Department of Motor Vehicles (DMV) by the 2005 Legislature to convert the Motor Carrier Affiliated Computer System from being a vendor-developed and managed system to an in-house system. The agency testified during the 2005 Legislative Session that four programmers would be needed to complete the International Fuel Tax Agreement and International Registration Plan application due to its size and complexity and would attempt to shift current personnel to fulfill that need in future biennia rather than add additional staff. With the approval of this new programmer, the DMV will have the four computer programmers needed to complete this project.

Based on the information provided by the agency, the additional position is justified, since the State is paying a contractor for services which the DMV could

eventually provide more cost effectively. While the approval of this decision unit will cost \$80,190 in FY 2007-2008 and \$99,463 in FY 2008-2009, an annual savings of \$319,598 is expected to be realized once the second phase of the program is completed. Staff seeks approval to make additional technical adjustments for revised computer hardware and software pricing.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-250, RECOMMENDED BY THE GOVERNOR IN B/A 201-4715, WITH STAFF ADJUSTMENTS, AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The Governor recommends Highway Fund appropriations of \$48,815 in FY 2007-2008 and \$62,176 in FY 2008-2009 for a management analyst position to control, maintain and monitor the ongoing changes that occur within the DMV's Application System security user profiles database profiles and outside authorized accesses.

A recent audit conducted by the Legislative Counsel Bureau (LCB) Audit Division determined the DMV has little control over the system profiles. In addition to managing the system's user profiles, the management analyst would be responsible for the department's computer hardware inventory.

Reductions of \$670 over the 2007-2009 biennium have been made to eliminate a duplicate computer monitor and remove computer software. Staff seeks approval to make additional technical adjustments for revised computer hardware and software pricing.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE MANAGEMENT ANALYST POSITION RECOMMENDED BY THE GOVERNOR IN B/A 201-4715, WITH STAFF ADJUSTMENTS, AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The Executive Budget recommends \$71,411 in FY 2007-2008 and \$91,575 in FY 2008-2009 for a computer network specialist for the Galletti field office in Reno. This position will be responsible for the administration of DMV's Local Area Network and will assist with maintaining rural area networks.

Based upon the number of computers, printers, and other electronic equipment requiring service in northern Nevada, as well as the fact that every metropolitan office in southern Nevada has a network specialist position, staff would recommend the approval of this position for the Galletti office.

Staff made reductions of \$2,890 over the 2007-2009 biennium to eliminate a duplicate computer monitor, remove computer software and reduce funding for a printer. Staff would seek approval to make additional technical adjustments for revised computer hardware and software pricing from the Purchasing Division.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE NETWORK SPECIALIST POSITION RECOMMENDED BY THE GOVERNOR IN B/A 201-4715, WITH STAFF ADJUSTMENTS, AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

As the result of a recent LCB Audit Division finding, Highway Fund appropriations of \$80,190 in FY 2007-2008 and \$99,463 in FY 2008-2009 are recommended in the Executive Budget to fund an ISS position to enforce established standards and procedures for the programming staff. The agency states it currently does not have a position that performs these duties.

Staff made reductions of \$2,890 over the 2007-2009 biennium to eliminate a duplicate computer monitor, remove computer software and reduce funding for a printer. Staff seeks approval to make additional technical adjustments for revised computer hardware and software pricing from the Purchasing Division.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE ISS POSITION RECOMMENDED BY THE GOVERNOR IN B/A 201-4715, WITH STAFF ADJUSTMENTS, AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

SENATOR BEERS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. HAGER:

Decision unit E-254 recommends Highway Fund appropriations of \$20,616 in FY 2007-2008 and \$11,156 in FY 2008-2009 to remodel and reconfigure computer facility space currently occupied by the Department of Public Safety Technology Division. This decision unit corresponds to decision unit E-254 in B/A 201-4733.

E-254 Working Environment and Wage – Page DMV-27

DPS - Technology Division – Budget Page PUBLIC SAFETY-22 (Volume III)
Budget Account 201-4733

E-254 Working Environment and Wage – Page PUBLIC SAFETY-24

Staff recommends approval of this decision unit to centralize the MVIT staff within the DMV headquarters building in Carson City, contingent upon the approval of funding of B/A 201-4733.

Decision unit E-330 recommends funding of \$9,960 over the 2007-2009 biennium to fund telephone switch maintenance and data telecommunications necessary for the DMV office in Fernley. If the Subcommittee approves funding for a Fernley office in decision unit E-330 of B/A 201-4735, staff would recommend approval of this decision unit.

E-330 Services at Level Closest to People – Page DMV-28

DMV - Field Services – Budget Page DMV-94 (Volume III)
Budget Account 201-4735

E-330 Services at Level Closest to People – Page DMV-99

The Executive Budget recommends Highway Funds totaling \$577,242 in FY 2007-2008 and \$565,019 in FY 2008-2009 in decision units E-710 and E-715 for replacement equipment. Staff made reductions of \$6,703 over the 2007-2009 biennium to eliminate duplicate monitors, remove computer software and reduce the funding for printers. Staff seeks approval to make additional technical adjustments for revised computer hardware and software pricing from the Purchasing Division.

E-710 Replacement Equipment – Page DMV-29

E-715 Replacement Equipment – Page DMV-29

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-254 IN B/A 201-4715 CONTINGENT UPON THE APPROVAL OF DECISION UNIT E-254 IN B/A 201-4733; AND E-330 CONTINGENT UPON THE APPROVAL OF DECISION UNIT E-330 IN B/A 201-4735; AND E-710 and E-715 AS

RECOMMENDED BY THE GOVERNOR, WITH STAFF ADJUSTMENTS, AND
TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR
REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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SENATOR RHOADS:

We will close the hearing on B/A 201-4715 and open the hearing on
B/A 201-4740.

DMV - Compliance Enforcement – Budget Page DMV-42 (Volume III)
Budget Account 201-4740

The *Executive Budget* recommends Highway Fund appropriations of \$818,783 in FY 2007-2008 and \$782,854 in FY 2008-2009 for one supervisory investigator, six compliance enforcement investigators and one administrative assistant to investigate active stolen vehicle records. Each of the major metropolitan offices, Galletti, Flamingo, Decatur, Sahara, Henderson and Carson City, will receive an investigator.

The DMV has access to a national database called the National Motor Vehicle Information and Titling System (NMVITS) which assists in preventing the DMV from issuing titles on vehicles indicated as stolen. The agency also checks vehicle information through other related databases.

Of vehicle registrations processed by the DMV each month, approximately 396 are identified by the NMVITS database as potentially being stolen. The National Insurance Crime Bureau ranked Las Vegas first among 361 U.S. metropolitan areas for highest incidents of vehicle theft. Because the DMV has the technology to identify stolen vehicles, it believes it has the responsibility to follow up on the active stolen vehicles and help address this issue statewide, rather than local law enforcement agencies. The main function of this account is to support the activities of the investigators whose primary purpose is to regulate the automobile industry as it relates to the sale or transfer of ownership of vehicles and to investigate fraudulent issues.

The Subcommittee may wish to consider the following options with regard to the Investigators for the stolen vehicle problem:

Option 1: Approve the funding for the eight new positions as recommended by the Governor. The stolen vehicle problem is worsening and the agency has the technology to assist with identifying stolen vehicles. This option would provide every major metropolitan field office and Carson City an investigator.

Option 2: The Subcommittee may wish to consider reducing the number of investigators in this decision unit to staff offices which do not currently have an

investigator. This would include the Decatur and Henderson field offices. Staff would not recommend funding an investigator for the Carson City office as the vehicle theft problem is primarily in Las Vegas. Approval of this option would save approximately \$614,087 in FY 2007-2008 and \$587,141 in FY 2008-2009.

Staff made reductions of \$4,384 for FY 2007-2008 to eliminate funding for duplicate computer monitors, computer software, and reduced funding for printers.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE OPTION 2.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The Budget Office has submitted a budget amendment to move seven positions from B/A 210-4746 to B/A 201-4740.

DMV - Real ID – Budget Page DMV-10 (Volume III)

Budget Account 201-4746

The positions' start date of April 1, 2008, will not change with the transfer. Approval of this budget amendment would increase Highway Fund appropriations in this budget by \$363,921 in FY 2007-2008 and \$550,631 in FY 2008-2009 and reduce Highway Fund appropriations in the Real ID budget by \$416,718 in FY 2007-2008 and \$638,810 in FY 2008-2009. Moving these positions into the Compliance Enforcement budget does not affect the agency's ability to remain under the 22-percent cap.

The initial justification for the additional investigators stemmed from the agency's indication that once the requirements for Real ID were enacted, fraudulent document abuse was going to escalate.

The agency has since revised its justification for the positions, and now believes identity fraud is an ongoing issue within the department and the detection of fraud will increase with central issuance of driver's licenses and identification cards and the use of facial recognition software. The Subcommittee approved central issuance for driver's licenses and identification cards when closing the Administrative Services budget on April 20, 2007.

DMV - Administrative Services – Budget Page DMV-32 (Volume III)

Budget Account 201-4745

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Implementing central issuance technology will assist the DMV in preventing the issuance of fraudulent driver's licenses and identification cards. This recommendation takes the efforts of preventing identity fraud one step further by investigating those individuals who are trying to commit identity fraud. The agency states, with additional investigators, the Department will be able to prevent individuals from committing fraud at other businesses or government entities. Approval of this decision unit provides a service to the public, but does not appear to provide a direct benefit to the DMV. Based upon this information, staff would recommend eliminating the recommendation for the seven positions.

ASSEMBLYWOMAN McCLAIN:

I am concerned the central issuance of driver's licenses and identification cards will increase the likelihood of identification theft as a result of these documents being stolen from mailboxes.

SENATOR BEERS:

Can we stop the central issuance process from occurring?

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ELIMINATE THE SEVEN POSITIONS FROM B/A 201-4740.

ASSEMBLYMAN BEERS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The Governor recommends Highway Fund appropriations of \$231,257 in FY 2007-2008 and \$216,481 in FY 2008-2009 for two new compliance enforcement investigator positions to correct an inequity in workload distribution.

The Subcommittee should note the Pollution Control account currently has ten Compliance Enforcement Investigators.

DMV - Motor Vehicle Pollution Control – Budget Page DMV-61 (Volume III)
Budget Account 101-4722

Since the DMV was able to close more cases in the Pollution Control budget account when comparing without the two investigators in Compliance Enforcement, it does not appear the recommendation to fund two additional investigators is justified.

Does the Subcommittee wish to eliminate the funding for two Investigators in the Compliance Enforcement Division?

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ELIMINATE THE FUNDING IN B/A 201-4740 FOR TWO INVESTIGATORS IN THE COMPLIANCE ENFORCEMENT DIVISION.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

The *Executive Budget* recommends the transfer of the Salvage Wreckers/Body Shops account B/A 101-4690 into the Compliance Enforcement account. This would include a change in the source of funding for those expenses supporting the Salvage Wreckers/Body Shops account from fees to Highway Funds.

DMV - Salvage Wreckers/Body Shops – Budget Page DMV-52 (Volume III)

Budget Account 101-4690

Staff seeks authority to make adjustments to B/A 201-4740 based upon the closing of B/A 101-4690.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO AUTHORIZE STAFF TO MAKE ADJUSTMENTS TO B/A 201-4740 BASED UPON THE CLOSING OF B/A 101-4690.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

In other closing items, the Governor recommends a total of \$240,070 over the 2007-2009 biennium in decision unit E-254 to fund off-site locations to house staff not directly involved in criminal matters. With the requests for new personnel in this biennium, space for staff has become an issue.

E-254 Working Environment and Wage – Page DMV-46

If the recommended positions in the Compliance Enforcement budget are reduced, a reduction to this decision unit would occur as well. Staff seeks approval to make adjustments based upon the closing of the Real ID budget.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-254 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED UPON THE CLOSING OF THE B/A 201-4746.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

In decision unit E-275, the Governor recommends \$47,679 in FY 2008-2009 for a new scanning system in the Occupational Business Licensing unit. Staff recommends approval of this decision unit.

E-275 Maximize Internet and Technology – Page DMV-46

Funding of \$1,305 each year of the 2007-2009 biennium is requested in decision unit E-325 for additional investigative travel. This recommendation appears reasonable to staff. Staff recommends approval of decision unit.

E-325 Services at Level Closest to People – Page DMV-46

Decision unit E-710 recommends funding of \$138,485 over the 2007-2009 biennium to replace 4 sedans, 2 sport utility vehicles, 14 weapons and 12 badges. Staff has reviewed this decision unit and recommends approval.

E-710 Replacement Equipment – Page DMV-47

Decision unit E-715 recommends funding of \$149,741 over the 2007-2009 biennium to replace 19 personal computers, 30 printers and 2 laptop computers. Staff made reductions of \$50,307 over the 2007-2009 biennium to eliminate the funding for duplicate computer monitors, computer software and reduced funding for printers. Staff seeks approval to make technical adjustments for revised computer hardware and software pricing the Purchasing Division.

E-715 Replacement Equipment – Page DMV-48

The Executive Budget recommends \$38,653 in FY 2007-2008 and \$41,267 in FY 2008-2009 in decision unit E-805 for the reclassification of the chief investigators in Reno and Las Vegas from a Grade 40 to a Grade 45. If this decision unit is approved, these positions will need to be removed from decision unit E-812.

E-805 Classified Positions Reclassification – Page DMV-48

E-812 Sworn Salary Adjustments – Page DMV-48

Decision unit E-812 recommends Highway Fund appropriations of \$139,839 in FY 2007-2008 and \$149,114 in FY 2008-2009 to provide a 3-grade salary adjustment for sworn DMV staff who did not receive an increase from the 2005 Legislature.

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Funding of \$488 over the 2007-2009 biennium is requested in decision unit E-909 to transfer shipping costs from the Research and Development Division to the Compliance Enforcement Division to more accurately capture program costs. Staff recommends the approval of decision unit E-909.

E-909 Transfer Shipping from B/A 4742 – Page DMV-50

DMV - Research & Development – Budget Page DMV-112 (Volume III)

Budget Account 201-4742

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNITS E-275, E-325, E-715, E-805 AND E-710, AS RECOMMENDED BY THE GOVERNOR IN B/A 201-4740, WITH STAFF AUTHORIZATION TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING AND TO REMOVE THE CHIEF INVESTIGATORS POSITIONS IN RENO AND LAS VEGAS FROM DECISION UNIT E-812.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:

We will close the hearing on B/A 201-4740 and open the hearing on B/A 101-4690.

DMV - Salvage Wreckers/Body Shops – Budget Page DMV-52 (Volume III)
Budget Account 101-4690

MS. HAGER:

The Governor recommends the transfer of program expenses representing the salary and support costs for four positions to the Compliance Enforcement budget account, with a change in support for the program from fees to the Highway Fund appropriations. In addition, the Governor recommends the revenue stream collected for the production of salvage titles from this account be moved to the Central Services account, B/A 201-4771.

DMV - Central Services – Budget Page DMV-72 (Volume III)

Budget Account 201-4741

The projected revenues from salvage title fees in FY 2007-2008 are \$325,032 and \$333,872 in FY 2008-2009. These fees have historically generated more revenue than is required to cover the expenses of issuing salvage titles.

Budget Account 101-4690 is supported by annual license fees collected from salvage pools, automobile wreckers, body shops, garages and salvage titles. License fees for salvage pools, automobile wreckers and body shops have not been increased since the 1987 Legislative Session. Fees charged for the registration of garages have not been increased since the fee was established by the 1997 Legislature.

Passage of A.B. 580 would eliminate the Salvage Wreckers/Body Shops account and redirect revenues received via licenses and fees to the Highway Fund.

ASSEMBLY BILL 580: Revises provisions relating to the disposition of fees and administrative fines for certain licenses and titles relating to motor vehicles. (BDR 43-1417)

The Executive Budget recommends a phase-in of program support from the Highway Fund by transferring the reserve of \$436,922 to the Compliance Enforcement budget and funding program expenses with the reserve in FY 2007-2008. If this policy decision is approved, the Highway Fund appropriations will absorb additional costs in excess of \$300,000 beginning in FY 2008-2009, and at least the same amount each subsequent fiscal year.

If the Subcommittee wishes to keep the Salvage Wreckers/Body Shops account as a separate, self-supporting budget, an increase in program revenue or a decrease in expenditures should be considered.

If the Subcommittee wishes to maintain the Salvage Wreckers/Body Shop budget as self-supporting and fund it at levels recommended by the Governor, it would appear the garage registration fee would need to be increased from \$25 a year to \$250 a year. This would increase the revenues in this program by approximately \$259,625 in FY 2007-2008 and \$280,500 in FY 2008-2009. The Salvage Wreckers/Body Shop account would be able to support itself and maintain a healthy reserve balance for unforeseen expenses, revenue shortfalls equal to at least two months' expenses and enhancement purchases such as new vehicles and computer equipment. The reserve would grow from approximately \$380,000 at the beginning of FY 2007-2008 to \$398,000 at the end of FY 2008-2009.

If the two positions approved by the 2005 Legislature to address registered vehicle repair facilities and the investigation of vehicle repair order disputes were eliminated, expenditures would be reduced by approximately \$150,000 each year over the 2007-2009 biennium. In addition, the reserve would decrease from \$380,000 at the beginning of FY 2007-2008 to \$229,926 at the end of FY 2008-2009. While this would allow the Salvage Wreckers/Body Shop account to be self-supporting over the 2007-2009 biennium, expenditures would exceed the revenues generated in the account.

A second scenario would be eliminating two positions and increasing the garage registration fees to \$100 each year. In this situation, the expenses would still decrease by approximately \$150,000 a year, and the reserve would increase from \$380,000 at the beginning of FY 2007-2008 to \$415,801 at the end of FY 2008-2009. While the program would support itself and the reserve would grow, removal of the two positions in either scenario would diminish the ability of the agency to investigate complaints against the garages.

Assembly Bill 393 has been introduced which provides that regulation of garages would be a joint responsibility of the DMV and the Commissioner of Consumer Affairs. The agency has submitted a fiscal note that indicates the agency would need to hire a Compliance Investigator in Las Vegas with a start date of October 1, 2007, to comply with the provisions of A.B. 393. The fiscal note has projected the salary and operating expenses for the Compliance Investigator at \$83,662 in FY 2007-2008 and \$88,667 in FY 2008-2009.

ASSEMBLY BILL 393: Makes various changes relating to the repair of motor vehicles. (BDR 43-821)

Based upon these scenarios, the Subcommittee may wish to consider one of the following options for the Salvage Wreckers/Body Shops account:

Option 1: Increase the fee for the registered garages in the Salvage Wreckers/Body Shops program from \$25 a year to \$250 a year. Approval of this option would enable the program to support itself with fees, and the industry would pay a fee that is comparable to the other business entities regulated in this account.

Option 2: Eliminate the two positions that were approved by the 2005 Legislature and increase the garage registration fees from \$25 a year to \$100 a year. While approval of this option would allow the program to sustain itself, the ability of the agency to investigate complaints against the garages would greatly diminish.

Option 3: Approve the recommendation by the Governor and transfer the Salvage Wreckers/Body Shops program to the Compliance Enforcement Division and phase in program support from the Highway Fund in FY 2008-2009, as recommended by the Governor. If the Salvage Wreckers/Body Shops program is transferred into the Compliance Enforcement Division and A.B. 393 is passed, staff would seek approval to make adjustments to the Compliance Enforcement Division for the additional Compliance Investigator.

SENATOR RHOADS:

Under Option 3, would there be a fee increase?

Ms. HAGER:

No. There would not be a fee increase.

ASSEMBLYMAN PARKS:

Diminishing the ability of the agency to investigate complaints is a significant problem.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO TRANSFER THE SALVAGE WRECKERS/BODY SHOPS PROGRAM TO B/A 201-4740 AND TO PHASE IN PROGRAM SUPPORT FROM THE HIGHWAY FUND IN FY 2008-2009, AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE ADJUSTMENTS TO THE COMPLIANCE ENFORCEMENT DIVISION FOR THE ADDITIONAL COMPLIANCE INVESTIGATOR IF A.B. 393 IS PASSED.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

In other closing issues, in decision unit E-715 the Executive Budget recommends a reduction to reserve levels of \$9,698 over the 2007-2009 biennium to replace 2 personal computers and 2 LaserJet printers. Staff made adjustments to reduce funding by \$1,218 over the 2007-2009 biennium to eliminate duplicate computer monitors and remove computer software. Staff also reduced the funding for the printers by \$2,139 in FY 2008-2009. Staff also seeks approval to make additional technical adjustments for revised computer hardware and software pricing from the Purchasing Division.

E-715 Replacement Equipment – Page DMV-56

Decision unit E-914 recommends a reduction to the reserve of \$11,405 in FY 2007-2008 and \$10,849 in FY 2008-2009 to fund a cost allocation to B/A 201-4744 for administrative costs. With the merge of B/A 101-4690, Salvage Wreckers/Body Shops, into B/A 201-4740, Compliance Enforcement Division, the cost allocation will be eliminated. A total of \$22,254 from the Highway Fund over the 2007-2009 biennium will be needed to fund the administrative costs.

E-914 Trans Admin Cost Allocation to B/A 4744 - Page DMV-58

Decision unit E-915 recommends a reduction to the reserve of \$36,771 in FY 2007-2008 and \$39,956 in FY 2008-2009 to fund a cost allocation to B/A 201-4745, Administrative Services, for administrative costs. With the merge of B/A 101-4690, Salvage Wreckers/Body Shops, into B/A 201-4740, Compliance Enforcement Division, the cost allocation will be eliminated and a total of \$76,727 from the Highway Fund over the 2007-2009 biennium will be needed to fund the administrative costs.

E-915 Trans Admin Cost Allocation to B/A 4745 - Page DMV-59

Staff seeks approval to make any technical adjustments necessary in cost allocation decision units M-801, M-802, M-804, E-914 and E-915 that may result from closing the Salvage Wreckers/Body Shops, Central Services and Highway Patrol budget accounts.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNITS M-801, M-802, M-804, E-914 AND E-915 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:

We will close the hearing on B/A 101-4690 and open the hearing on B/A 201-4741.

DMV - Central Services – Budget Page DMV-72 (Volume III)
Budget Account 201-4741

Ms. HAGER:

The *Executive Budget* recommends Highway Fund appropriations of \$221,061 in FY 2007-2008 and \$226,656 in FY 2008-2009 for the salary and operating costs of 5 microfilm operator positions and 3 scanners to help eliminate the backlog of documents needed to be scanned for record-retention purposes.

The DMV estimates it will end FY 2006-2007 with a backlog of approximately 9.3 million documents. The agency needs to accelerate the elimination of the backlog as it is running out of space to store the paper documents. In addition, the ability to retrieve documents electronically versus searching through storage boxes for a particular document would increase the staff's productivity.

The DMV currently has 15 microfilm operators, 1 administrative assistant and 2 supervisors assigned to scan documents for record-retention purposes. The majority of the staff works a traditional 8 a.m. to 5 p.m. shift, and four employees work a flexible shift. With the five new positions, the DMV can schedule staff to ensure all nine scanners are being utilized from 7 a.m. to 11 p.m. Each scanner is attached to a Computer Aided Design (CAD) workstation to assist with the formatting of each scanned document. After 5 p.m., three of the CAD workstations are utilized to perform the archiving process which does not allow for use of the scanner.

The agency does not support the use of temporary contract staff to address the backlog of documents.

Staff has questioned the agency regarding whether three additional scanners are necessary given that new employees will work a night shift instead of a traditional day shift which leaves unused scanners at night. The agency responded by acknowledging no additional scanners are needed if three CAD workstations can be approved. By purchasing the stand-alone CAD workstations, the staff will be able to run the archiving process all day without creating any down time for the scanners. The elimination of 3 scanners and the purchase of 3 CAD workstations results in Highway Fund reductions of \$39,051 in FY 2007-2008 and \$9,126 in FY 2008-2009.

Based on the agency's estimates, this would result in a backlog of 5.4 million documents at the end of FY 2008-2009. At the current staffing levels and scanning abilities, the backlog of documents is not projected to be eliminated until

FY 2011-2012. However, if the Subcommittee approves the funding for the 5 new microfilm operators, 1 scanner and 3 CAD workstations, the agency's archiving capacity increases by 150,000 documents a year which results in a backlog of 3.1 million documents at the end of FY 2008-2009. The DMV could eliminate the backlog in FY 2009-2010 with its existing resources if the new positions are not extended beyond the 2007-2009 biennium.

If the Subcommittee wishes to approve funding to expand the department's ability to archive its records, staff recommends the positions be approved for the 2007-2009 biennium only with the understanding that the agency would have the ability to eliminate its backlog in FY 2009-2010 with its existing positions. If the agency requests to continue these five positions beyond the 2007-2009 biennium, staff would recommend the request be placed in an enhancement decision unit and not be considered as part of the base budget. Staff recommends the approval of the 5 new microfilm operators and three CAD workstations which results in Highway Fund reductions of \$39,051 in FY 2007-2008 and \$9,126 in FY 2008-2009.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE FIVE NEW MICROFILM OPERATOR POSITIONS AND THREE CAD WORKSTATIONS FOR THE 2007-2009 BIENNIUM WITH THE UNDERSTANDING THE DMV WOULD HAVE THE ABILITY TO ELIMINATE ITS BACKLOG BY FY 2009-2010 WITH ITS EXISTING POSITIONS; AND IF THE AGENCY ASKS TO CONTINUE THESE FIVE POSITIONS BEYOND THE 2007-2009 BIENNIUM, THE REQUEST IS TO BE PLACED IN AN ENHANCEMENT DECISION UNIT AND NOT BE CONSIDERED AS PART OF THE BASE BUDGET.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

Decision units E-913 and E-500 move and align the revenue stream collected for the production of titles from B/A 101-4690 to B/A 201-4741. Revenue received through the issuance of salvage titles exceeds expenses by \$71,979 in FY 2007-2008 and \$80,101 in FY 2008-2009. The *Executive Budget* proposes to offset Highway Fund appropriations by these amounts which would have otherwise have funded other program expenses within the Central Services budget account.

Staff would note A.B. 580 has been submitted by the Department of Administration to implement the budget recommended by the Governor. In addition to abolishing the Salvage Wrecker/Body Shops account, the bill establishes a revolving account for the issuance of salvage titles in the Motor Vehicle Fund to pay expenses relating to the issuance of salvage titles. The bill calls for the fees collected by the agency to be deposited in the revolving account

and to be used only to pay the expenses relating to the issuance of salvage titles. This portion of the bill becomes effective July 1, 2007. The budget, as recommended, proposes the transfer of all salvage title fee revenue in the budget, with offsetting Highway Fund decreases of \$71,979 in FY 2007-2008 and \$80,101 in FY 2008-2009 representing salvage title revenue in excess of identified program expenses in 2007-2008 and FY 2008-2009. The Central Services budget, as recommended, appears to conflict with the proposed language in A.B. 580.

E-913 Transfer Salvage Title Prog & Rev from B/A 4690 – Page DMV-80

ASSEMBLY BILL 580: Revises provisions relating to the disposition of fees and administrative fines for certain licenses and titles relating to motor vehicles. (BDR 43-1417)

Staff seeks approval to make adjustments to this decision unit based upon passage of A.B. 580 and the Subcommittee's decision regarding elimination of the Salvage Wrecker/Body Shops account.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNITS E-913 AND E-500, AS RECOMMENDED BY THE GOVERNOR, WITH STAFF ADJUSTMENTS BASED UPON THE PASSAGE OF A.B. 580.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

In other closing items, the Subcommittee should note on May 14, 2007, the cost of mailing a 1-ounce letter will increase from 39 cents to 41 cents and the cost of mailing a certified letter will increase from \$4.05 to \$4.32. Staff has been notified by the Budget Office that the fiscal impact of this increase to Central Services is \$50,190 in FY 2007-2008 and \$53,954 in FY 2008-2009. Does the Subcommittee wish to approve additional Highway Funds of \$104,144 over the 2007-2009 biennium to cover the increased postage expenses?

ASSEMBLYWOMAN McCLAIN:

Does this include postage costs for the central issuance of driver's licenses and identification cards?

MS. HAGER:

No, that expense is in another budget.

Decision unit M-101 recommends additional funding for special inflationary increases of approximately \$1.0 million over the 2007-2009 biennium for growth and increased costs. This also includes the purchase of aluminum to manufacture

license plates. Staff made technical adjustments to align the special-plate revenue with special-plates' expenditures as provided for in the *Nevada Revised Statutes*.

M-101 Inflation – Agency Specific – Page DMV-74

In decision unit E-326, the Governor recommends \$1.0 million each year of the 2007-2009 biennium from dealer reports of sale fees to utilize the Internet for automobile dealers to record new car sales in the department's database. By allowing automobile dealers to upload sales of vehicles electronically, the DMV will be able to establish a new vehicle registration transaction capability. Currently, only registration renewals may be processed over the Internet.

E-326 Services at Level Closest to People M-101 – Page DMV-77

The funding source for the electronic dealer report of sale program was determined to be overstated and an amendment was proposed to fund the program with Highway Funds of \$104,988 in FY 2007-2008 and \$153,806 in FY 2008-2009. Staff recommends approval of this decision unit with these adjustments. The Subcommittee has previously approved adjustments for the Administrative Services account based on the proposed amendment. If approved, staff recommends reductions to the Field Services account by \$104,988 in FY 2007-2008 and \$153,806 in FY 2008-2009 which represent reductions to rent expenses and building maintenance.

In decision unit E-710, Highway Fund appropriations of \$166,406 over the 2007-2009 biennium are recommended for the replacement equipment. Staff recommends reductions of \$10,477 in FY 2007-2008 to eliminate 29 bar code scanners and 4 Orbit Trackball computer mice.

E-710 Replacement Equipment – Page DMV-78

Decision unit E-715 recommends Highway Fund appropriations of \$324,564 over the 2007-2009 biennium to replace 66 personal computers, 70 LaserJet printers and corresponding software. Staff made reductions of \$111,033 over the 2007-2009 biennium to eliminate the funding for duplicate computer monitors, computer software and reduce funding for printers. Staff seeks approval to make technical adjustments for revised computer hardware and software pricing.

E-715 Replacement Equipment – Page DMV-78

Funding of \$10,322 in FY 2007-2008 and \$3,021 in FY 2008-2009 is recommended in decision unit E-720 for cordless headsets, zip drives, whiteboards and other miscellaneous office products. Staff recommends reductions of \$226 in FY 2007-2008 to eliminate 2 electric pencil sharpeners and four whiteboards.

E-720 Replacement Equipment – Page DMV-79

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE ADDITIONAL HIGHWAY FUNDS OF \$104,144 OVER THE 2007-2009 BIENNIUM TO COVER THE INCREASED POSTAGE EXPENSES AND DECISION UNIT E-326, AS RECOMMENDED BY THE

GOVERNOR, WITH REDUCTIONS TO THE FIELD SERVICES ACCOUNT OF \$104,988 IN FY 2007-2008 AND \$153,806 IN FY 2008-2009 AS AMENDED; TO REDUCE FUNDING IN DECISION UNIT E-710 BY \$10,477 IN FY 2007-2008, AS RECOMMENDED BY THE GOVERNOR; AND TO REDUCE FUNDING IN DECISION UNIT E-715 BY \$111,033 OVER THE 2007-2009 BIENNIUM; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING; AND TO REDUCE FUNDING IN DECISION UNIT E-720 BY \$226 IN FY 2007-2008, AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN McCLAIN AND WEBER WERE ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:

We will close the hearing on B/A 201-4741 and open the hearing on B/A 201-4735.

DMV - Field Services – Budget Page DMV-94 (Volume III)
Budget Account 201-4735

MS. HAGER:

In decision unit E-251, the Governor recommends \$44,319 in FY 2007-2008 and \$92,146 in FY 2008-2009 for 2 DMV technician positions for the Pahrump office. One position is budgeted to start October 2007, and the other position will start in July 2008. The DMV is in the process of leasing a new building for the Pahrump field office with the intent to increase the number of production windows from four to ten. The agency indicates the new technician positions are necessary to support the increased customer volume.

E-251 Working Environment and Wage – Page DMV-96

The Pahrump field office currently has four production windows and is staffed with five DMV technicians. In addition, the Pahrump office has a driver's license examiner position and a motor vehicle appraiser who is cross trained to help with vehicle registration, driver licensing, reinstatements and is available for additional coverage as allowed when not engaged in activities involving vehicle inspection and appraisals. The Pahrump field office received a kiosk in July 2005 to transact driver's license renewals, registration renewals and insurance verification reinstatements.

Pahrump currently has a population of 33,000 with an estimated growth rate of 4 percent every year. Please see the chart on page 41 of [Exhibit C](#) for more demographic details.

Based on information provided for the past three calendar years, it does not appear population growth has had a direct impact on office transactions. Kiosk

transactions have absorbed some window transactions the office would have otherwise experienced without the kiosk.

Based upon this information, staff would recommend eliminating the funding for one technician for the Pahrump field office in FY 2007-2008 and recommend approving one technician in FY 2008-2009. Staff recommends technical adjustments of \$548 in FY 2008-2009 to eliminate a duplicate computer monitor and remove computer software.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-251 AS RECOMMENDED BY THE GOVERNOR WITH THE ELIMINATION OF FUNDING FOR ONE DMV TECHNICIAN FOR THE PAHRUMP FIELD OFFICE IN FY 2007-2008; AND APPROVAL OF ONE DMV TECHNICIAN FOR THE PAHRUMP FIELD OFFICE IN FY 2008-2009; AND TECHNICAL ADJUSTMENTS BY STAFF OF \$548 IN FY 2008-2009.

SENATOR TITUS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN McCLAIN AND WEBER WERE ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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In decision unit E-252, the Governor recommends Highway Fund appropriations of \$37,885 in FY 2007-2008 and \$46,760 in FY 2008-2009 for an additional DMV technician position in the Minden office, based upon the projected population growth in Douglas County.

E-251 Working Environment and Wage – Page DMV-96

The Minden field office currently has four technicians, an examiner and an appraiser that can assist with window transactions when not performing other duties. The office received a kiosk in July 2005 to assist with driver's license renewals, registration renewals and verification of insurance reinstatements.

Based on the information provided regarding the number of transactions versus population, justification does not exist to add an additional window technician at the Minden office.

SENATOR TITUS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ELIMINATE FUNDING FOR THE NEW DMV TECHNICIAN FOR THE MINDEN FIELD OFFICE IN DECISION UNIT E-252 OF B/A 210-4735.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

In decision unit E-253, the Governor recommends Highway Fund appropriations of \$365,619 in 2007-2008 and \$371,042 in 2008-2009 to fund remodeling and add 4 information windows at the West Flamingo office, and 8 DMV technician positions to staff the new information windows.

E-253 Working Environment and Wage – Page DMV-97

The agency estimates the remodeling will take approximately six months to complete. So far, in FY 2006-2007, the average wait time at the West Flamingo office is 64 minutes, of which approximately 11 minutes are attributed to the information counters.

In calendar year (CY) 2006, the West Flamingo office had an average of eight technician vacancies. For CY 2007, it has had an average of six technician vacancies. On average, the West Flamingo office has experienced the largest customer volume of the four metropolitan offices in the Las Vegas area. However, the office has recently experienced a decrease of customers due to customers using alternative technologies to complete their transactions.

Based on the latest trends regarding customer volume of the West Flamingo office and the wait times experienced at the counter, it does not appear reasonable to fund additional positions. To improve customer flow at the West Flamingo office, the Subcommittee may wish to consider the remodeling recommended by the Governor representing \$48,794 of the total funding in this decision unit. This results in Highway Fund reductions of \$316,825 in FY 2007-2008 and \$371,042 in FY 2008-2009.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR REMODELING THE WEST FLAMINGO OFFICE IN DECISION UNIT E-253 IN B/A 201-4735, BUT NOT TO APPROVE THE NEW POSITIONS.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

In decision unit E-254, The *Executive Budget* recommends \$32,961 in FY 2007-2008 and \$46,617 in FY 2008-2009 for 1 motor vehicle inspector at the Galletti office. Currently there are two motor vehicle inspector positions, and the agency states the new position would help cover the workload for a six-day workweek and act as a working supervisor. From January 1, 2005, to

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April 20 2006, the 2 inspectors at the Galletti office serviced approximately 48,000 customers. During the same time period at the Henderson field office, 3 inspectors completed approximately 49,000 customers.

E-254 Working Environment and Wage – Page DMV-98

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-254 IN B/A 201-4735 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

The *Executive Budget* recommends \$614,151 for FY 2008-2009 to fund 14 positions. The proposed funding will be placed in a reserve category. Once customer wait times continuously exceed 60 minutes, the agency is authorized to approach the Interim Finance Committee (IFC) for approval to use the reserve funding to hire additional staff.

Customer wait times at the Decatur office average 46 minutes, and there has been a decrease in customer volume since the office was relocated. Staff recommends not approving funding to add nine positions for the Decatur office in FY 2008-2009. This would reduce Highway Funds by approximately \$385,404 in FY 2008-2009.

The DMV's Sahara office has an average customer wait time of 59 minutes. The customer volume at the Sahara office has increased, apparently absorbing customers the Decatur office lost due to the relocation.

Staff recommends funding reserve staffing for five service technicians and one supervisor for the Sahara office. This would result in Highway Funds of \$228,747 to be placed in a reserve category for the specific purpose of reserve staffing.

ASSEMBLYWOMAN McCLAIN:

Is the \$228,747 to be placed in reserve for the Sahara office to be used for funding 5 positions?

MS. HAGER:

No. It would total six positions, including a supervisor position.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE GOVERNOR'S RECOMMENDATION THAT FUNDS BE PLACED IN A RESERVE CATEGORY FOR THE DMV SAHARA OFFICE FOR 5 TECHNICIANS AND 1 SUPERVISOR AND TO APPROACH

THE IFC FOR PERMISSION TO USE THESE FUNDS IF THE CUSTOMER WAIT TIME CONTINUOUSLY EXCEEDS 60 MINUTES.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN MCCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO NOT APPROVE RESERVE FUNDS FOR THE DECATUR DMV OFFICE FOR SEVEN DMV TECHNICIANS AND ONE SUPERVISOR IN B/A 21-4735.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

The *Executive Budget* recommends Highway Fund appropriations of \$437,950 in FY 2007-2008 and \$482,474 in FY 2008-2009 to create a full-service field office at the Fernley Civic Center. The office will consist of six full-time employees.

Since the DMV has offices in other comparably-sized communities and Fernley is a fast-growing community, it does not appear unreasonable for the Department to have a presence in Fernley.

Staff would recommend funding a smaller, "express" office with one supervisor and two DMV technician positions. If Fernley residents need to conduct more complex transactions, they can visit either the Fallon or Reno field offices. This would reduce the Highway Funds by at least \$460,000 over the 2007-2009 biennium. If it is later determined Fernley would benefit from a full-service DMV office, additional positions can be requested during the 2009 Legislative Session.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE A SUPERVISOR AND TWO TECHNICIANS FOR A NEW DMV OFFICE IN FERNLEY.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

SENATOR BEERS:

Will the City of Fernley provide the facility?

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Ms. HAGER:

Yes, it will provide the facility.

ASSEMBLYMAN GRADY:

This new office will be located in the Fernley City Hall building.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS
ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

Did the Subcommittee's earlier vote on the Galletti Office include a vehicle inspector position?

MARK KRMPOTIC (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Another motion is not required because the Subcommittee approved the entire decision unit E-254 which included the vehicle inspector position.

Ms. HAGER:

The other closing item in this budget includes decision unit E-715. Staff made adjustments of \$409,003 over the 2007-2009 biennium to eliminate the funding for duplicate computer monitors, computer software and reduced funding for printers. Staff seeks approval to make technical adjustments for revised computer hardware and software pricing.

E-715 Replacement Equipment – Page DMV-100

Also, E-734 recommends the funds to remodel parts of the Galletti office. Staff made adjustments of \$6,470 over the 2007-2009 biennium to eliminate computer monitors, software and printers.

E-734 Maintenance of Buildings and Grounds – Page DMV-102

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNITS E-715, E-734 AND ALL OTHER CLOSING ITEMS IN B/A 201-4735, WITH STAFF ADJUSTMENTS; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYWOMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS
ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:

We will close the hearing on B/A 201-4735 and open the hearing on B/A 201-4746.

DMV - Real ID – Budget Page DMV-10 (Volume III)

Budget Account 201-4746

Ms. HAGER:

Please refer to my handout entitled "The Department of Motor Vehicles, Real ID 202-4746" ([Exhibit D](#)). The Governor originally recommended approximately \$30.1 million over the upcoming biennium for the Real ID program. As a result of 4 subsequent amendments to this budget, the total funding now recommended by the Governor is \$26.4 million. It does not appear regulations for the Real ID program will be available until August 2007. Various options for reducing the amount of funding are listed in [Exhibit D](#). Alternatives provided by staff would reduce the cost to approximately \$15 million over the upcoming biennium.

SENATOR BEERS:

I request staff to identify all the Real ID-related activities proposed throughout the entire DMV budget. This will allow us to better understand the total amount of funding needed. Many states have already balked at implementing this program. I think it is premature for us to spend money before we know what the rules will be.

Ms. McCLAIN:

I agree. We should have a plan ready but authorize nothing else. I do not think we should begin hiring people and purchasing equipment until we know if this program will be implemented.

CHAIR RHOADS:

We will close the hearing on B/A 201-4746 and open the hearing on B/A 101-3743.

DPS - Division of Investigations – Budget Page PUBLIC SAFETY-96 (Volume III)

Budget Account 101-3743

Ms. HAGER:

In decision unit E-251, the Governor recommends General Fund appropriations of approximately \$1.8 million in FY 2007-2008 and \$1.4 million in FY 2008-2009 to fund salaries and operating costs for 2 sergeants and 8 officer positions to enhance Nevada's efforts in drug enforcement.

E-251 Working Environment and Wage – Page PUBLIC SAFETY-100

These ten positions were originally intended to operate as two mobile "strike" teams focusing primarily on methamphetamine enforcement in rural Nevada. The two teams were to be based in or near Carson City. This was subsequently modified. The current plan would assign the personnel to existing task forces. In addition, these positions will respond both proactively, and upon specific request, to counties without current task force personnel.

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Based on the revised intent for these positions which limits the extent of their operations, the Department of Public Safety (DPS) now recommends lowering the level of funding for investigative travel expenses from \$165,120 to \$82,560 in each year of the biennium.

The Governor's budget for these new positions did not include the salary adjustment of 5 percent for complex investigative responsibilities that require additional experience or expertise. This will result in an increase of \$36,504 in FY 2007-2008 and \$37,602 in FY 2008-2009. This increase offset by the reduction in travel expenses, results in a net reduction of \$89,460 over the 2007-2009 biennium. If the Subcommittee wishes to approve funding for the ten new positions, staff would seek approval to make this adjustment.

SENATOR TITUS:

Since it is still not clear how the DPS intends to utilize these positions, I suggest we reduce the number to one sergeant and four officers and consider increasing the number of positions in the next Legislative Session.

SENATOR TITUS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-251 IN B/A 101-3743 WITH ONE SERGEANT AND FOUR OFFICERS; TO TRANSFER THE FUNDING TO B/A 101-3744; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

MR. KRMPOTIC:

Budget Account 101-3744 contains a decision unit to merge that budget with the investigations budget we are now currently discussing.

DPS - Narcotics Control – Budget Page PUBLIC SAFETY-110 (Volume III)

Budget Account 101-3744

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION FAILED. (SENATORS BEERS, CEGAVSKE AND RHOADS VOTED NO.)

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SENATOR BEERS MOVED, IN A SENATE-ONLY MOTION, TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-251 AS RECOMMENDED BY THE GOVERNOR; TO TRANSFER FUNDING TO B/A 101-3744; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLYWOMAN McCLAIN:

Is this motion for all ten positions?

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SENATOR RHOADS:

Yes, it is for two sergeants and eight officers.

SENATE: THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

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Ms. HAGER:

Staff also seeks authority to make adjustment to decision units M-801 and M-802, based on final approval of the budget accounts for the DPS Technology Division, the Administrative Services Division and the Director's Office. In addition, staff seeks approval to make any technical adjustments necessary in cost allocation for the Nevada Highway Patrol dispatch costs that may result from closing the Highway Patrol budget accounts.

M-801 Cost Allocation – Page PUBLIC SAFETY-99

M-802 Cost Allocation – Page PUBLIC SAFETY-99

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE ALL OTHER CLOSING ITEMS IN B/A 101-3743, AS RECOMMENDED BY THE GOVERNOR, WITH STAFF AUTHORITY FOR TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:

We will close the hearing on B/A 101-3743 and open the hearing on B/A 101-3744.

Ms. HAGER:

The Executive Budget recommends consolidation of the Narcotics Control budget account with the Division of Investigations budget account. This represents salary and support costs for 18 classified positions. According to the DPS, this will allow for more efficient record keeping, will spread Justice Assistance Grant funding over a broader range of function and personnel, and will equalize training and educational opportunities among the divisions.

By combining these accounts, the agency would have the ability to use resources in ways not originally intended by the Legislature. By maintaining a separate budget account, the Legislature conveys its specific intent to maintain the operation of the narcotics task forces.

If the Subcommittee wishes to use the General Funds authorized for the Narcotics Control budget account strictly for the operation of the narcotics task forces, staff

would recommend keeping the Narcotics Control account and the Division of Investigations account separate.

If the Subcommittee wishes to keep the two accounts separate and approve the Governor's recommendation to fund salaries and operation costs for ten additional positions to enhance Nevada's drug enforcement efforts, as requested in decision unit E-251 of B/A 101-3743, staff would recommend the Subcommittee assign those new positions to the Narcotics Control budget account.

MR. KRMPOTIC:

It is not clear in the last motion whether the Subcommittee intended to accept recommended adjustments for the 5-percent pay increase and reduced travel funding.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE STAFF RECOMMENDATION FOR THE SALARY ADJUSTMENT OF 5 PERCENT FOR COMPLEX INVESTIGATIVE RESPONSIBILITIES THAT REQUIRE ADDITIONAL EXPERIENCE OR EXPERTISE; AND TO REDUCE TRAVEL FUNDING IN DECISION UNIT E-251 OF B/A 101-374 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO KEEP THE NARCOTICS CONTROL BUDGET ACCOUNT AND THE DIVISION OF INVESTIGATIONS BUDGET ACCOUNT SEPARATE.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

Another closing item includes a staff technical adjustment to reduce the federal funding levels of the grant received from the Department of Justice to investigate, remove and prosecute violators of marijuana cultivation.

Decision unit E-711 recommends computer hardware and software replacement. Staff seeks approval to make additional technical adjustments for revised computer hardware and software pricing.

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Staff seeks approval to make adjustments to modules M-801, E-801 and E-802 based on final approval of the budget accounts for the DPS Technology Division, Administrative Services Division, Director's Office and the NHP.

M-801 Cost Allocation – Page PUBLIC SAFETY-112

E-801 Cost Allocation – Page PUBLIC SAFETY-113

E-802 Cost Allocation – Page PUBLIC SAFETY-114

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNITS M-801, E-801, E-802 AND ALL OTHER CLOSING ITEMS IN B/A 101-3744 AS RECOMMENDED BY THE GOVERNOR WITH STAFF ADJUSTMENTS; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:

We will close the hearing on B/A 101-3744 and open the hearing on B/A 101-3816.

DPS - Fire Marshal – Budget Page PUBLIC SAFETY-172 (Volume III)

Budget Account 101-3816

MS. HAGER:

The Budget Office submitted Budget Amendment 71 on March 16, 2007, which increases plan review revenues by \$513,724 in FY 2007-2008 and \$477,982 in FY 2008-2009. This will directly decrease the General Fund appropriations by the same amounts. The agency is anticipating an increase in plan review fees generated from schools by approximately \$250,000 in each year of the biennium; while decreases are anticipated from hospitals by approximately \$200,000 each year, State Public Works projects are anticipated to decrease by approximately \$140,000 each year. The DPS also projects a decline in plan review fees from private building construction in small counties by approximately \$170,000 in each year of the biennium. Based on information provided by the Fire Marshal, staff recommends approval of Budget Amendment 71.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE B/A 101-3816 AS RECOMMENDED BY THE GOVERNOR WITH BUDGET AMENDMENT 71.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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The *Executive Budget* recommends the continuation of five positions that have been vacant for the past two to three years. The positions consist of 2 plans examiners, 2 DPS officers, and 1 hazardous materials inspector.

In decision unit E-226, the Governor recommends the elimination of one plans examiner position, relative to a decline in the level of plan review fees projected for the next biennium. With budget amendment 71 and other adjustments recommended by staff, the General Fund appropriations are approximately \$1.1 million for FY 2007-2008 and \$1.3 million in FY 2008-2009. The budget amendment places projected plan review fees at approximately \$1.1 million for each year of the 2007-2009 biennium.

E-226 Eliminate Duplicate Effort – Page PUBLIC SAFETY-177

In support of continuing the two plans examiner positions, the agency argues its plan-review process has not been conducted properly or in a timely manner due to the lack of staff.

The Governor, under decision unit E-226, recommends the elimination of one plans examiner position relative to a decline in the level of plan reviews projected for the next biennium, based on the original budget recommended by the Governor. It is reasonable to continue the two vacant plans examiner positions based on information provided by the Fire Marshal that follow-up on-site inspections have not been completed in a timely manner. Staff recommends continuation of two vacant plans examiner positions and elimination of one plans examiner position as recommended by the Governor in decision unit E-226.

The plans examiner position recommended for elimination in decision unit E-226 is currently filled at Grade 36-6. If the Subcommittee approves the continuation of either of the two vacant plans examiner positions in decision unit E-257 and eliminates the plans examiner position in decision unit E-226, staff would seek authority to make the necessary adjustments to eliminate one of the vacant plans examiner positions instead of the filled position. Eliminating a vacant plans examiner position at Grade 35-1 would result in an increase in plan review fees of \$20,231 in FY 2007-2008 and \$22,185 in 2008-2009. The agency will have sufficient plan-review fees to cover the increase in salary expense.

E-257 Working Environment and Wage – Page PUBLIC SAFETY-179

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE CONTINUATION OF TWO VACANT PLANS EXAMINER POSITIONS AND ELIMINATE ONE PLANS EXAMINER POSITION, AS RECOMMENDED BY THE GOVERNOR, IN DECISION UNIT E-226; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

Decision unit E-257 also recommended two vacant DPS officer positions be continued. A recently completed LCB audit of the State Fire Marshal Division identified problems completing building fire inspections. The Division believes it cannot perform these annual inspections with its existing staff level. However, the auditors believe it can be accomplished if an efficient process is developed.

Based on the information provided in the audit, staff recommends continuation of the two vacant DPS officer positions. The Subcommittee may wish to consider a Letter of Intent to have the Division report quarterly to the IFC on the number of fire safety inspections conducted and the number of inspections conducted by position.

ASSEMBLYWOMAN MCCLAIN:

Does the Fire Marshal plan on eventually filling these vacant positions?

MS. HAGER:

Yes.

ASSEMBLYWOMAN MCCLAIN:

Given the unacceptable audit results, I suggest they report to the IFC more often than quarterly.

ASSEMBLYWOMAN MCCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE CONTINUATION OF TWO VACANT DPS OFFICER POSITIONS AND ISSUE A LETTER OF INTENT TO HAVE THE DIVISION SUBMIT A WRITTEN REPORT TO EACH IFC MEETING ON THE NUMBER OF FIRE SAFETY INSPECTIONS CONDUCTED AND THE NUMBER OF INSPECTIONS CONDUCTED BY POSITION.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLYWOMAN KOIVISTO:

The audit of the Fire Marshal's Office made clear more accountability is necessary.

ASSEMBLYMAN HOGAN:

I am pleased we have a new fire marshal, and we should support his efforts to improve efficiency of that agency.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. HAGER:

Also, in decision unit E-227, the Governor recommends continuation of a hazardous materials inspector position which has been vacant since February 2004. The LCB audit found the three existing hazardous materials inspectors were used inefficiently by the Fire Marshal.

Staff recommends continuation of the vacant position; however, the Subcommittee may wish to require the Division, through a Letter of Intent, to report quarterly to the IFC on its effort to identify, and issue permits to, businesses that store hazardous materials and to report on the number of inspections conducted by hazardous materials inspectors included in this budget account.

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE CONTINUATION OF THE VACANT HAZARDOUS MATERIALS INSPECTOR POSITION AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3816; TO ISSUE A LETTER OF INTENT TO HAVE THE DIVISION REPORT TO THE IFC ON ITS EFFORTS TO IDENTIFY AND TO ISSUE PERMITS TO BUSINESSES THAT STORE HAZARDOUS MATERIALS AND TO REPORT ON THE NUMBER OF INSPECTIONS CONDUCTED BY HAZARDOUS MATERIALS INSPECTORS INCLUDED IN THIS BUDGET ACCOUNT.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HAGER:

The Governor recommends the elimination of a training officer position in decision unit E-225.

E-225 Eliminate Duplicate Effort – Page PUBLIC SAFETY-176

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE ELIMINATION OF THE TRAINING OFFICER POSITION, AS RECOMMENDED BY THE GOVERNOR, IN DECISION UNIT E-225 IN B/A 101-3816.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The Governor recommends the elimination of an accounting assistant position which results in General Fund savings of \$42,502 in FY 2007-2008 and \$46,349 in FY 2008-2009 in E-227. The position has been vacant since August 2005 and the current accounting staff are able to process the accounting functions for the agency without this position.

ASSEMBLYWOMAN KOIVISTO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE ELIMINATION OF THE ACCOUNTING ASSISTANT OFFICER POSITION, AS RECOMMENDED BY THE GOVERNOR, IN DECISION UNIT E-227 IN B/A 101-3816.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

Staff recommends closing all other items in this budget as recommended by the Governor with an adjustment to the surcharge fee on chemical waste at the Beatty dump. Staff also seeks approval to make technical adjustments in decision units M-801, M-802, M-804, E-801 and E-802 that may be necessary based on final approval of the budget accounts for the DPS Technology Division, the Administrative Services Division, the Director's Office, and the NHP for dispatch services.

M-801 Cost Allocation – Page PUBLIC SAFETY-175

M-802 Cost Allocation – Page PUBLIC SAFETY-176

M-804 Cost Allocation – Page PUBLIC SAFETY-176

E-801 Cost Allocation – Page PUBLIC SAFETY-180

E-802 Cost Allocation – Page PUBLIC SAFETY-180

ASSEMBLYMAN PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE ALL REMAINING BUDGET ITEMS IN B/A 101-3816 AS RECOMMENDED BY THE GOVERNOR WITH AN ADJUSTMENT TO THE SURCHARGE FEE ON CHEMICAL WASTE AT THE BEATTY DUMP; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS IN DECISION UNITS M-801, M-802, M-804, E-801 AND E-802 THAT MAY BE NECESSARY BASED ON FINAL APPROVAL OF THE BUDGET ACCOUNTS FOR THE DPS TECHNOLOGY DIVISION,

ADMINISTRATIVE SERVICES DIVISION, DIRECTOR'S OFFICE AND THE
NHP FOR DISPATCH SERVICES.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:

We will close the hearing on B/A 101-3816 and open the hearing on
B/A 101-3675.

ELECTED OFFICIALS

Governor's Office of Homeland Security – Budget Page ELECTED-16 (Volume I)

Budget Account 101-3675

MS. HAGER:

During the 2005 Legislative Session, the Office of Homeland Security (OHS) was transferred from the Governor's budget to the DPS as recommended by the Governor. Placement of the OHS under the DPS was recommended based on the close working relationship the OHS had with the Commission on Homeland Security, the DPS and the Division of Emergency Management (DEM). There is currently no statutorily defined mission or authority relative to the Office of Homeland Security. The Office of Homeland Security is responsible for detection, prevention and deterrence activities. The DEM is responsible for mitigation, preparedness, response and recovery and acts. On page 58 of [Exhibit C](#) is a list provided by the OHS describing its activities over the current biennium and for the next biennium.

The *Executive Budget* recommends the transfer of the OHS to the Governor's Office. The function of the OHS will not change with the transfer to the Governor's Office, only the funding and budget control.

Decision unit E-252 removes all DPS cost allocations from the OHS budget. If the Subcommittee does not approve the transfer, staff would seek approval to make any technical adjustments necessary in cost that may result from closing the DPS administration and technology budget accounts.

E-252 Working Environment and Wage – Page ELECTED-19

ASSEMBLYWOMAN McCLAIN:

Because the basic functions of the OHS have not changed, I see no reason to move the agency to another budget account.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL
COMMITTEE TO NOT APPROVE THE TRANSFER OF THE OHS TO THE

GOVERNOR'S OFFICE BUDGET ACCOUNTS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION FAILED. (SENATORS BEERS AND RHOADS VOTED NO.)

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SENATOR BEERS MOVED, IN A SENATE-ONLY VOTE, TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE MOVING THE OHS TO THE GOVERNOR'S OFFICE BUDGET ACCOUNT.

SENATOR RHOADS SECONDED THE MOTION.

SENATE: THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

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The Budget Office submitted budget amendment 63 requesting General Fund appropriations of \$229,896 in FY 2007-2008 and \$220,040 in FY 2008-2009 for a supervising intelligence officer and an intelligence analyst to staff the State Fusion Center in Carson City, requested in decision unit E-254, which is included in the budget amendment.

While there is already a Fusion Center located in both Clark and Washoe Counties, the proposed Carson City Fusion Center would act as a "hub" of information. If the State receives federal funds for the Fusion Center after the Legislature has approved General Funds to support personnel expenses, the federal funds cannot be used to fund the personnel expenses as the federal funds cannot supplant state General Funds.

The DEM anticipates learning of the grant funding levels in early July 2007. Based upon the information provided, the Subcommittee may wish to consider the following options with regard to the State Fusion Center:

Option 1: Eliminate the General Fund appropriations for the State Fusion Center. The DEM indicates it will receive information regarding the Homeland Security federal grant funding in July 2007 of which approximately \$2.5 million has been requested for the start-up costs of the Fusion Center. As 46 other states have received federal funding for this purpose, it would appear reasonable to expect Nevada will receive funding for this purpose. If federal funds are received for the start-up costs for the Fusion Center, it is reasonable to assume the U.S. Department of Homeland Security will expect the State to fund the personnel expenses after two years and the operating costs and training expenses after three years. If the Subcommittee wishes to eliminate the funding for the State Fusion Center, all three positions will be eliminated. This includes the funding in decision unit E-251 and Budget Amendment 63.

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Option 2: Approve the recommendation by the Governor. This will result in General Fund appropriations of \$276,623 in FY 2007-2008 and \$242,146 in FY 2008-2009 over the 2007-2009 biennium for salaries and operating costs for the State Fusion Center including three positions. If the Subcommittee wishes to approve the funding for the Fusion Center, staff would seek authority to make technical adjustments for revised computer hardware and software pricing from the Purchasing Division.

MR. KRMPOTIC:

Option 3: Since the DEM will not know the level of federal grant funding until July 2007, the Subcommittee may wish to appropriate General Funds of \$276,623 in FY 2007-2008 and \$242,146 in FY 2008-2009 to the IFC Contingency Fund and have the OHS approach the IFC for Fusion Center funding if federal funds to support the Fusion Center do not materialize.

The OHA recently advised that the method outlined in Option 3 might not avoid the supplanting issue. If this portion were to be approved by the Subcommittee, staff would recommend approval to approach the IFC for an allocation from the Contingency Fund, but not to approve appropriations to the IFC for that purpose.

SENATOR TITUS:

I am opposed to creating another center. This just adds more staff and equipment. Law enforcement has stated this is a waste of money and a bad idea. The Fusion Center in Las Vegas should be the "hub" center, since it is the largest and closest to the most likely target of a terrorist attack in Nevada. Without communications interoperability, this concept will not work.

ASSEMBLYMAN PARKS:

Would this Fusion Center in Carson City create yet another layer of control and reporting?

MS. HAGER:

The Fusion Centers in Las Vegas and Reno would analyze information and then funnel it to the Fusion center in Carson City. The Fusion Center in Carson City would then analyze the information again and determine if it needed to be passed along to the Governor and the Department of Homeland Security.

ASSEMBLYWOMAN McCLAIN:

I agree. Information passing through these many layers of analysis would cause us to lose valuable time in the event of an emergency.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE OPTION 1.

SENATOR TITUS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION FAILED. (SENATOR BEERS AND RHOADS VOTED NO.)

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SENATOR BEERS MOVED, IN A SENATE-ONLY VOTE, TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE OPTION 3 WITH APPROVAL FOR THE OHS TO APPROACH THE IFC FOR AN ALLOCATION FROM THE CONTINGENCY FUND, BUT NOT TO APPROVE APPROPRIATIONS TO THE IFC FOR THAT PURPOSE.

SENATOR RHOADS SECONDED THE MOTION.

SENATE: THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

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MS. HAGER:

The Governor proposes the Director of the OHS position be funded 100 percent with General Funds in the amount of \$145,485 in FY 2007-2008 and \$152,138 in FY 2008-2009. Budget Amendment 63 changes the funding source for the grants and projects analyst supervisor. The total General Funds being recommended to replace federal funds for these positions is \$226,161 in FY 2007-2008 and \$240,310 in FY 2008-2009.

Budget Amendment 63 did not remove all of the federal funding transfers from the DEM or the Health Division from the Governor's budget. This includes funding for in-state travel, operating expenses, and training. If the Subcommittee wishes to approve General Funds to support this account, staff would seek authority to make the necessary adjustments to the in-state travel, operating expenses and training categories to remove the federal fund transfers from the DEM and the Health Division. This would be approximately \$67,233 in FY 2007-2008 and \$84,727 in FY 2008-2009.

On page 61 of [Exhibit C](#) is a listing of the six positions the Governor recommends continuing and the changes recommended in Budget Amendment 63.

Based on the information provided, does the Subcommittee wish to approve General Funds of \$226,161 in FY 2007-2008 and \$240,310 in FY 2008-2009 to support the Director of Homeland Security and the grants and projects analyst position?

In addition, does the Subcommittee wish to approve General Funds of \$67,233 in FY 2007-2008 and \$84,727 in FY 2008-2009 for in-state travel, operating expenses, and training that is recommended to be funded with transfers from the DEM and the Health Division in the Governor's budget?

SENATOR RHOADS:

Is the \$226,161 for FY 2007-2008 and \$240,310 for FY 2008-2009 in the Governor's budget?

MS. HAGER:

Budget Amendment 63 contains that funding request for the grants and projects analyst.

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SENATOR TITUS:

Why are they requesting funds for a grants and projects analyst supervisor when the grants and projects analyst position is vacant?

MS. HAGER:

We will continue the grants and projects analyst supervisor position which the agency also refers to as the deputy director for the OHS. The grants and projects analyst position, though still vacant, has been changed to an intelligence analyst for the Fusion Center.

CHAIR RHOADS:

If we approve the motion will the \$226,161 in FY 2007-2008 and \$240,310 for FY 2008-2009 come from the General Fund?

MS. HAGER:

That is correct. This money will cover the expenses of the Director of the OHS and a grants and projects analyst supervisor position. The two other currently existing positions are already supported by the General Fund.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE A GENERAL FUND APPROPRIATION FOR THE FOUR CURRENTLY-FILLED POSITIONS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

ASSEMBLYMAN PARKS:

Will Health Division funds for certain costs continue under this motion?

MS. HAGER:

No, there is no available funding from the Health Division of the DEM.

CHAIR RHOADS:

If this motion is approved does that stay the way it is now? Will federal funding help?

MS. HAGER:

Not necessarily. The Subcommittee may choose, as Assemblywoman McClain has just motioned, to approve a General Fund appropriation for the four currently filled positions. There are no alternative funding sources. The federal funding would only affect the Fusion Center, not this budget item.

ASSEMBLYWOMAN WEBER:

How long has the administrative assistant IV position, listed on page 61 of [Exhibit C](#), been vacant?

MS. HAGER:

I do not know how long that position has been vacant. I will research this and provide you with that information.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HAGER:

The administrative assistant IV position is currently funded by a 100-percent General Fund appropriation, yet is currently vacant. Does the Subcommittee wish to continue this position?

SENATOR TITUS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ELIMINATE THE VACANT ADMINISTRATIVE ASSISTANT POSITION FROM B/A 101-3675.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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SENATOR TITUS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE GENERAL FUNDS OF \$67,233 IN FY 2007-2008 AND \$84,727 IN FY 2008-2009 FOR IN-STATE TRAVEL, OPERATING EXPENSES, AND TRAINING AS RECOMMENDED BY THE GOVERNOR IN B/A 101-3675.

ASSEMBLYWOMAN McCLAIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RHOADS:
There being no further business before this Subcommittee, this meeting is
adjourned at 11:08 a.m.

RESPECTFULLY SUBMITTED:

Michael Archer,
Committee Secretary

APPROVED BY:

Senator Dean A. Rhoads, Chair

DATE: _____

Assemblyman David R. Parks, Chair

DATE: _____